



June 1, 2020

Sent via electronic correspondence to doer.smart@mass.gov

Kaitlyn Kelly
Massachusetts Department of Energy Resources
100 Cambridge Street, 10th Floor
Boston, MA 02114

RE: Comments in Response to SMART Program Emergency Regulations

Dear Ms. Kelly,

ENGIE North America Inc., appreciates the opportunity to provide comments relating to energy storage on the Solar Massachusetts Renewable Target's Emergency Regulations released by the Department of Energy Resources on April 14, 2020. Enclosed are ENGIE's comments and recommendations for your consideration.

Sincerely,

/s/ Sarah Bresolin Silver

Sarah Bresolin Silver
Director, Government and Regulatory Affairs
Engie North America, Inc.





**RECOMMENDATIONS OF ENGIE NORTH AMERICA INC.
ON THE SMART EMERGENCY REGULATIONS
JUNE 1, 2020**

I. Introduction

ENGIE North America LLC (“ENGIE”) appreciates the opportunity to provide comments to the Department of Energy Resources (“Department”) on the Solar Massachusetts Renewable Target (“SMART”) program emergency regulations (“Emergency Regulations”) issued on April 14, 2020.

ENGIE SA is a global energy services company and the world’s largest provider of energy and energy-efficiency services. ENGIE is uniquely positioned to comment on the Emergency Regulations given its permanent Massachusetts presence for decades and active engagement in shaping the SMART program through its distributed renewables business. ENGIE is a national leader in the deployment of distributed energy storage systems (“ESS”) for both behind-the-meter and front-of-the-meter applications and is currently developing over 50 megawatts (“MW”) of energy storage and 76 MW AC of solar photovoltaic (“PV”) in Massachusetts through the SMART program alone. ENGIE’s SMART projects will also participate in the region’s wholesale energy markets administered by the Independent System Operator for New England (“ISO-NE”) and managed by ENGIE’s asset manager, Genbright.

ENGIE appreciates that the Department is including ESS as part of the SMART program update. However, ENGIE’s portfolio of solar plus storage projects in development under SMART will be negatively impacted by the Emergency Regulations. To ensure that the SMART program promotes solar-paired energy storage in a manner consistent with the Commonwealth’s economic development and sustainability objectives, ENGIE recommends that the Department: (1) modify land use designations to avoid prohibiting the development of solar plus storage projects in certain circumstances; (2) revise grandfathering provisions for implementation beginning in Block 9 and with flexibility for projects that have been significantly delayed at no fault of their own; and (3) provide



flexibility to projects for enrolling community solar subscribers due to the impacts of COVID-19.

ENGIE also supports the Energy Storage Association's comments, particularly the recommendation to eliminate the continued phase down of the incentive adder for energy storage in the Emergency Regulations.

II. Comments

ENGIE commends the Department for increasing the size of the program by 1,600 MW of capacity and supports the provision requiring energy storage to be paired with PV systems of 500 kW or greater. The Commonwealth has set aggressive and meaningful goals and by designing programs like the SMART program, the Department is ensuring that there is both the economic incentive and welcoming business environment to ultimately achieve the states goals. While the SMART program is largely billed as a solar program, its contribution to the increased deployment of ESS in the Commonwealth is remarkable.

a. The new land use restrictions will negatively impact ESS deployment in the Commonwealth.

The Emergency Regulations expand the ineligibility of SMART projects to include three new GIS layers: priority habitat, core habitat and critical natural landscape. The new land use restrictions appear to render ineligible a large part of the state's territory for construction under the SMART program of ground-mounted solar. This will also effectively prevent the continued pace of deployment of energy storage under the SMART program. Since almost 90 percent of the energy storage capacity developed under the SMART program is paired with ground-mounted solar projects, frustrating the development of these projects greatly diminishes the prospects for further deploying storage.



ENGIE recommends that the Department use common sense regulatory tools like authorizing waivers from new habitat restrictions where the GIS layer is inaccurate or where it is determined that a project can move forward with no adverse impact to the species or habitat at issue. At the very least and given that these restrictions were not proposed in the Department's straw proposal, a stakeholder technical session to discuss the new land use restrictions and mapping technology would be a reasonable path forward and would fulfill administrative procedure best practices.

b. The grandfathering provisions are overly restrictive and should be revised to protect investments in ESS.

Proper grandfathering of projects under development is critical. However, the current grandfathering language does not appropriately consider the investments already made in the Commonwealth under the SMART program. As drafted, the provisions will wipe out hundreds of MWs of battery storage projects that are set to begin construction in the near term. Because storage projects take years and significant investment to fully develop, regulatory change without a commonsense grandfathering provision will leave many investments stranded. Stranded investments are sure to send a chill through the investment community located within and outside the Commonwealth.

ENGIE recommends that the Department consider applying new habitat restrictions beginning in Block 9. Also, due to multi-year interconnection bottlenecks and other delays largely unattributable to industry participants, grandfathering provisions could be extended to projects that can demonstrate they have obtained site control prior to the publication date and demonstrate substantial investment in permitting by October 15, 2020. Proper grandfathering is critical to protect investments and maintain investor confidence.



c. Flexibility for subscribing community solar customers is warranted given the impacts of COVID-19.

ENGIE requests that the Department provide flexibility to companies attempting to enroll community solar subscribers due to the precautions companies have taken in response to COVID-19. The suspension of in-person sales and increased customer distraction has raised significant obstacles to enrolling subscribers. It is difficult to tell how many months it will take for the industry to return to normal operations, or whether customer acquisition practices are forever changed, in which case new models must be developed.

ENGIE recommends that the Department allow a 12-month grace period for the requirement in the Statement of Qualification Reservation Period Guideline for community solar and low-income community solar projects to achieve 90 percent subscription. Projects would maintain their capacity block and offtaker adder tranche reservations. SMART incentive payments would begin only when the 90 percent threshold is met.

Thank you for the opportunity to participate in this important process. Please do not hesitate to contact me should you have any questions.

Respectfully submitted,

/s/ Sarah Bresolin Silver

Sarah Bresolin Silver
Director, Government and Regulatory Affairs
ENGIE North America
9 Channel Center, 6th Floor
Boston, MA 02110
sarah.bresolin@engie.com