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June 1, 2020

Via E-Mail

DOER.SMART@mass.gov

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

Re: SMART Public Comments of the Massachusetts Electric Distribution Companies

Dear Ms. Kelly:

On behalf of NSTAR Electric Company d/b/a Eversource Energy (“Eversource”), Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“National Grid”) and Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”) (together, the “Distribution Companies”), enclosed are written comments concerning the Department of Energy Resource’s revised Solar Massachusetts Renewable Target (“SMART”) Program regulations, 225 C.M.R. § 20.00 et seq.

Thank you for your attention to this matter. Please contact me if you have any questions.

Sincerely,



Matthew S. Stern, Esq.

Enclosures

cc: Laura Bickel, Esq.
Patrick Taylor, Esq.
John K. Habib, Esq.

**SMART PUBLIC COMMENTS OF THE
MASSACHUSETTS ELECTRIC DISTRIBUTION COMPANIES**

I. INTRODUCTION

On April 14, 2020, the Massachusetts Department of Energy Resources (“DOER”) filed revised Solar Massachusetts Renewable Target (“SMART”) Program regulations, 225 C.M.R. § 20.00 et seq. with the Secretary of the Commonwealth as emergency regulations. DOER established a deadline of June 1, 2020 for public comment on the revised regulations. In addition, DOER issued a first set of guidelines, with a public comment deadline of June 1, 2020: Statement of Qualification Reservation Period Guideline; Guideline on Capacity Blocks, Base Compensation Rates, and Compensation Rate Adders; and Guideline Regarding Land Use, Siting, and Project Segmentation.

Subsequently, DOER issued additional guidelines with a public comment deadline of June 18, 2020: Guideline Regarding the Definition of “Brownfield”; Guideline on Establishing SMART Compensation Rates; Guideline on Energy Storage; Guideline Regarding Low Income Generation Units; Guideline on SMART Consumer Protection; Guideline Regarding Metering of Solar and Energy Storage Systems; and Guideline Regarding Alternative Programs for Community Shared Solar Tariff Generation Units and Low Income Community Shared Solar Tariff Generation Units.

Pursuant to the above-noted comment periods, NSTAR Electric Company d/b/a Eversource Energy (“Eversource”), Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“National Grid”) and Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”) (together, the “Distribution Companies”) provide the following comments on the emergency regulations and guidelines. The Distribution Companies are providing limited comment on the DOER’s Guideline Regarding Metering of Solar and Energy

Storage Systems herein but reserve the right to provide additional comment on additional guidelines through June 18, 2020.

II. COMMENTS ON SMART REGULATIONS AND GUIDELINES

1. Municipal Aggregation – 225 C.M.R. §§ 20.06(1)(f)4 and 20.06(1)(h)5

Section 20.06(1)(f)4 of the emergency regulations provides that:

Electricity or bill credits may be allocated through a municipal load aggregation program established pursuant to M.G.L. c. 164, § 134, or through a low income community shared solar program established and administered by a Distribution Company.

Section 20.06(1)(h)(5) of the emergency regulations provides that:

Electricity or bill credits may be allocated through a municipal load aggregation program established pursuant to M.G.L. c. 164, § 134, or through a community shared solar program established and administered by a Distribution Company.

DOER has also issued a Guideline Regarding Alternative Programs for Community Shared Solar Tariff Generation Units and Low Income Community Shared Solar Tariff Generation Units.¹ The guideline provides additional information about eligibility requirements for participation in alternate Community Shared Solar (“CSS”) or Low Income Community Shared Solar (“LICSS”) programs established by a municipal aggregator or distribution company. However, neither the regulations nor the guideline contain details about the mechanics of the alternative programs and they would benefit from further clarity.

Currently, the regulations and guideline do not address how entities such as competitive suppliers can be a host or recipient of Alternative On-Bill Credits (“AOBCs”) or how a municipal aggregation can show that customers are enrolling in or otherwise benefiting from the output of a solar facility. Further it is unclear how this output can be used by such entities to shape the price

¹ The comment period on this guideline extends through June 18, 2020. The Distribution Companies may provide additional comment on this guideline in accordance with that comment period.

of actual electricity that is served under the competitive supplier tariff and regulations. The guideline suggests that the applicant will be required to provide a contract between the municipality and owner of a Solar Tariff Generation Unit (“STGU”) demonstrating the municipality’s commitment to require aggregators to provide the CSS/LICSS rate, or a contract between the aggregator and owner of the STGU outlining the payments to be made from the project to the aggregator from energy compensation received. It is unclear if “energy compensation received” is intended to refer only to payments under 220 C.M.R. § 8.00, i.e. as a Non-Net Metered Generation Unit,² or if facilities may also participate as a Net Metered Generation Unit or Alternative On-Bill Credit Generation Unit. DOER should provide more information to clarify how the alternative CSS/LICSS programs are intended to operate.

