

07/11/2017

DOER Commissioner Judith Judson,

Please consider the below comments regarding the proposed Solar Massachusetts Renewable Target (SMART) emergency regulations. Our company is primarily a residential solar installer, operating out of Burlington. The continued growth of the solar industry is vital to the sustainability of our environment, as well as the economy of Massachusetts. We offer the following changes and critiques of the proposed regulations:

1. From the currently provided information detailing the SMART Regulation, it is not clear where in the system the SMART meter itself will be located. We assume that it will be located between the Inverter and main load center, and not on the utility meter side of the main load center. This assumption is made because if it were on the meter side of the main load center, it would dramatically reduce the recorded generation and in turn make this program unreasonable for residential customers. This is not clear in the provided documentation, and we would appreciate clarification on this important matter.
2. Ensuring the viability of <25kW systems is of the utmost importance for the growth of the solar industry. We believe the incentive levels offered for <25kW (200% of the base rate, over 10 years<sup>1</sup>) should be increased to 250% over 10 years, in order to ensure that the solar installations remain economically viable for the majority of residential customers. Similarly, the compensation level for low-income customers should be increased from 230% to 300% over the same period.
3. Generally speaking, the effect the regulations will have on the residential installations is quite vague given the limited granularity of specific subsidy data as is pertains to residential (under 25kw). As a company we need to be able to look ahead and generate a forecast of the near future of the solar industry in Massachusetts. While we appreciate the steps the proposed regulations take to create a more predictable future for the industry on the whole, the ways the proposed regulations will affect the residential sector are currently unclear.

One such example is the way that the Capacity Based Compensation Rates are going to be calculated. The given example has the Capacity Based Rate for systems less than or equal to 25kW AC as \$0.3/kWh over 10 years. But it is not clear if that is including the net metering rate or not. This is critical information for us, because currently we know the subsidy rate should be \$0.15- \$0.25/kWh generated for residential systems to work on top of Net Metering. If this \$0.3 example is including net metering, then it is far too low to be sustainable in our estimation, which will result in massive layoffs and a retraction of the residential market. Additionally, the fact that <25kW systems seem to be excluded from eligibility for the Adder Values is not clearly justified. An adder for building mounted solar installations and/or installations that include PV storage would be as beneficial for residential systems as it would be for commercial ones.

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<sup>1</sup>DOER Slideshow: SMART Final Program Design, January 31, 2017: Slide 11

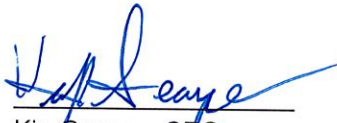



In general, a little additional clarity on the impacts of the SMART Regulations on the residential market would be greatly appreciated. Residential installations make up the majority of the solar installations and solar jobs in our state, and the long-term sustainability of this market, and the jobs it creates, is critical to the survival of the industry on the whole.

4. Our final concern is regarding the pending trade dispute filed by Suniva and SolarWorld AG. The effects that the pending investigation by the US International Trade Commission (ITC) and subsequent recommendations they make to the Federal Government could have enormous ramifications for the solar industry as a whole. The SMART regulations are already likely to make higher-efficiency and higher-cost panels less viable, and if that is compounded with increased tariffs on cheaper, imported panels, the viability of solar for residential customers will be in danger. We strongly believe that the SMART Regulations should not be finalized until *after* the ITC has made its recommendations in September, and the current administration has decided what to do about them.

We greatly appreciate your consideration of the above points, and thank you for your continued work on these regulations. Please do not hesitate to reach out to us if you have any questions or require further clarification on any of these points.

Sincerely,

  
Kip George, CEO  
Doug Pierce, VP of Sales  
Matt Powers, COO