

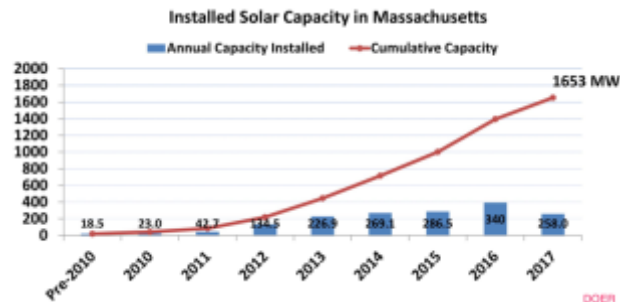
July 7, 2017

Judith Judson
Commissioner
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: SMART Comments

Dear Commissioner Judson:

I appreciate the efforts being made by the DOER to author a solar incentive program successor to the successful SREC programs, which incentivized the addition of 1600MW of solar PV since inception in 2010 until now.



The SREC programs were successful due in no small part to the adequacy of compensation they provided to underwrite the financial viability of solar PV projects. This was achieved in coordination with a Net Metering (NEM) compensation program which has been diminished. In order to continue to adequately incentivize the continued success of solar development in the state the new, lower NEM compensation must be considered. It is reasonable to believe that to achieve an equally successful investment in solar PV deployment as was experienced under the SREC/NEM(predecessor) policies, that a diminution in one part of a financial calculus would need to be offset by an equal increase in the other part. To this end,

The SMART program should be improved by:

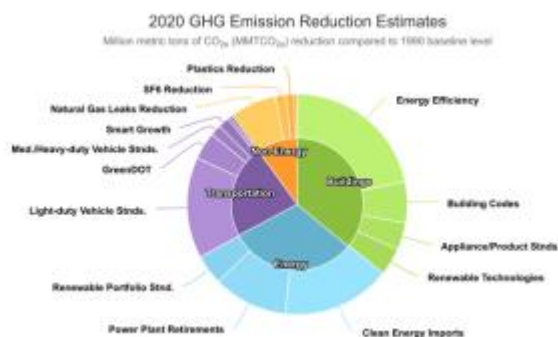
1. *Setting the base compensation rates at a level that will encourage continued solar development and protect solar jobs in the Commonwealth.* The competitive process to set these levels should be

allowed a higher ceiling, \$0.175 per kilowatt-hour, to insure the entire program will work in the years to come. At the same time, additional support (adders) for community solar, low-income solar and other priority development should be protected from decline over time to ensure continued and accelerated growth of these types of projects given their relatively stable additional cost.

2. *Removing the hard caps on these adders, so that community solar, low-income solar and solar with storage are encouraged as much as possible.* Caps on the total capacity of projects that can qualify for these adders, proposed at 320 megawatts, conflict with the purpose of the legislation in promoting these important projects. The caps and decline in adder value should be eliminated, or modified to initiate a more gradual decline in adder value instead of a sharp cliff.
3. *Encouraging the continued use of solar net metering to fairly compensate solar customers for their valuable solar power.* The SMART program has not proposed an adequate replacement for net metering and will not be successful without the continued existence of fair and full compensation for solar customers in the Commonwealth. DOER needs to take action to ensure that the proposal for an alternative on-bill crediting mechanism can become a workable, complementary option for community shared and low-income solar projects. There needs to be an open, transparent process into the development of this mechanism before it is proposed to the Department of Public Utilities. In parallel, DOER should work with the legislature to raise net metering caps immediately.
4. *Clarifying and improving new land use and siting criteria, performance standards and greenfield subcontractors.* As written, the current regulations lack sufficient clarity and specificity regarding land use performance standards for ground-mounted projects. In general, performance standards must be defined in such a way as to not unreasonably hinder the development of ground-mounted projects. The SMART program should also give deference to cities and towns that have gone through the time and effort to identify and zone areas as appropriate for solar/power generation, and projects in these areas should not be subject to a subcontractor.
5. *Ensuring total compensation for residential systems is adequate to support continued sustainable development.* We are concerned that compensation for the under-25 kW and residential market segment is inadequate. This is due to the shorter, 10-year term for these projects and the differing economics of residential solar systems. To ensure that residential project can work for customers' needs throughout the SMART program, DOER should raise the under-25 kW compensation to 250% of the base rate and the Low-Income under-25 kW factor to 300% as well as expanding their ability to receive adders.

Conclusion:

The overarching goal is the reduction of Green House Gas (GHG) Emissions. The goal of the solar incentive program is its function as a relatively small, albeit critical, part of the State's GHG Emissions reduction target.



Failure to reach the emissions reductions targets may obviate the stated goals of making the program sustainable and cost-effective.

Thank you for your work to continue Massachusetts' continued solar leadership. We appreciate the opportunity to weigh in on the new SMART program and hope you will make these much-needed changes.

Sincere regards,

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