

Re: SMART Guideline Comments Extension

Pete Fine <pete@ussolarworks.com>

Wed 7/1/2020 12:48 AM

To: SMART, DOER (ENE) <doer.smart@mass.gov>

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Dear DOER,

We would like to provide information and comments on [SMART Compensation Rates](#).

As the owner of US SolarWorks, and US TechnologyWorks, I have been involved in residential and commercial solar installations since 2005. Thus, we are a local in-State based Corporation, specializing in commercial solar for MA based rate payers, who are looking to lower their carbon footprint, remain competitive in a global market place by stabilizing their energy costs, and help to save our planet at the same time, by changing the way business facilities are powered.

We understand the stated goals of the MA legislature branches for lowering greenhouse gas emissions and running the State's homes, businesses, and vehicles on a high percentage of renewable energy. Our first major comment here, is that the SMART Compensation Rates should be oriented towards those goals, and also to protect the interests of the electricity ratepayers of the Commonwealth of Massachusetts.

In a brief review of the history of solar development and incentive programs in Massachusetts, there have been a series of programs, which led to successful deployment of numerous solar installations across the State. A cash rebate program through the MA CEC provided sufficient financial incentive for ratepayers to install solar through this seed program, and begin the normalization of solar adoption. Along with the CEC rebate ratepayers were able to net meter their solar power to offset their onsite consumption. Under these programs National Grid would allow a ratepayer to install enough net-metered solar equipment to provide up to but no more than 150% of their annual consumption. Stand-alone solar was not allowed and the rebates were available to allow ratepayers to offset their consumption. My comment here is that this was a very successful program which produced growth of acceptance for solar installations, and directly benefited ratepayers who adopted and invested in solar installations to offset their electric consumption.

Under the following solar incentive programs including the SREC and SREC II programs the concept of net metering was perturbed in a manner which was not allowed in any other States in the Nation. In my observation of these programs' rise and fall, the so called "remote" net metering or "virtual" net metering solar sites led to many of the large solar installations to be located remote of any load. These virtual net metered sites seem to have been created through a loophole in the programs, and were quickly exploited, producing large solar arrays located remote of any load, and the SREC allotment was very rapidly depleted, with a vast majority of the later system installations being remotely located solar sites, without any appreciable loads offset at the site of the solar project. A burden was placed on the Utility distribution system, to the point where many of the commercial and industrial ratepayers were shut out from installing solar to offset their load. Many sections of the grid became saturated with solar energy installations to the point where

additional projects were not feasible due to this saturation. So in reality, non-rate payers were receiving the ratepayer generated funds, and the same rate payers were becoming unable to install solar facilities on their sites to offset their load. It is the opinion of many local solar installation firms, and many of their commercial customers that this was an injustice and an undesirable consequence of the remote solar arrays using up a large portion of the allocated ratepayer's resources.

Thus, many out of State Institutional investors jumped on the bandwagon and the ratepayer provided funds were very rapidly depleted, far faster than the programs were designed to last, and ratepayers were shut out from installing solar to offset their on site usage.

To correct the loss of SREC, and any useful solar incentive program in Massachusetts, emergency regulations were enacted, to stimulate distributed generation of renewable energy, and the SREC II program was initiated. Some of the stated goals were to design a program which would be carefully administered and designed to provide growth and acceptance of solar implementation, along with the stated goal that the program should be carefully managed, to last through the year 2020. Remote systems were to receive less of the funds, so that behind-the-meter systems would have an incentive program to provide ratepayers an opportunity to offset their load with renewable energy.

Any observer could see, the SREC II program did not do enough to incentivise behind the meter system, and remote systems with "virtual" net metering quickly exploited and used up the bulk of the funds, which were quickly depleted, well before the 2020 stated goal for the program. My comment here, is that this is an injustice to the ratepayers of Massachusetts.

Similarly, when the SMART program was designed and deployed, the stated goals were to incentivise behind the meter solar, and to limit the deployment of stand-alone systems, and to have a long standing robust solar incentive program. Apparently the SMART regulations missed their mark, and the vast majority of the solar funding was very quickly extinguished, within the very first month of the program, with nearly 90 % of the funds going to remote located systems without a matching onsite load.

It would seem that a good robust and reliable program would benefit ratepayers who wish to adopt solar to offset their load. Onsite consumption places far less burden on the Utility distribution system as compared to remote located systems with no load.

So Wetlands and farms are endangered.

Commercial ratepayers have been largely shut out of receiving net metering or SMART incentives, Utilities are swamped and delayed on doing huge amount of Impact study work on grid sections without helping distribution at heavily loaded areas.

Local and regional solar installers who depend on a stable viable marketplace for ongoing solar adoption, have been crushed by the past program collapses. Local installation firms have been forced to enact layoffs and business closures, and we now have a vastly reduced Massachusetts solar workforce.

Large out of State institutional entities made off with the lion's share of ratepayer funding for the next 20 years, and the Utility resources have been spent just to accommodate these remote systems, rather than accelerating a smart and robust grid, with wisely distributed generation systems.

