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Submitted via electronic mail to:

Massachusetts Department of Energy Resources
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Comments by Safari Energy, LLC on the 6/5/2017 SMART Program Emergency Regulation

To the Massachusetts Department of Energy Resources:

Safari Energy, LLC (“Safari Energy” or “Safari”) appreciates the opportunity to provide comments on the Solar Massachusetts Renewable Target (“SMART”) Program emergency regulation filed by the Massachusetts Department of Energy Resources (“DOER”) on June 5, 2017. We are encouraged by DOER’s continued support of solar energy by developing the SMART program, and present our comments to address areas of the regulation that would benefit from more clarity.

About Safari Energy, LLC

Founded in 2008, Safari Energy provides solar energy solutions to large commercial & industrial real estate owners and users. Focused on property owners and their tenants, Safari’s collective expertise in real estate, solar, and finance has enabled it to become the number one solar provider in this market. To date, Safari has developed, built, and is currently managing over 200 commercial scale projects across 22 states. Safari delivers integrated, turnkey solutions that comprise origination, development, construction and financing from its proprietary operating platform.

1. Parcel Cap

In 225 CMR 20.05 (5)(a) “General Eligibility Requirements” on page 8, the second sentence in the paragraph reads:

The maximum capacity of a Solar Tariff Generation Unit shall be five MW and shall be determined based on the total capacity of a Solar Tariff Generation Units located on a single parcel of land, and shall not be inclusive of any solar photovoltaic generating capacity that is not qualified under 225 CMR 20.00.

The use of the article “a” in the first part of the sentence implies that it is referring to the maximum size of a single Solar Tariff Generation Unit while the latter half of the sentence continues by instead referring to the total size cap on a given parcel, which may be host to several Solar Tariff Generation Units. An edit to the construct of the sentence would provide more clarity that its intent is to describe

the parcel cap, not the maximum size of a single Solar Tariff Generation Unit. We propose the following edits to the language:

Safari's proposed edits to (5)(a) "General Eligibility Requirements" on page 8:

*The **total** maximum capacity of ~~a~~ **the sum of all** Solar Tariff Generation Unit **Units** located on a single parcel of land shall be five MW ~~and shall be determined based on the total capacity of a Solar Tariff Generation Units located on a single parcel of land,~~ and shall not be inclusive of any solar photovoltaic generating capacity that is not qualified under 225 CMR 20.00.*

To provide context in which this type of clarity is important, commercial properties often have multiple utility meters and accounts located on a single tax parcel of land. In these cases, the existence of multiple meters is an inherited circumstance that may lead to building multiple, right-sized Solar Tariff Generation Units for the purpose of offsetting each account's consumption, and not for the purpose of "gaming" the SMART Program to qualify multiple systems in a lower size bucket.

2. Project Segmentation

Sections 225 CMR 20.05 (5)(f) and (5)(g) on pages 10-11 designate "Project Segmentation" rules and exceptions. As stated, these do not take into account that some commercial properties have pre-existing structures that may not conform to the intent of the exceptions, and therefore additional clarity is warranted.

Section (5)(f) "Project Segmentation" on pages 10-11 reads:

No more than one Building Mounted Generation Unit on a single building, or one ground-mounted Solar Tariff Generation Unit on a single parcel or contiguous parcels of land, shall be eligible to receive a Statement of Qualification as a Solar Tariff Generation Unit. The Solar Program Administrator or the Department may require Solar Tariff Generation Unit Owner or Authorized Agent to include a deed from the registry of in the case of recorded land, or a numbered certificate in the case of registered land, from the registry of deeds with their Statement of Qualification Application in order to verify that the Solar Tariff Generation Unit meets this requirement.

We interpret that the intent of Section (5)(f) is to disqualify the practice of "gaming" the SMART Program by breaking up larger systems into smaller systems in order to qualify each under a lower size than the aggregate size, thereby qualifying for higher compensation rates. While the language works effectively for this intent, some commercial properties are constructed and metered in a way in which the stated rules fall short of allowing for optimal solar development in these cases. For example, many shopping malls and shopping centers may have dozens of electric meters and accounts that all have sufficient electric load to warrant right-sized Solar Tariff Generation Units.

The following are comments on the Exceptions in Section (5)(g), followed by proposed edits to the whole section.

Exceptions #2 and #3 begin with the same exact phrase, which is unnecessarily repetitive:

a Solar Tariff Generation Unit with an AC rated capacity of 25 kW

It's not clear why Exceptions #2 and #3 repeat this phrase followed by "or" as opposed to "and." Its repetition distracts from the intents of Exceptions #2-#3.

Exception #3, as written, needs to clarify what constitutes a "separate" end-use customer:

a Solar Tariff Generation Unit with an AC rated capacity of 25 kW or less or a Building Mounted Solar Tariff Generation Unit, which is located on the same building as another Solar Tariff Generation Unit, provided that the Solar Tariff Generation Unit is separately metered from the original Solar Tariff Generation Unit and is connected to a meter of a [separate](#) End-Use Customer as the original Solar Tariff Generation Unit;

For further context, "End-Use Customer" is defined on page 3 as:

A person or entity in Massachusetts that purchases electrical energy from a Distribution Company

As written, Exception #3 allows for multiple Solar Tariff Generation Units on the same building as long as each meter/account is for a different person or entity – for example, something that applies in a situation of multiple tenants in a building. However, it is common for some commercial properties to have multiple utility meters/accounts in their building which are owned by the same entity – for example, a shopping mall often has multiple electric accounts serving different common areas. In this case "separate" might exclude allowing more than one of these accounts from having behind-the-meter systems, which otherwise would enable them to have right-sized systems offsetting the consumption behind each meter.

