

June 1, 2020

Patrick Woodcock, Commissioner  
Massachusetts Department of Energy Resources  
100 Cambridge St., Suite 1020  
Boston, MA 02114

**Re: NECEC Comments on Statement of Qualification Guideline**

Dear Commissioner Woodcock,

NECEC submits this letter to the Department of Energy Resources (“DOER”) to request an amendment to the Statement of Qualification Reservation Period Guideline (“Guideline”) under the SMART Solar Program (225 C.M.R. 20.00 et seq.) to allow projects that have a Statement of Qualification to extend their Initial Reservation Period while system upgrades identified as a result of Affected System Operator (“ASO”) studies are completed.

NECEC is a clean energy business, policy, and innovation organization whose mission is to create a world-class clean energy hub in the Northeast, delivering global impact with economic, energy and environmental solutions. NECEC is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. NECEC members span the broad spectrum of the clean energy industry, including clean transportation, energy efficiency, wind, solar, energy storage, microgrids, fuel cells, and advanced and “smart” technologies.

NECEC appreciates the actions DOER has taken to date to accommodate into SMART projects that are subject to ASO Studies. The Guideline currently allows a project to extend its Initial Reservation Period while it remains subject to an ASO Study. This was a crucial protection for projects in ASO studies that had received a Statement of Qualification. As ASO study scopes and implications evolve, it is becoming clear that additional protections will need to be provided to projects that are subject to ASO studies.

National Grid presented an update on its Central and Western MA ASO Cluster Study on March 19<sup>th</sup>. This update indicated that projects representing over 275 megawatts (“MWs”) of capacity would be subject to upgrades that would take between 3.5 and 5 years (and millions of dollars) to complete as a result of the ASO Cluster Study.<sup>1</sup> This time frame is well beyond the Initial Reservation Period for projects participating in the SMART Program. While the provision for Extended Reservation Period Pending Affected System Operator Study extends the Initial Reservation Period for a project with a Statement of Qualification while the ASO Study itself is being conducted, it does not address whether a project will have its Initial Reservation Period extended pending completion of ASO Study-related upgrades.

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<sup>1</sup> Presentation available here: <https://ngus.force.com/servlet/servlet.FileDownload?file=0150W00000EoGc8>

With system upgrades taking many years, projects will likely not reach mechanical completion until after the Initial Reservation Period. Project owners will not be able to carry the costs of the project for up to 5 years while system upgrades are completed and will defer project construction until closer to the time that they will be able to interconnect. These projects will therefore not be covered by the Extended Reservation Period Pending Authorization to Interconnect. Projects in this situation require additional protections that allow them to retain their Statement of Qualification. Without action, hundreds of MWs of solar capacity will not be able to participate in the SMART Program and will not be viable through no fault of their own. Otherwise economic projects would not be able to secure financing due to the uncertainty of revenue streams available once the lengthy upgrades are complete. And this issue is likely only going to become more prevalent and impact many more projects as ASO Studies become increasingly common. Thus, it is timely to address this now.

We request that DOER amend the Guideline to clarify that projects will have their Initial Reservation Period extended until such time as the upgrades identified pursuant to an ASO Study are completed. This will provide necessary certainty to the industry that projects that have qualified for the SMART Program and are awaiting completion ASO Study upgrades will still be able to participate in the SMART Program. ASO Study timeframes and costs are causing considerable difficulties for developers, and a Guideline change to clarify that projects will be able to extend their Initial Reservation Period pending completion of ASO Study-related upgrades would remove an additional uncertainty. In addition, DOER may want to consider requiring periodic notices from the project owner confirming that the project remains active and that system upgrades are ongoing.

We appreciate DOER's consideration of this request that would provide clarity to developers and reasonable accommodations for projects that are being subject to lengthy and costly upgrades. Thank you and please contact us with any questions.

Sincerely,



Jeremy McDiarmid  
Vice President – Policy & Government Affairs