July 11, 2017

VIA ELECTRONIC MAIL

Commissioner Judith Judson
Department of Energy Resources
100 Cambridge St., Suite 1020
Boston, MA 02114

RE: Draft Regulations of 225 CMR 20:00 Solar Massachusetts Renewable Target (SMART) Program

Dear Commissioner Judson:

In response to the June 19, 2017 notice of public hearing and comment period on the aforementioned matter, Ampion hereby submits the following comments on the draft Solar Massachusetts Renewable Target ("SMART") program regulations.

Ampion appreciates the Department's consideration and the opportunity to contribute to the future of renewable energy procurement in the Commonwealth of Massachusetts.

Respectfully submitted,

Emily Cosbar

Emily Cosbar
Market Policy Analyst, Ampion (formerly Acadia Micro)

I. Introduction

Ampion respectfully submits the following comments on the Solar Massachusetts Renewable Target ("SMART") program.

Ampion is a Software-as-a-Service ("SaaS") provider supporting distributed renewable generation developers ("developers") across the US. We provide billing, payment and asset management services to solar developers in Massachusetts, New York, and other US states. Based on our experience in other developing renewable energy markets, we have identified several items within the draft the SMART program regulations that warrant consideration.

II. SMART Program Draft Regulation Concerns

A. Addition of MW Caps on Adders

a. Concerns

One of the many changes published in the SMART draft regulations, but not present in previous straw proposals or informational hearings, is the addition of a 320 MW "cap" for each adder in each of the four categories listed in 225 CMR 20.07(4)(a) through (d). In previous presentations[1], DOER has emphasized the SMART program as a cap-less incentive for solar in the Commonwealth. At the very least, DOER made no indication that any caps would be placed on the project-type adders at the time of the straw proposals. We echo the concerns of many solar industry stakeholders that placing caps on project adders would place undue constraint on solar development in Massachusetts.

b. Proposed Solution

Ampion urges DOER to remove the 320 MW cap on each project-type adder, ensuring that project development is not limited based on competition with other projects for adders. If caps cannot be removed entirely, Ampion urges DOER to increase the size or consider good cause extensions such that the caps will not otherwise prevent projects from being constructed.

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[1] Next Solar Incentive Straw Proposal and Next Solar Incentive Final Proposal presented by DOER to stakeholders on September 23, 2016 and January 31, 2017, respectively

B. Ambiguity Regarding Alternative On-Bill Crediting Mechanism

a. Concerns

Section 20.02 of the proposed 225 CMR 20.00[2] regulations alludes to "a tariff establishing a bill credit for generation from Solar Tariff Generation Units." Such tariff was slated for development in tandem with the SMART program. Ampion acknowledges that the creation of this new tariff falls within the jurisdiction of the Department of Public Utilities ("DPU") moreso than it does that of DOER; however, we assert that the lack of guidance in 225 CMR 20.00 relating to the structure of this compensation mechanism prior to the publication of these tariffs poses significant and costly uncertainty for solar developers in the Commonwealth.

The primary motivation for our concern lies within the fact that the alternative on-bill crediting mechanism has been posited as a "successor," or at the very least replacement, for net metering in the event that the statewide net metering caps are reached. Ampion acknowledges that DOER and the Department of Public Utilities ("DPU") are unable to raise the net metering caps in the Commonwealth of Massachusetts. However, because of the popularity of net metering as a compensation mechanism for solar and other renewable energy in Massachusetts, and provided that the public and private caps for all three distribution companies are close to or at capacity[3], we anticipate that full capacity will be reached by the time the SMART program is fully implemented. Therefore, the ability for developers to pursue compensation under the additional on-bill crediting mechanism as an alternative to the otherwise full net metering program would seem logical.

There are, however, two issues with this transition. The first is that, unless SMART regulations are implemented in a timely fashion, there will likely be a period where no solar developers are able to qualify for either net metering or the on-bill crediting mechanism. Secondly, even if SMART were to be implemented in a timely fashion, the ambiguous language of the draft 225 CMR 20.00 regulations would provide little certainty as to the parameters of the on-bill crediting mechanism, and would thereby render them unable to adequately model project financials prior to publication of distribution company tariffs for this compensation mechanism.

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[2] 225 CMR 20.00: Solar Massachusetts Renewable Target (SMART) Program (June 5, 2017)

[3] As of the date of this filing, the Massachusetts System of Assurance of Net Metering Eligibility's *Provisional Application Activity and Remaining Capacity* database indicates that 349,613 kW of the statewide 1,667,250 kW cap as the remaining statewide capacity. This means that less than 15% of the total cap capacity remains. Assuming no increases to this cap, this would accommodate far less than the 1600 MW of solar targeted by SMART.

b. Proposed Solution

Ampion advocates that DOER edit the draft 225 CMR 22.00 regulations to reflect the details previously discussed in straw proposals/presentations[4] or publish a straw proposal finalizing this policy. This will ensure that solar developers are able to more accurately model project financials in the likely event that the net metering caps are met across all three electric distribution companies.

C. Removing the Distribution Company Service Territory Limit for Bill Credits

a. Concerns

Historically, the distribution company tariffs have required that bill credits associated with virtual net metering contracts be allocated to off-takers within the same distribution service territory as the host customer. Ampion acknowledges that the process for altering this rule in the existing net metering legislation is costly and poses a high burden to any stakeholders involved. However, this element of the net metering program has also prevented urban, low- and moderate-income electric customers in and around the metro Boston area from benefiting from solar, as shared solar projects in that distribution territory are limited by land availability, high interconnection costs, and other factors.

b. Proposed Solution

We urge DOER to consider the possibility of eliminating geographic limitations on credit transfers within the framework of the new SMART alternative on-bill crediting mechanism. We assert that this, along with significant changes to SMART compensation consistent with that advocated by other solar industry stakeholders, will both ensure continued development of renewable assets and greatly expand access to that energy within the Commonwealth.

[4] Next Solar Incentive Straw Proposal and Next Solar Incentive Final Proposal presented by DOER to stakeholders on September 23, 2016 and January 31, 2017, respectively

III. Conclusion

Ampion commends the Department's continued leadership in this proceeding. Ampion thanks the Department for the opportunity to provide feedback on the implementation of the SMART program. Please contact Emily Cosbar (617-202-3143) with any questions regarding this filing.

Respectfully submitted,

Emily Cosbar

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