



June 29, 2020

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

**DOER.SMART@mass.gov**

**RE: Clearway Energy Group comments on SMART Guidelines: 1) Consumer Protection and 2) Alternative Programs for Community Shared Solar and Low-Income Community Shared Solar Generation Units**

Dear Ms. Kelly:

Thank you for the opportunity to provide comments on two SMART Guidelines: Consumer Protection and Alternative Programs for Community Shared Solar and Low-Income Community Shared Solar Generation Units.

Clearway Energy Group ("Clearway") concurs with comments filed by the Solar Energy Industries Association ("SEIA"), the Coalition for Community Solar Access ("CCSA"), the Northeast Clean Energy Council ("NECEC") and the Solar Energy Business Alliance of New England ("SEBANE"), submitted collectively as the "Solar Commenters." Clearway's comments, offered here separately, build on the Solar Commenters' feedback.

**RECOMMENDATION #1: Clarify the Consumer Protection Guideline to address confusion regarding the customer of record.**

Clearway urges DOER to add language to the SMART Participant Customer Disclosure Form ("Disclosure Form") and a revision to the Guideline on SMART Consumer Protection to make clear that the Disclosure Form will be deemed complete if signed by the Customer of Record or a household member for purposes of enrolling to a SMART project. This could clear up confusion and provide additional flexibility where one member of a household (e.g., a spouse or other household member) executes the customer agreement and another member of the household is the registered utility account holder. Additionally, the Guideline on SMART Consumer Protection 2(c) could be revised as follows (see **redlines** below):

"In accordance with the requirements of 225 CMR 20.06(1)(h)2., the Owner or Authorized Agent of a prospective Community Shared Solar (CSS) Tariff Generation Unit must submit a copy of a customer disclosure form signed by each Customer of Record receiving electricity or bill credits or a household member of the Customer of Record. The revised customer disclosure form has been developed by the Department and is available on the Department's website:

<https://www.mass.gov/info-details/solar-massachusetts-renewable-target-smart-program>.

**RECOMMENDATION #2: With respect to the Guideline on Alternative Programs for Community Shared Solar and Low-Income Community Shared Solar Generation Units, Clearway urges DOER to consider other ways to expand equitable access, such as through net crediting.**

Under the current SMART framework, developers enroll individual utility customers to become "subscribers" to a Solar Tariff Generation Unit (STGU). These subscriptions entitle participating customers to receive credits on their utility bills based on their allocation percentage of the energy injections by the STGU to relevant utility's electric distribution system. The STGU owner must notify the utility of the credit amount to be applied to each STGU before the credits are to be distributed to the subscribers. The subscribers, in turn, are required to remit their subscription fee payment directly to the STGU owners for their respective credits in accordance with the terms of the contract between the STGU owner and subscriber.

The current structure has certain inefficiencies that affect STGU development in each utility's service territory. First, the need to separately bill customers for STGU subscription fees leads to customer confusion and complicates the process of enrolling subscribers, adding unnecessary costs and risks to the SMART Program. The direct contracting arrangement also exposes the STGU owner to risk of non-payment from individual subscribers. Currently, the subscriber receives its full proportional credit on its utility bill, and is required to make payment under the terms of the subscription contract. As a result, the STGU owner typically contracts only with customers with good credit histories.

Introducing a form of consolidated billing such as consolidated billing with purchase of receivables, or a net crediting model such as is being implemented by the New York Public Service Commission, would significantly improve the SMART Program and expand access to solar to all customer demographics. With net crediting in place, STGU owners would continue to enroll customers and notify the utility as provided under existing regulations. However, rather than allocate the full proportional credit amount to a subscriber's bill, the utility would allocate a "net" credit amount to the customer. The net credit amount would never be less than zero (i.e., there would be no "negative credits"); therefore, the subscriber's utility bill would never be more under the net crediting program than the bill would have been if the subscriber was not participating in community solar. The STGU would receive payment directly from the utility, which would be based on the current compensation per regulations associated

with the STGU owner's injections to the utility's electric distribution system, less the net bill credits provided to subscribers and unallocated credits, less a fee to the utility for providing the service.

Net crediting would address several of the challenges confronting community solar under the SMART Program. First, net crediting would reduce the number of transactions between subscribers and STGU owners associated with CSS participation. Rather than STGU owners having to invoice subscribers and the subscriber's sending payment to the STGU owner for the bill credit on their utility bill, net crediting would allocate the "net" SMART credit to the subscriber, thereby eliminating some transaction steps. This would simplify the process for subscribers and STGU owners, and reduce the administrative costs of CSS transactions.

In addition, by eliminating the billing-payment transactions between STGU owners and subscribers, the net crediting structure avoids the credit exposure STGU owners have from subscriber non-payment. By modifying the CSS transaction structure to address this credit risk exposure, net crediting would expand access to CSS participation for LMI customers. Further, because the program would be structured such that subscribers would receive a net credit that is positive to zero (i.e., never negative), subscribers would never pay more on their electric bills due to CSS participation than if they had not participated.

In sum, net crediting can reduce transaction costs, improve the customer experience, increase accessibility, and therefore add value for subscribers and STGU owners while reducing the complexity, and therefore, the potential errors, from utility companies. Clearway would be pleased to discuss net crediting further with DOER and would gladly be part of a collaborative working group to brainstorm further on this important issue. Net crediting could also be a helpful complement to CCA community solar partnerships. Rather than, or in addition to, the municipal aggregation model proposed by DOER in its June 10 webinar, DOER should consider a model in which the CSS provider partners with the CCA for the purposes of customer acquisition, but continues to directly serve customers using the experience CSS providers have refined over the last decade, and with the enhanced functionality of net crediting to address financing challenges and simplify the transaction. Such a model could be very powerful in expanding community solar access in the Commonwealth while continuing a robust competitive community solar industry.

Thank you very much for your consideration of these comments. Please contact me at [dan.hendrick@clearwayenergy.com](mailto:dan.hendrick@clearwayenergy.com) should you have any questions.

Sincerely,

/s/ Dan Hendrick  
Head of External Affairs – East