2. Calculation of Incentive Payments for Behind-the-Meter Solar Tariff Generation Unit – 225 C.M.R. § 20.08(3).

Section 20.08(3) of the emergency regulations, as further clarified by DOER, establishes a new calculation for incentive payments for behind-the-meter STGUs that receive a Statement of Qualification after the Publication Date of the emergency regulations, and are not compensated as a Class I, II or III Net Metering Facility. The Distribution Companies have no objection to the corrected formula, which DOER has indicated will be reflected in the final regulations. However, the Distribution Companies note that no incentive payments can be issued under the revised incentive payment calculation formula until the same is approved by the Department of Public Utilities (“Department”) for inclusion in each Distribution Company’s SMART Tariff. The Distribution Companies support working with DOER to facilitate a timely submittal of compliance changes to the SMART Tariff to implement the revised incentive payment calculation, but

² The Distribution Companies respectfully note that the definition of Non-Net Metered Generation Unit contains a mistaken reference to 225 C.M.R. § 8.00 instead of 220 C.M.R. § 8.00.

payments cannot be made under the new formula until such approval by the Department is obtained.

3. Calculation of Incentive Payment for Standalone Solar Tariff Generation Units – 225 C.M.R. § 20.08(1).

The formula in the SMART Tariff for calculating an incentive payment for a standalone Alternative On-Bill Credit Generation Unit differs from the formula in the regulation. The regulation values the total compensation and total value of energy produced by a standalone STGU, whereas the formula in the tariff values each kWh captured by the retail meter, and provides and incentive by subtracting the value of energy from the total compensation rate for each kWh.³ Among standalone, single meter systems, there is no difference in the value received under either approach. However, DOER has revised the definition of Standalone Solar Tariff Generation Unit to exclude load used to operate a coupled Energy Storage System (“ESS”) from the meaning of “On-site Load” even though the ESS introduces load behind the Point of Interconnection in the form of battery losses. Thus, the formula in 225 C.M.R. § 20.08(1), which calculates the incentive payment and AOBC value of energy based on total kWh generated without accounting for station load, essentially pays STGU owners for the lost energy due to ESS losses through the incentive payment. This will lead to differential payments and treatment of output between DC-coupled and AC-coupled AOBC STGUs with ESS. It will also increase the cost of the SMART program by the value of the lost energy in kWh times the net incentive rate (total compensation – VOE). This will automatically treat losses differently for AC versus DC coupled facilities. The Distribution Companies respectfully recommend that DOER carefully consider the implications of this approach before finalizing the regulations.

³ Eversource is currently applying the incentive payment calculation as specified in the SMART regulations.

4. Guideline Regarding Metering of Solar and Energy Storage Systems.

DOER issued its Guideline Regarding Metering of Solar and Energy Storage Systems on May 18, 2020, with immediate effect. The guideline appears to establish inverter-located metering as an alternative source for billing and payment data for STGUs with ESS, instead of requiring only utility-owned meters. While the Distribution Companies appreciate the inclusion of nationally-recognized standards for meter accuracy, testing and calibration requirements, the Distribution Companies remain concerned that such inverter-located metering cannot be integrated with existing utility billing systems and would conflict with the current SMART Tariffs as well as the Department's order in D.P.U. 17-140.

In D.P.U. 17-140, the Department explicitly held that "the Distribution Companies will need to own the production meters so that they can accurately track production for incentive and energy payments of the SMART STGUs and energy storage systems." SMART Provision, D.P.U. 17-140-A, at 79 (2018). The Department also agreed that Distribution Company ownership of production meters will best ensure that SMART Program customers receive their incentive payments in the timeliest manner. *Id.* Moreover, the Department lacks jurisdiction over third-party owned meters, and it is therefore unclear how meter accuracy, testing, calibration and verification could be enforced for third-party owned meters such as inverter-located metering. DOER's guideline appears to contradict the Department's ruling without fully addressing the concerns raised in that proceeding.

Setting aside the Department's order, the Distribution Companies cannot, as a practical matter, support inverter-located metering at this time as billing system modifications would be required to support such data. In addition, the Distribution Companies expect that acceptance of third-party meter data will require additional verification, which could delay incentive payments

(e.g., until after renewable energy certificates have been minted through the New England Power Pool generation information system). See SMART Provision, D.P.U. 17-140-A, at 78 (2018).

For these reasons, the Distribution Companies recommend and request that DOER remove the options of inverter-located and customer-owned metering from the Guideline Regarding Metering of Solar and Energy Storage Systems because such options run counter to the Department's directive in D.P.U. 17-140 and the Distribution Companies do not have the capability to incorporate such data today.


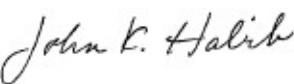
III. CONCLUSION

The Distribution Companies appreciate the opportunity to submit comments on the revised SMART regulations and look forward to continued collaboration with the DOER and stakeholders to implement the expanded program.

Respectfully submitted,

**NSTAR ELECTRIC COMPANY d/b/a
EVERSOURCE ENERGY**

By its attorneys,

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