



PV SQUARED
HEART & SOLAR

June 1, 2020

Department of Energy Resources
Attention: Kaitlin Kelly
100 Cambridge Street, Suite 1020
Boston, MA 02114

RE: SMART Public Comment
Emergency Regulations 225 CMR 20.00

Submitted via email to: DOER.SMART@mass.gov

Dear Kaitlin:

Pioneer Valley PhotoVoltaics Cooperative (PV Squared) is a solar photovoltaic design and installation company located in Greenfield, MA. PV Squared supports the Massachusetts Department of Energy Resources (DOER) effort to increase the Solar Massachusetts Renewable Target (SMART) program capacity to 3,200 MW and provides the following comments on the 225 CMR 20.00 SMART Program Emergency Regulations.

PV Squared emphasizes the need for the Commonwealth to enhance policy and regulation that support job creation, facilitate climate change mitigation goals established by the Commonwealth, and empower direct renewable energy investments by citizens and businesses in the Commonwealth.

1) REVIEW OF BASE COMPENSATION RATES

Reductions in SMART Base Compensation rates have occurred quickly and substantially outpaced any declines in solar project cost threatening the SMART program's effectiveness at supporting future solar development in the Commonwealth. Solar project development faces increasing pressure and expense related to rising material costs as well as rising interconnection and permitting costs/complexities. Federal policies and initiatives have reduced financial support (e.g., declining investment tax credit) and increased uncertainty, which has resulted in a market slowdown. COVID-19 impacts on day to day business activities will further increase the cost of solar project development and implementation for the foreseeable future come.

PV Squared recommends that DOER consider increases in Base Compensation rates, particularly for smaller (<500 KW) projects. This might include engagement of an independent, third-party consultant to administrator to lead this review and recommend revisions to Base Compensation Rates calculations that consider the current solar market dynamics and support on-going solar development over the long term.

2) INCREASE THE SMALL ENERGY STORAGE ADDER VALUE AND CREATE AN ENERGY STORAGE ADDER CARVE-OUT FOR SMALL PROJECTS

Many stakeholders have identified the existing inequity between the 10-year and 20-year value of the Energy Storage Adder for small (<25 kW) and large (>25 kW) projects, respectively. PV Squared supports a SMART program change that would eliminate this inequity going forward and suggests that this change also be applied retroactively.

Furthermore, uptake of the Energy Storage Adder capacity to date has been dominated by large >25 kW projects. This is expected to continue with the new requirement that all 500 kW and greater projects include energy storage. This trend mirrors the dominance of large project participation in the initial opening of the SMART program with capacity consumed by the large projects leaving smaller projects limited access to the program. Creation of a small project (<25 kW) carveout within the Energy Storage Adder similar to the Base Compensation capacity carveout would ensure small projects retain fair access to the Energy Storage Adder.

3) ALTERNATIVE ON-BILL CREDITS FOR BTM SOLAR

Net metering caps are an impediment to solar advancement and have slowed behind the meter (BTM) project development in the Commonwealth. PV Squared supports the DOER's intention to modify the SMART compensation structure for behind the meter (BTM) solar projects because these projects are currently unable to access fair financial benefits. This includes expansion of the Alternate On-Bill Credit (AOBC) option to BTM solar projects.

In addition, PV Squared urges the DOER to include a provision in the regulation that specifies PV system generation be netted against the customer's consumption in each billing cycle on a monthly basis. As stated by a number of Stakeholders during the May 22, 2020 Public Hearing, the vast majority of existing electric utility accounts in Massachusetts lack any 15-minute interval data, which makes it impossible to accurately determine the financial effects of solar generation against BTM loads. This is also true of new services (e.g., new construction) where historical data is also unavailable.

4) STATEMENT OF QUALIFICATION RESERVATION PERIODS

The COVID-19 pandemic has introduced significant challenges for day to day development and installation activities for solar projects. The nature, extent, and duration of these impacts are not known and will continue to impact daily operations for the foreseeable future. The Statement of Qualification Reservation Period Guideline, Revised April 15, 2020, extended the initial Reservation Period by an additional 6 months (to a total of 18 months) for all new SMART Program applications received between April 15, 2020 and July 1, 2020.

PV Squared recommends that given the economic uncertainties of the COVID-19 pandemic the DOER allow all new SMART applications received between April 15, 2020 and April 15, 2021 an initial reservation period extension of six months. Alternatively, the standard initial Statement of Qualification reservation period could simply be increased from 12 months to 18 months for all new SMART Applications submitted after April 15, 2020 for the duration of the SMART Program.

PV Squared appreciates the DOER's work to extend and improve the SMART Program we thank the DOER for the opportunity to provide comments and recommendations on the SMART Program Emergency Regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Child", written in a cursive style.

Jonathan Child
Design and Sales Team Leader