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May 29, 2020

Commissioner Woodcock
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: SMART Program Energy Rulemaking- Public Comments

Dear Commissioner Woodcock,

Thank you for the Massachusetts DOER's continued work to finetune the SMART program solar initiative. We appreciate the changes made in the Emergency Rulemaking to help SMART better achieve the program goals and the care taken to respond to feedback. We also appreciate this opportunity to provide public feedback.

621 Energy has been serving the Massachusetts commercial solar market since 2011 as a developer and solar contractor, generally focused on projects less than 500 kW for Massachusetts businesses and non-profits.

We have feedback on changes made to the existing SMART in the Emergency Rulemaking in two areas.

1) Systems greater than 2 MW (primarily ground-mount) used ~65% of the Block capacity (including waitlist) of the SMART, program crowding out projects in the mid-sized commercial market where the systems can be sited on the "Built environment" with minimal environmental impact (i.e. roof-mount and canopy systems). Only 21% of SMART capacity has applied for a location-based adder, with adders reflecting a desired location.

621 Energy supports the increase in the Greenfield subtractor and the 20% capacity carveout for 25 to 500 kW projects, which attempts to balance out this impact on the environment and allow Massachusetts businesses and nonprofits to participate directly in the benefits of solar.

2) Behind-the-Meter (BTM) projects represented only 5 to 6% of the qualified project capacity for projects > 25 kW. Projects in territories without net metering are overwhelmingly stand-alone systems. Ratepayer costs for BTM projects were estimated to be about 1/3 of a similar standalone project based upon the DOER figures in the 400 MW review. BTM systems provide a greater value to the grid than standalone systems. In addition, BTM systems will have much greater value to the owners after 20 years (the end of SMART incentives) due to continued retail electricity savings, while Standalone systems without net metering will be likely removed. In an effort to improve the BTM economics, DOER has increased the SMART incentive by adjusting the Value of Energy calculation and adjusting the future block decreases to 2%.

We believe that most large Building Mounted and Canopy Systems should be installed as BTM systems in order to provide the greatest long-term benefit to ratepayers and the grid. The changes as currently included in the Emergency Rulemaking will not have a meaningful impact on increasing BTM system installation for systems

greater than 25 kW. The BTM change in the Value of Energy calculation increases the BTM incentive by roughly 3 cents per kWh for Residential tariffs because the Distribution costs are close to 10 cents per kWh. These residential systems are already largely BTM. However, for the commercial and industrial tariffs most relevant to this issue, the incentive increase is 0.3 cents to 1.4 cents per kWh. This will not move >25 KW SA systems to BTM. Total compensation examples are shown below for a 25 to 250 kW building mount system in Block 9 with a 35% power export at market net metering or Qualifying Facility reimbursement (est. \$0.035/kWh) as appropriate:

Utility/Tariff	2020 VOE (current) \$/kWh	2020 VOE (revised) \$/kWh	VOE Change = Incentive Increase	SMART Incentive BTM Roof	Total BTM Compensation (35% export)	Standalone Total Comp- ensation	BTM Incentive Shortfall
NGRID G2 NEMA	\$0.14951	\$0.13595	\$0.01356	\$0.05516	\$0.17109	\$0.19111	\$0.02002
NGRID G3 NEMA	\$0.14338	\$0.13196	\$0.01142	\$0.05915	\$0.17109	\$0.19111	\$0.02002
Eversource East B2	\$0.14214	\$0.13243	\$0.00971	\$0.07456	\$0.20330	0.20699	\$0.00369
Eversource East B3	\$0.12682	\$0.12396	\$0.00286	\$0.08303	\$0.19860	0.20699	\$0.00839
Eversource West G2	\$0.11226	\$0.10837	\$0.00389	\$0.06866	\$0.16038	0.20699	\$0.04661
Eversource West T2	\$0.10973	\$0.10673	\$0.00300	\$0.07030	\$0.16038	0.20699	\$0.04661

The Table shows that BTM systems in Block 9 yield have a shortfall of up to 4.7 cents per kWh as compared to standalone systems when exporting 35% of power. The shortfall is largest in areas of the state without net metering.

The total compensation of BTM rates needs to be at least 2 cents per kWh above the standalone rates in order to move the standalone systems to BTM systems. Note that a standalone system is considered to have less risk to investors due to the certainty of future payments from the utility. Due to the pandemic, we believe that even more solar owners or investors over the next few years will choose a standalone system based on the risk factor alone.

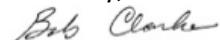
Suggestions to correct the BTM vs. Standalone compensation discrepancy:

1. Change the BTM Value of Energy calculation to = (65% of three-year average of basic service kWh charge) + (distribution kWh charge + transmission kWh charge + transition kWh charge +), OR
2. Create a BTM adder of 4 cents per kWh that can be taken in conjunction with location adders.

Suggestion 1 normalizes the change more evenly across different utilities and rate tariffs than the current calculation by using the more consistent Basic Service Charge vs. widely varying distribution rates. Even with either of these incentive increases, the cost to ratepayers will still be less than for a standalone system.

Thank you for your consideration.

Sincerely,



Bob Clarke

President

621 Energy, LLC