

July 11, 2017

Commissioner Judith Judson
Michael Judge, Renewable Energy Division Director
Department of Energy Resources
100 Cambridge St., Suite 1020
Boston, MA 02114

Dear Commissioner Judson and Director Judge:

Acadia Center respectfully submits the following comments on the emergency regulation for the Solar Massachusetts Renewable Target (SMART) Program, 225 CMR 20.00, filed by the Department of Energy Resources (DOER) on June 5, 2017.

Acadia Center is a non-profit, research and advocacy organization committed to advancing the clean energy future, and is at the forefront of efforts to build clean, low carbon, and consumer-friendly economies. Acadia Center's approach is characterized by reliable information, comprehensive advocacy, and problem solving through innovation and collaboration.

Acadia Center's comments on the SMART program, and key related policy issues, flow from our 2015 policy blueprint, the Next Generation Solar Framework.¹ This framework addresses key reforms to net metering structures as well as other compensation mechanisms, such as the SMART program. Many of the high-level elements of the SMART program are directly in line with Acadia Center's recommendations and we strongly support them, including performance-based payments, open application processes, and a stable, long-term compensation structure. All of these features help ensure a cost-effective solar incentive program. Acadia Center shares the general concern of many stakeholders that incentive levels will be too low and decline too quickly to support a diverse range of projects throughout the program. In addition, the details of the SMART program are key and several revisions to the SMART program are necessary to live up to the overall promise:

- To ensure an equitable distribution of benefits, an "equity carveout" should be implemented for projects that benefit disadvantaged communities, similar to the 20% carveout DOER has proposed for projects under 25 kW.
- Incentive adders should not decline over time if the incremental costs that these adders are designed to cover are not expected to decline over time.
- Adder caps introduce unnecessary uncertainty, act as a new barrier to project development, and should be eliminated.

¹<http://acadiacenter.org/document/nextgensolarframework/>

- Additional reviews, either every 400 MW or every year, and transparency measures, such as the frequently updated MW Block dashboard for the NY-Sun program,² are necessary to ensure that the program is driving a diverse array of solar development across the Commonwealth.
- The placeholder for a new “alternative on-bill crediting mechanism” gives no indication of a pathway towards an alternative to net metering credit allocation that will be viable legally, procedurally, or substantively.

It is worth emphasizing that adder caps are likely to cause unintended consequences. For example, the adder caps could be a major barrier for projects eligible for more than one adder. For example, a building-mounted low-income project would likely be relying on both adders to be viable. However, if the building-mounted adder ends up being fully subscribed, a worthy project to benefit low-income ratepayers would be sacrificed. The additional reviews and transparency measures recommended above should be a sufficient replacement to meet the important purpose of supporting diverse project types, instead of arbitrary limitations due to the proposed adder caps.

More generally, as DOER and the broader Executive Office of Energy and Environmental Affairs are well aware, the SMART program cannot solve all of the issues with Massachusetts policy for solar and other clean local generation. Many issues will require additional attention from DOER, the Department of Public Utilities, the Massachusetts Clean Energy Center and ultimately the legislature, including:

- Elimination of net metering caps and reforms to net metering credit structures;
- Addressing barriers to equitable distribution of benefits to disadvantaged communities;
- A solar incentive program for towns and cities served by Municipal Light Plants; and
- Reforms to optimize the electric system,³ such as rate design improvements, mandatory requirements to solicit local energy resources as an alternative to infrastructure upgrades, and new investments to improve visibility into the distribution system, are needed to unlock additional benefits for consumers from energy efficiency, storage, electric vehicles, clean local generation, and heat pumps.

It will require both sensible revisions to the proposed SMART regulation and progress on these additional issues to meet important goals of achieving the Commonwealth’s GHG reduction requirements, equitable access to clean energy, and a more efficient electric system. Acadia Center appreciates the opportunity to provide input on these important issues and looks forward to further discussions.

Sincerely,

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² <https://www.nyserda.ny.gov/All-Programs/Programs/NY-Sun/Megawatt-Block-Dashboards>

³ See An Act Relative to Local Energy Investment and Infrastructure Modernization ([H.1725/S.1875](#)).