



**1600 Osgood St Suite 2043
North Andover, MA 01815**

**JUDITH JUDSON
COMMISSIONER
MASSACHUSETTS DEPARTMENT OF ENERGY RESOURCES**

SUBJECT: SOLAR MASSACHUSETTS RENEWABLE TARGET (SMART) PROGRAM 225 CMR 20.00

Dear Commissioner Judson,

We would like to commend the DOER and the Baker Administration on its continued goal of creating a long-term sustainable solar incentive program to promote cost effective solar development in the Commonwealth.

ACE Solar is a residential and commercial solar installation team selling, financing, designing, building and maintaining solar systems throughout the north east. We are comprised of industry veterans and employ 25 people in Massachusetts dedicated to providing the best solar installations to our clients.

ACE Solar believes strongly in the need for a clear sustainable solar program that can be predictable for years to come. However we would urge the DOER to consider improving some fundamental points while finalizing the SMART Program regulations:

1. The Base Compensation Rate ceiling should be increased and there should be a mechanism for the DOER to adjust this rate as the industry changes ie tariffs or costs and if the program is not encouraging the desired effective solar development. In other markets reverse auctions have unfortunately proven to make the base rates so low that solar development stalls. We recommend a floor price as well as a ceiling price.
2. The Hard Caps on the adders should be removed so that solar development is fully encouraged in areas such as low-income, storage and community solar, etc. An arbitrary cap of 320 MW conflicts with the purpose of the legislation and puts significant economic risk on developers and property owners to perform in timeframes that rely on third parties ie utilities and town management.
3. Ensure total compensation for residential systems is adequate to support the continued development of the rate payers of the commonwealth. As mentioned above reverse auctions don't always have the desired affects and can result in prices that are difficult to finance and build in the utility range, if the Base Compensation Rate comes in at a low rate, even if it is financeable in the utility scale it could still have a dramatic effect on the residential market. There is a large difference in the economics of a 5MW system and a 5 KW system. We don't believe that the current regulations fully take this into account. The residential Base rate should either be more than 300% the Base Compensation Rate and the term should be extended to 20 yrs or it should be a separate Base rate set by the DOER based on a payback that would induce homeowners install systems.



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4. The SMART program has not proposed any adequate replacement for net metering caps and will not be successful without sustainable net metering provisions. DOER should work with the legislature to raise net metering caps to mirror the SMART program.

ACE Solar thanks the Commissioner, the Department and the Administration for their continued leadership in the renewable energy industry.

A handwritten signature in black ink, appearing to read "Eric T. McLean", is written over a light gray horizontal line.

Sincerely,
Eric T. McLean P.E.
Director
ACE Solar