
February 2, 2024

Massachusetts Department of Energy Resources
100 Cambridge Street, 9th Floor
Boston, MA 02114

Comments submitted electronically to:

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RE: SMART Review Comments

Dear Commissioner Mahony,

Please find below Kearsarge Energy's comments in response to the 12/21/23 SMART Stakeholder Questions. Kearsarge is a solar and energy storage developer and owner-operator based in Boston, Massachusetts with a focus on serving public entities in the Commonwealth with affordable, local, and reliable clean energy. Kearsarge owns and operates over 65 solar and energy storage projects in MA totaling 170 MW. We have developed Massachusetts projects since the inception of the SREC I program and remain deeply committed to developing and owning and operating solar and energy storage projects in the Commonwealth.

Kearsarge strongly recommends that the next iteration of SMART include Alternative On-Bill Credit (AOBC) inter-utility transfer. The 2021 climate law, An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy, provided for inter-utility transfer of net metering credits (NMCs) under Section 84 of the legislation, but neglected to provide similar treatment for AOBCs.

We know of no policy rationale for this distinction. While the electric distribution companies (EDCs) have previously voiced concern about the administrative complexity of inter-utility transfer, AOBC inter-utility transfer should provide no administrative burden above that which the EDCs must already undertake to meet their statutory obligation to allow inter-utility NMC transfer.

Closing this loophole would ensure equal regulation of net metering and SMART facilities and, as with inter-utility NMC transfer, maximize offtaker opportunities given the concentration of offtakers, including public entities, in the Boston metro area in Eversource territory and the many SMART projects sited in National Grid territory. Moreover, many public entities have land holdings and or electrical accounts that span both Eversource and National Grid territory; this solution is of particular importance to them. Indeed, Kearsarge alone has multiple existing public entity partnerships that would directly benefit from inter-utility AOBC transfer; these partnerships include over 25 MW of SMART projects currently under development sited on public entity land.

Finally, AOBC inter-utility transfer would also offer a pathway to offload the AOBC surpluses many municipalities currently must manage due to the spike in AOBC rates over the past 24 months while the municipalities purchased supply through legacy competitive energy contracts.

These surpluses place both municipalities and SMART project owners in a difficult position. Municipalities have been left with invoices for AOBCs which they cannot monetize, while project owners must either accept write downs, waive payment penalties, or pursue other collection remedies for unpaid invoices. Kearsarge and its municipal partners are committed to working cooperatively to find a solution to this problem; we understand there to be many similarly situated municipalities and project owners across the Commonwealth.

Kearsarge acknowledges that AOBC inter-utility transfer would require Department of Public Utilities approval, but we raise the issue during this comment period given the Department of Energy Resource's central role in structuring and administering the SMART program. Thank you for the opportunity to comment.

Best regards,



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