



Via Electronic Mail

March 5, 2021

Abby Barnicle, Renewable Energy Program Coordinator
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston MA, 02114

Re: Draft SMART Guideline – February 2021, Clean Energy Parties' Comments

Dear Ms. Barnicle,

The Northeast Clean Energy Council ("NECEC"), the Coalition for Community Solar Access ("CCSA"), the Solar Energy Industries Association ("SEIA"), and Vote Solar (together, the "Clean Energy Parties") appreciate the opportunity to submit these comments to the Department of Energy Resources ("DOER") regarding the Draft SMART Guidelines issued on February 12, 2021. We commend DOER for clarifying certain program elements and, especially, for the compensation proposal and compliance clarifications in the Guideline on Energy Storage. Below we provide additional comment on the Guideline on Energy Storage and the Statement of Qualification Reservation Period Guideline, request additional flexibility for projects that continue to be impacted by COVID, and request additional clarity regarding projects that wish to participate in a municipal load aggregation.

Guideline on Energy Storage

Round Trip Efficiency Proposal

The revised Guideline on Energy Storage includes a proposal to compensate standalone DC-coupled solar with energy storage for its round-trip efficiency ("RTE"). We understand that the formula associated with this proposal is the result of discussions between developers, DOER, and the Electric Distribution Companies. The Solar Stakeholders support the proposal and the associated formula. Compensating standalone DC-coupled projects for the RTE losses that, to this point, have not been accounted for will create a fairer and more equitable outcome for these projects.

Cycling Requirement

The revised Guideline on Energy Storage also includes a proposal to clarify that Energy Storage Systems are required to meet the requirement to cycle 52 times a year beginning in the first full calendar year after Commercial Operation Date. The Clean Energy Parties appreciate DOER's recognition that projects that come online late in the year could have difficulties meeting even a

pro-rated cycling requirement. The additional clarity created by this proposal will provide greater confidence for developers regarding the requirements they will need to meet. We remain concerned, however, with the lag between Commercial Operation Date and Incentive Payment Effective Date that many projects are experiencing. As such, we urge DOER to include a provision that will grant additional flexibility to projects that do not receive an Incentive Payment Effective Date by June 1 of the first compliance year. This would mean that such projects are experiencing at least a six month delay between Commercial Operation Date and Incentive Payment Effective Date. Such a lengthy lag should constitute good cause for a deferral of the first compliance year.

Additionally, we appreciate the changes to the requirement that all 52 cycles fall within the SMART peak hours. Altering the operational requirements so that the battery need only primarily (>75%) discharge within peak hours allows for the battery to smooth the intermittent solar energy outside of this timeframe and results in less forced cycling of the battery system, which prevents against losses in system efficiencies. Therefore, this change will result in less solar energy lost and less unnecessary battery degradation.

Statement of Qualification Reservation Period Guideline

The Statement of Qualification (“SOQ”) Reservation Period Guideline has a provision intended to ensure that the issuance of SOQs following the conclusion of an Affected System Operator (“ASO”) Study is done fairly. We recommend that DOER include Group Studies in this section. Group Studies will likely lead to a similarly high volume of SOQ applications immediately following the conclusion of a Group Study. In order to address this issue for all Group Studies, we suggest a simple change to expand section 10 of the SOQ Guideline to address Group Studies at the distribution level in addition to Affected System Operator studies:

10) Application Review Following the Completion of a ~~n~~ Group Study or Affected System Operator Study

If a distribution company completes a ~~n~~ Group Study or Affected System Operator study, and the distribution company has issued multiple ISAs, the Department may inform Applicants that it will pause application processing within that distribution company’s open Capacity Blocks for a five day period. During that time, all applications will be considered to have been submitted at the same time. Applications will be ranked first by the date that the distribution company provided an executable ISA ~~date~~ to the Applicant, then by the date of the ISA application.

The 5-day pause on application processing successfully addresses the potential for administrative burdens caused by a run on applications, and ordering by ISA application date is a fair and reasonable measure of project maturity when projects have the same ISA date. In addition, we suggest clarifying that “ISA date” refers to the date that an executable ISA was provided by the distribution company, rather than the date the ISA was fully executed. This will

avoid any inequities that could be caused by different processing timelines for the distribution companies to countersign ISAs.

COVID-19 Extension Request

The Clean Energy Parties thank DOER for granting a six-month extension to the Statement of Qualification (“SOQ”) Reservation Period for all Solar Tariff Generation Units (“STGUs”) on April 15, 2020 in recognition of the significant impacts the COVID-19 pandemic was having on project timelines. That extension was important to the continuity of solar development in the Commonwealth and provided flexibility to countless projects in addressing the immediate challenges presented with respect to the safety of personnel, financing disruptions, the disruption to local government processes, and the many other ways in which COVID-19 disrupted all aspects of doing business.

