NextGrid and its subsidiaries currently have 205 solar and storage projects under development in the Commonwealth totaling over 1GW. We develop rooftop, canopy and ground mounted solar, along with stand-alone storage, DC coupled storage and AC coupled storage. Our projects range from 125kW to 15MW.

NextGrid also have the largest low income community solar contract with the City of Boston (100MW) that can serve 22,000 customers if Phase 2 of the 20-145 DPU docket gets approved. This would lead to $40M in direct discounts to low-income customers.

We believe this gives us unique perspective on development and our answers below should be taken with that experience in mind.

1. The SMART program currently provides added incentives for certain project types, including building mounted, canopy mounted, landfill, brownfield, agricultural, floating, community solar, and projects serving low income or public entities, projects with energy storage, and axis tracking. DOER seeks additional feedback on changes or improvements that will advance achievement of the Commonwealth’s 2050 GWSA mandates while balancing land use, equity, and economic considerations.  
A. What project type incentive changes could improve program outcomes?

Due to the battery incentive currently in Block 13, this incentive is starting to become a net negative to projects. In other words, developers are no longer incentivized to add batteries but rather to only install the minimum amount necessary to comply with program rules. NextGrid recommends locking the block incentive around block 7 similar to the rooftop and carport locks that occurred in the 400MW review. We believe this will similarly happen with Low Income Community Solar and recommend locking the incentive at block 6 but mandating certain discounts to customers of 20% to protect the low income customer.

Given the declining block structure, NextGrid is starting to find it harder to entice building owners to install solar on commercial and industrial buildings. Along with Carports, we believe this is the best place in Commonwealth to install solar. Any additional $/kWh that can be added to these areas will balance out the base rate declining block and lead to more canopy and rooftop installs.

b. Should other project types also be prioritized?

The DOER project types are comprehensive

2. The current SMART program structure includes a declining block model. Is a structure with fewer blocks and a greater decline between blocks preferable to a greater number of blocks with a smaller decline between blocks? Are there any other modifications to the declining block model structure that could more effectively support solar development?

We agree with the DOER thesis that this creates urgency amongst stakeholders and leads to less ratepayer dollars funding the program as time goes on. Our suggestion would be, as the DOER has already done, to freeze certain declining aspects when the value is reduced to a point that no longer leads to, and aligns with, the Commonwealths goals. Batteries, Rooftop and Low Income Community Solar are the three places we would recommend freezing (or increasing) the incentives to keep/increase growth in those areas. It does not need to be more than $.01/kWh as that goes a long way over a 20 year period.

You are already seeing this in the later blocks of National Grid and Eversource east. The time to “fill” blocks has increased over time, to the point that there are very few new projects being granted SOQ’s in those areas as compared to the program launch. While the Inflation Reduction Act may help, the increased interconnection, labor and capital costs (to name a few) are counterbalancing that upside and therefore the trend of slower time to fill blocks will remain, especially as they continue to decrease with the current structure.

3. Are any eligibility criteria in the SMART program a barrier to participation? What are they, and how would you address these barriers? How would you streamline these eligibility criteria?

The Energy Storage Requirement for projects above 500kW has become a barrier for many of our clients. Often already developed sites, including schools, hospitals, municipal buildings etc, are hesitant to put batteries at their sites due to fire and other perceived risks. They also often may not have the space or legally can’t give up space for a battery storage system (Town requiring minimum number of parking spaces or coverage for example). Batery technology is very new and with any new technology there are risks. Supply chains are still being formed and often lead times on batteries are greater than 1 year. We believe that there should be carve outs for when a battery system is not required.

1. Owner Request: If the building owner certifies that they do not want batteries for an approved reason
2. Space: If there is no ground space at the site for the battery equipment footprint
3. Supply Chain: If battery equipment or lead times are too long.

4. Is the current SMART reservation period (excluding any blanket extensions) adequate given current development and construction timelines? If possible, please provide a representative project timeline inclusive of key project milestones, such as permitting, procurement, and interconnection, to help inform DOER’s understanding of the development process and current project timelines.

We understand the department needing to set outside dates on projects to create urgency, weed out projects that are not viable, and help meet the Commonwealths goals on time. We suggest the following is fair:

* 2-year base reservation period
* 6 months paid extension
* Good cause exemption
* Automatic extension to 6 months after the utility proposed construction timelines that are listed in the ISA. This gives developers and financiers certainty that if, for example, an ISA is showing 24 months for the utility to make their interconnection upgrades, the project will have its SOQ through that period. This would alleviate the need for projects to be built to get to COC (and therefore indefinitely extend the reservation period) and just sit there waiting for the utility to do their work. A developer can then plan to have the project construction schedule align with the utility construction schedule. This often leads to projects never being built because they cant afford to be inactive for years waiting for the utility. We have direct examples of this currently occuring.

5. Are there any emerging technologies or project types that are not currently eligible for SMART that DOER should consider making eligible for the program? Please describe potential project applications, any suggestions for eligibility requirements, and what level of incentives if any would be needed spur project development of the project type.

We are only focused on solar and batteries and do not have knowledge in this area.

