



THE GENERAL COURT OF MASSACHUSETTS
STATE HOUSE, BOSTON 02133-1053

Judith F. Judson, Commissioner
Department of Energy Resources
100 Cambridge St. #1020
Boston, MA 02144

RE: Community-Shared and Low-Income Solar under the proposed SMART program

Dear Commissioner Judson:

Thank you for the opportunity to submit these comments on DoER's proposed regulations, 225 CMR 20.00, establishing the new Solar Massachusetts Renewable Target (SMART) program.

As you are well aware, the Legislature has made a point of encouraging solar installations of diverse types and sizes to provide benefits to all energy consumers, including low-income ratepayers. In authorizing the Department to design the new solar incentive program pursuant to Chapter 75 of the Acts of 2016, the Legislature highlighted community-shared and low-income solar facilities as high priorities for the Commonwealth. We write today to express our concern that the ambiguity of the alternative on-bill crediting mechanism in the proposed SMART regulations will prevent achievement of these important objectives of the Commonwealth's solar policy.

At present, the viability of solar projects in Massachusetts depends to an important degree on the availability of both the SREC incentive and net metering credits. However, net metering caps continue to be a major obstacle to solar development. Caps were raised incrementally last spring but both the public and private caps in National Grid territory have already been hit again.

The new SMART program offers a promising solution to this problem via an alternative on-bill crediting mechanism, which has potential to introduce certainty and stability into the solar market. The new mechanism also has potential to address a regressive feature of our current solar policy. Homeowners with small rooftop solar are not subject to net metering caps and receive full retail credit value for the energy they produce. Low-income renters and residents of multi-family homes or public housing units often cannot put panels on their own roofs, and therefore are dependent on community-shared solar projects that are location-restricted, subject to net metering caps, and receive net metering credit at only 60% of the full retail rate.

While we applaud DoER for its creativity in proposing the alternative on-bill crediting mechanism, the language in the draft regulations is too vague to understand how the mechanism will operate and what problems it will solve, especially with regard to low-income customers. We strongly encourage DoER to clarify and strengthen this part of the SMART program in the following two respects. First, community-shared solar projects should be permitted to share their

new on-bill credits across load zones and utility territories. Second, the mechanism should address some of the inequality in our current net metering structure by restoring full retail credit value to solar projects that serve low-income customers.

The justification for these two features of on-bill crediting was well established in the extensive stakeholder consultations that occurred in the course of drafting the SMART program. Speaking from our own perspective, many of us represent districts that are thickly settled and have many properties unsuited to solar. There is little space to develop community-shared solar projects in Eversource territory and the overlaying ISO-NE load zone. Solar arrays are more easily sited in nearby National Grid territory, which also happens to be in a separate load zone, but because of the restrictions on virtual net metering across load zones and utility territories, many customers are left without any options to participate in solar. As for the credit value for low-income solar, the last 10 months have clearly demonstrated that 60% of the full retail rate is too low to be financially viable. Since the reduced credit went into effect last September, no new low-income projects have come online. Unless the value of solar for these projects is restored to the full retail rate, low-income off-takers will effectively be excluded from the market.

While we understand the need for additional proceedings at the DPU, we feel it is appropriate and necessary for the SMART regulations to establish these parameters for the alternative on-bill crediting mechanism. They are consistent with the legislative intent expressed in Chapter 75. In addition, including them in the SMART regulations will avoid a lengthy, duplicative process at the DPU that will needlessly delay the orderly transition to a stable and self-sustaining solar market that supports a truly diverse range of solar facilities. Having engaged in an inclusive stakeholder process to develop the SMART program, we should move as expeditiously as possible to create this new mechanism in order to advance the Commonwealth's goal of improving access for customers who today are excluded from the solar market.

Thank you again for the opportunity to submit these comments. We look forward to seeing the final SMART regulations and urge DoER to include these revisions to the alternative on-bill crediting mechanism to ensure that no otherwise viable and desirable solar projects are lost and no customers are excluded from the solar market.

Best regards,

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Jonathan Hecht
State Representative
29th Middlesex District

A handwritten signature in dark ink, appearing to read 'R. E. Holmes', with a long horizontal line extending to the left.

Russell E. Holmes
State Representative
6th Suffolk District



Sonia Chang-Diaz
State Senator
Second Suffolk



Frank I. Smizik
State Representative
15th Norfolk



James B. Eldridge
State Senator
Middlesex and Worcester