Testimony to improve the SMART program to address low-income solar

July 10, 2017, Tony Rogers, Pelham, MA

Massachusetts' proposed SMART program has the potential to make solar more readily available to low-income ratepayers, tenants and communities. Solar can lower and fix electricity costs for a range of customers, providing material savings, often with no upfront cost. **However, SMART needs a good deal of improvements to meet its potential.**

Less than 5% of the solar currently installed in Massachusetts serves low income residents or affordable housing developments. Increasing solar's ability to serve everyone, including low-income communities, hinges upon expanded opportunities for shared and community solar projects, which allow the benefits of solar to be shared with anyone even if they don't own a sunny rooftop.

To do this, SMART must provide sufficient compensation and have a well-designed tariff. Without program fixes, the SMART program will make it harder for low-income communities to access solar and for solar to help low income families who struggle to pay their electricity bills. The key to expanded access to low-income communities is designing the solar compensation and utility bill credit mechanisms in the SMART program so that they: (a) allow the sharing of solar benefits between solar owners and any other electricity customer; (b) address the barriers that have limited participation in solar programs.

In the proposed SMART program:

1. <u>Smart compensation levels are too low and they decline too quickly</u>. This will make it difficult to continue developing low-income solar projects in Massachusetts.

2. <u>SMART's limits on the availability of incentives (i.e. adders) for low-income and shared solar projects increase uncertainty and complexity</u>**.** Such limits will have a chilling effect on these types of projects, which often have long lead times and are more complicated to develop than other types of solar projects. Low-income and shared solar projects usually have higher site development, customer acquisition and administrative costs than other types of projects. These costs will not diminish over time so reducing the value of the adders will make it much more difficult to develop low-income solar as the SMART program progresses.

3. <u>Details on how the tariff should be administered to ensure equitable access to solar have not been provided</u>. The Alternative On-Bill Crediting Mechanism (AOBCM), referred to in the draft regulations, is intended to serve as an alternative to net metering and allow projects to be developed despite net metering caps, which are currently stalling solar projects in half the state, i.e. National Grid territory. However, it is impossible to assess if the AOBCM is a reasonable substitute to net metering because the regulations provide no detail.

In light of the above concerns, DOER should do at least the following before finalizing the SMART plan:

1. Increase compensation for all categories of low-income and community shared solar projects and slow and lessen the rate of compensation decline;

2. Remove adder caps and fix adder values so they do not decline throughout the program;

3. Issue guidelines or a straw proposal for the Alternative On-Bill Credit Mechanism that includes the elements needed to ensure expanded access to solar for low-income communities.