DOER’s April extension, granted in the early days of the pandemic, prevented immediate and devastating consequences for many projects. However, as the pandemic stretches on — longer than many organizations anticipated — the solar industry continues to experience the effects of the COVID-19 pandemic in widespread and, often, unforeseeable ways. Below are a few examples of the unusual delays the industry has seen:

- A force majeure declared by one of the top global tier one energy storage integrators has continued to have a major impact on supply chains globally. This particular energy storage integrator declared force majeure in March 2020 due the global pandemic, which has resulted in impacts to every aspect of storage project execution, from issuance of Purchase Orders to supply chain disruptions, manufacturing processes, and personnel availability. As a result, battery storage containers are arriving on site many months after contractual obligations, even with providers shifting around production and delivery obstacles. For instance, one community solar + storage system has had delivery of its battery containers delayed by nearly 250 days beyond the contractual arrival date and otherwise would have been mechanically complete since summer 2020.
- Well beyond the duration of the six-month blanket COVID-19 extension, municipalities continue to struggle to provide pre-pandemic levels of attention to permitting and approval processes necessary to advance solar projects. Some towns place important approval authorities under their health departments, which are necessarily prioritizing the response to COVID-19 over other matters. For example, one town in Southeastern Massachusetts recently reorganized its Stormwater Review Board under the auspices of the town Health Department. The Health Department is rightly focused on contact tracing and vaccinations, but the unfortunate result of this reorganization is that personnel have not been able to devote appropriate time and effort to conduct work associated with solar permitting. This project had all requisite local permits before submitting a SOQ reservation, but the town changed its rules and has since insisted that the project undergo review under the new rules.

We further understand that DOER has seen a dramatic increase in good cause and other extension requests. While the Clean Energy Parties do not know the content of all of these requests, we are confident that many of them are directly or indirectly COVID-related. Our members have had multiple reports of notifications from Power Clerk that indicate unusually high volumes of such requests due to a “year-end rush,” although it is now March.

A second automatic six-month COVID-19 extension would allay the pressures on developers and prevent the loss of projects under the burden of COVID-19 delays, the extent of which simply could not be foreseen at the time of DOER’s initial six-month extension. It would also relieve pressure on DOER to review and process the expanding queue of individual good cause extensions. More importantly, a second extension would advance the shared interest of the Clean Energy Parties and DOER in encouraging cost-effective and timely solar development, in order to meet the Commonwealth’s clean energy and economic development goals. Now is an important moment to support investments that are critical to keeping the Commonwealth on track to meet the goals set forth in the Clean Energy and Climate Plan and provide economic opportunities during a time of need. For all these reasons, the Clean Energy Parties request DOER modify the SOQ Reservation Guideline to allow for an additional six-month extension due to the COVID-19 pandemic, applicable to projects that previously received the six-month extension, as well as new projects that are encountering delays.

Should an automatic extension not be possible, notwithstanding the reasons described above, DOER could provide for a one-time six-month extension that requires minimal documentation. The best way to accomplish that while minimizing administrative burdens is to require a simple attestation from the applicant that COVID-related delays necessitate an extension. Alternatively, DOER could require a single piece of documentation (for example, if the underlying cause of delays is a force majeure declaration by a supplier, the applicant could simply submit the force majeure notice to DOER). Whatever option is chosen, it is paramount that the extension requirements be as simple as possible, minimizing administrative burdens on DOER and applicants, so that the process does not become an impediment to financing or committing resources to advance projects.

Guideline Regarding Alternative Programs for Community Shared Solar Tariff Generation Units and Low Income Community Shared Solar Tariff Generation Units

This Guideline includes a number of revisions related to the municipal load aggregation option. We appreciate the additional information regarding the requirements to participate, but request additional clarity around the specific requirements STGUs will need to demonstrate in order to offer solar benefits to customers, especially low-income customers, in a municipal load aggregation. There are significant outstanding questions about the practical steps required for this option, and all parties would benefit from a better understanding of the path forward for projects that wish to participate as part of a municipal aggregation. We are concerned with the additional administrative requirements for municipal aggregation in this Guideline will delay the ability for solar developers to offer savings to low income customers and potentially make this

option less attractive to developers. For developers that wish to participate in the LICSS program and already have projects in development, further delays of the LICSS Municipal Aggregator category may force developers to find alternative offtake options due to timeline constraints, which directly affects low income customers that need these benefits the most.

Conclusion

Thank you for your consideration of these comments. We look forward to continuing to work with DOER to accelerate the deployment of solar and energy storage and enable further deployment of clean energy resources in the Commonwealth. Please contact us if you have any questions.

Sincerely,

/s/ Jeremy McDiarmid

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