Further, the definition of "End Use Customer" does not indicate how "separate" customers would be distinguished. Would the separation be determined by the name on each account as it appears on the utility bill, i.e., the customer of record? If so, there may be an unintended loophole for accounts that happen to have different spellings of their entity name on their utility bills, which is also common for commercial properties (e.g., "ABC Co. Inc." vs. "ABC Company Inc."). Conversely, commercial properties with several common area accounts sometimes do have each account/utility bill under the exact same spelling of the entity name, and in that situation, those accounts might be unintentionally excluded from this exception.

Under Exception #3, what may distinguish “gaming” the SMART Program is whether the Solar Tariff Generation Unit in question is behind-the-meter, and therefore serving on-site load, vs. standalone. It is important to remember that even new standalone meters are required to have a utility account number and customer name; and with parasitic load, these accounts could be interpreted as separate “End-Use Customers” without further clarity on the definition.

Our conclusion on this exception is that if its intent is to prevent splitting a larger system into smaller systems for the purpose of gaining higher compensation rates, **then the appropriate distinction may be to allow for multiple behind-the-meter systems, but not for multiple standalone systems.**

Further, we suggest adding clarity by labeling each exception with a specific intent. Incorporating all of our comments on Project Segmentation exceptions, below are Safari’s proposed edits to this section:

Safari’s proposed edits to Section (5)(g) “Exceptions to Project Segmentation” on page 11:

(g) Exceptions to Project Segmentation. Notwithstanding 225 CMR 20.05(5)(f), the following types of Solar Tariff Generation Units shall be eligible to receive a Statement of Qualification:

- 1. **Previously Subdivided or Contiguous Parcels** – a Solar Tariff Generation Unit with an AC rated capacity of 25 kW or less that is located on a parcel of land contiguous with another parcel or parcels of land containing a Solar Tariff Generation Unit, provided the parcels of land were not the result of a subdivision performed for the purpose of qualifying under 225 CMR 20.05(5)(g)1.;*
- 2. **Multiple Buildings Located on a Single Parcel** – ~~a Solar Tariff Generation Unit with an AC rated capacity of 25 kW or less or a Building Mounted Solar Tariff Generation Unit, which is located on the same parcel of land as another Solar Tariff Generation Unit, provided that the Solar Tariff Generation Unit~~ **each** ~~is separately metered from the original Solar Tariff Generation Unit and is located on a separate building from the original Solar Tariff Generation Unit~~ **buildings;***
- 3. **Multiple End-Use Customers per Building** – ~~a Solar Tariff Generation Unit with an AC rated capacity of 25 kW or less or a Building Mounted,~~ **Behind-the-Meter** ~~Solar Tariff Generation Unit, which is located on the same building as another Solar Tariff Generation Unit, provided that the Solar Tariff Generation Unit is separately metered from the original Solar Tariff Generation Unit, and is connected to a meter of a separate End-Use Customer as the original Solar Tariff Generation Unit; and~~*

*4. **Phased Projects** – a Solar Tariff Generation Unit located on the same parcel or contiguous parcel of land to another Solar Tariff Generation Unit that submits a Statement of Qualification Application at least twelve months after the Commercial Operation Date of the original Solar Tariff Generation Unit and is separately metered.*

3. Adder Caps

We disagree with the inclusion of Adder Caps as stated in 225 CMR 20.07 (5) on page 22. Limiting all Adder compensation to the first 320 MW of Solar Tariff Generation Units across all utility jurisdictions and Capacity Blocks, would do a disservice to communities in Massachusetts. The Adders encourage projects that provide additional value and benefits to communities. Simply stated, we suggest that Adder Caps be eliminated from the final SMART Program regulation.

4. Gap in project development due to delayed SMART Program start and full NEM caps

Given that the SMART Program was originally intended to open in January 2018 and is now pushed out to Summer 2018, a full year away, the delay is causing solar project development to slow to a crawl or a stop altogether, particularly in territories that have no Net Metering capacity left (e.g., National Grid). Further, with the limit of only one net meter allowed per parcel, even in territories that do have NEM capacity left, such as Eversource, multiple net-metered systems intending to utilize SREC II cannot be built.

We respectfully understand that raising the Net Metering cap is not within DOER's control, but we strongly urge DOER to voice this concern with the Massachusetts legislature so that the urgency of the situation can be echoed, and Net Metering caps increased in a timely manner.

5. Coordination among DOER, the DPU and the utilities / Collaborative information sessions

Developing, designing, and building solar projects in Massachusetts involves making sure each project complies with the rules and standards of several organizations that fall under different processes controlled by different entities, specifically:

- DOER has jurisdiction over incentive programs such as SREC II and SMART
- DPU has jurisdiction over proceedings that establish utility rates and tariffs
- Utilities have jurisdiction over the interconnection and implementation of their rates and tariffs

Further, there are several organizations involved with registering projects:

- MassACA for net metering cap allocations
- Mass CEC-PTS for registering projects under SREC II
- NEPOOL for registering projects to be able to trade SRECs
- The new Solar Program Administrator of SMART (to be determined)

Project development in Massachusetts is complex, and the more information that can be shared by each entity – particularly in a coordinated manner – is critical for maintaining an efficient process. Where one rule set ends, another begins. Fully understanding hand-offs and overlaps between various rule sets is absolutely essential.

We strongly suggest that the entities listed above jointly host monthly conference calls for an audience of solar developers and contractors. These calls allow for a two-way street: not only for stakeholders to ask questions in a Q&A format, but for the entities to share important information and provide feedback to developers and contractors. This is a successful best practice of peers in New York (NYSERDA) and New Jersey (the New Jersey Clean Energy Program). We urge DOER to consult with their peers in neighboring states to develop a similar approach.