My comments and recommendations are thusly formed, by the clear history of the former programs.

Recommendation #1) SMART incentive rates for Behind the meter systems should not have decreasing value. Rate payers should not have to speculate on what block they may get once their application is approved. In my experience, business owners, and home owners do not wish to speculate on their rate of return for investment. Institutional speculators have soaked up the vast majority of the funds from SMART. The behind the meter customers should now have a chance to enjoy similar benefits of the incentive programs which they are funding, and they should not have to speculate, as to what their incentive value will be.

One effect of the rapid and uncontrolled deployment of "virtual" net metering, was the early collapse of the SREC program, and also the early collapse of SREC 2. Similarly we saw a very rapid saturation and ultimate collapse of available SMART funding, where nearly 90% of the project incentive funding from SMART went to "Remote" solar sites, and where the normal businesses who were waiting 2 years for an incentive program to help balance their solar powered facility to stabilize their energy operating costs, got very quickly shut out. Another facet result of this glut of "Remote " solar arrays, was a glut of Utility applications and complicated studies to try and determine impact of all these Remote systems on remote parts of our GRID, tying up Utility personnel, slowing down installation and ultimately requiring upgrades to remote parts of the Grid, rather than focusing Utility Grid upgrades to the more active portions of our grid, where the load and distribution is focused.

Recommendation #2) Behind the meter customers should have access to at least 50% to 75% of the second round of SMART funding. In the original SMART blocks, nearly 90% of the funds were captured by Stand-alone solar developers, in remote locations, with less value and more burden to the Utility system compared to solar deployed to offset an on-site load that we have in Massachusetts. I firmly believe the ratepayers should have a chance to benefit from a stable long term program, so the ratepayers have time to make their plans and raise their capital and deploy their solar systems over the next few years.

Many observers of these programs would like to see wise use of our State's resources. I further believe that incentives should be deployed in a manner which encourages solar arrays placed on buildings and parking lots and other disturbed lands, and I believe there should be more of a differential in the value of incentives for these programs as compared to solar placed on farm lands, forests and other pristine locations. I recommend the new incentive rates should further incentivise rooftop and carport sited solar projects, and trend toward decreasing the rapid expansion of solar fields on natural resource lands without significant load, where extra Utility infrastructure is needed to transport the power. I recommend incentive values should have a larger differential for solar arrays co-located with matching amount of electrical load, as opposed to remote stand-alone systems.

Recommendation #3) Increase the building based adder to 4 or 5 cents/kWh

In summary, in the big picture for what is best for our ratepayers and for our Utility resources, it should be clear that solar developments are better suited to be located alongside a building's load, rather than solar being placed in remote areas, away from any load.

Our company, US SolarWorks is a long-standing, highly experienced commercial solar installation company, based in Attleboro, MA. We have worked through installations and various rebate programs including MA CEC rebate rebates, SREC1 and SREC 2, and SMART program, as well as the neighboring RI programs with REF and REG incentives. In short, we have seen all of these programs come and go, and installed numerous solar arrays under each of these programs over the years.

With this experience and the lessons learned over the past 15 years, we respectfully submit these comments and recommendations.

Pete Fine - President
US SolarWorks

On Thu, Jun 11, 2020 at 3:57 PM Massachusetts Department of Energy Resources <doer.energy@mass.gov> wrote:



[DOER LOGO](#)

SMART Guideline Comments Extension

Dear SMART Stakeholders,

In response to industry requests, DOER has extended the comment period on several guidelines that were changed as part of the emergency regulation rulemaking process for 225 CMR 20.00 and it has posted redline versions of these guidelines to its [website](#). The written comment extension shall apply to the following guidelines, which DOER currently has out for comment:

Existing Guidelines

[Guideline Regarding the Definition of "Brownfield"](#)

[Guideline on Establishing SMART Compensation Rates](#)

[Guideline on Energy Storage](#)

[Guideline Regarding Low Income Generation Units](#)

New Guidelines

[Guideline on SMART Consumer Protection](#)

[Guideline Regarding Metering of Solar and Energy Storage Systems](#)[Guideline Regarding Alternative Programs for Community Shared Solar and Low-Income Community Shared Solar Generation Units](#)

The deadline for submitting written comments for these guidelines is now **Monday, June 29, 2020, by 5pm**. Written comments should be submitted to DOER.SMART@mass.gov with "SMART Guideline Comments" in the subject line. As an alternative, the public may submit written comments via mail to the Department of Energy Resources, 100 Cambridge Street, Suite 1020, Boston, MA 02114, attention Kaitlin Kelly. Please be advised that there may be delays in receiving written comments via the mail.

As always, please visit DOER's [website](#) for the latest information on the SMART Emergency Rulemaking process, and for information about the program. DOER appreciates the participation and feedback provided by stakeholders throughout the emergency rulemaking process. Please send any questions to DOER.SMART@mass.gov.

Regards,

Eric Steltzer

Director, Renewable and Alternative Energy Division

[Massachusetts Department of Energy Resources](#)

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7/2/2020

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