6. Are program compliance requirements clear prior to program enrollment? What are the key challenges with satisfying the data and/or documentation requirements for various program compliance checks, such as compliance with the energy storage, low-income, or community solar requirements? Are there any modifications you would suggest to DOER’s compliance processes, or alternative data/documentation you believe could satisfy the requirements?

Only being able to change the Schedule Z twice in 12 months is a very restrictive requirement. It just doesn’t make sense with the reality of community solar. We believe, as does hopefully the DOER and AG, that customers should be able to leave contracts at any time without penalty. This creates an efficient, competitive market. However, if the project owner is then punished, because they cannot replace that customer and earn revenue, it significantly affects the value of community solar. Banks in the marketplace discount community solar revenue by 20%+ percent due to this factor alone. A far better approach is to allow the schedule z to be updated monthly so that customers can be replaced when they want to leave. The utility will undoubtedly complain about the frequency but we know they would not want a restriction whereby a customer can only be replaced twice a year at an apartment for example and they don’t receive revenue if they have to update more frequently.

7. Are SMART application processes and requirements clear? Is communication between applicants, the Solar Program Administrator, and DOER clear and effective? Please describe any improvements you believe could be made to the SMART application process.

Yes this is clear and we appreciate ClearResult and the DOER efforts in this area. We of course wish it was faster, but that is more than likely a resource constraint problem.

8. Are there solar canopy project types that currently fall outside the SMART program’s definition of Solar Canopy that you believe should be eligible for the Canopy adder? Please provide example project types and describe their benefits.

We would like to see the definition also include non-impervious surfaces like gravel, pavers, or provide more clarity on what types of projects have been approved. Examples where we are unsure of whether or not it will count are boat and car storge (that is only over dirt), over contractor yards, junk yards, gravel pits still in use.

9. Are there examples of dual use agrivoltaics policies in other jurisdictions that align with Massachusetts’ solar and agricultural objectives? Please provide citations and summaries of those policies.

The number one reason we have not been able to finance this type of project is because the banks don’t waNnt to take the risk that the farming fails and then the project loses its incentive. Financiers provide capital based on certain assumptions. The SMART program is VERY well designed in that it provides 20 year, contracted, investment grade revenue. Introducing a non-investment grade revenue that relies on a new type of farming increases uncertainty and therefore financiers are unwilling to provide capital to that aspect of the project. While NextGrid does not agree that the risk is high, its what the banks think that matter.

10. What modifications to SMART incentive payment calculations, as currently set forth in 225 CMR 20.08, if any, are needed? Please provide examples formulas or calculations for DOER review.

We believe these are clear

11. How could the program be designed to insulate projects and participants from unforeseen market circumstances that materially impact the value of the SMART program incentive? For example, global events impact supply chain and energy costs.

The most simple suggestion we have is freezing certain adders of the declining blocks based on baseline pricing from the market. This could be evaluated every three years to adjust if pricing has changed.

More complex would be to have certain aspects of the program track to the base driver of those cost fluctuations. Examples include

* Carport Adder – Main component is steel. You can use the CME HRC index (or any other public price index) on steel to understand the main driver in canopy prices and come up with an adjustment mechanism. If steel goes above a ceratin price, the adder can increase, or can decrease if steel goes down.
* Storage Adder – Cell Prices. This is tracked by many different independent groups in the marketplace or actually seeing PO for various size orders and companies is a more accurate approach.

12. What additional consumer protection measures or modifications to existing measures should the SMART program incorporate to ensure such protections are achieving their objectives, especially as they pertain to low-income customers?

PASS 20-145 DOCKET!!!!!! Its been 3+ years

This part of the SMART program, which already updated in CMR (20.06 (1) (f) (4)), allows municipal aggregation programs to participate in community solar.

* This model allows the municipality to choose a fiduciary consultant to negotiate on the low income customers behalf.
* This protects not only the customer, but the developer, in that there is now an entity that can manage the customers on their behalf, reducing the need for middlemen that are predatory (think door to door aggregators like retail supply).
* There are many more checks and balances in this model that help reduce risk and provide larger discounts to low-income customers.
* The credit of the low income customers does not come into play, as the way the credit is applied goes through the supplier.

13. Are there any Commonwealth policies (e.g., renewable energy goals, land use priorities, housing policy) that you believe the SMART program inadvertently conflicts with? Please describe any potential modifications to SMART that would alleviate these conflicts.

As discussed above, the Schedule Z limitation of 2 times per year conflicts with consumer protection policies. A customer should be able to leave their community solar contract at anytime without penalty. However, if a developer can only change twice per year and has 100s of customers on that schedule z, they lose revenue if more than 2 customers leave in a given year. Assuming you need 600 customers, 10% yearly attrition rate on a 5MW project, there is a 97% chance that happens (2/60).

14. Is there any additional feedback you wish to provide to DOER?

We still believe this is the best program in the country, but interconnection is becoming an increasingly large issue. Its causing developers to leave the Commonwealth, reducing jobs, value and will ultimately lead to missing Massachusetts climate goals.

Texas is leading the way in this area and we suggest adopting similar policies that decrease interconnection and permitting risk to projects. Happy to discuss in more detail if appropriate.