



October 28, 2016

TO: Department of Energy Resources
100 Cambridge St.
Boston, MA 02114

RE: City of Cambridge Joint Comments on Next Generation Solar Incentive Straw Proposal

Background

Cambridge and Somerville are home to approximately 190,000 residents in an area of approximately 11 square miles. Accordingly, these two cities are some of the most densely populated in the country, with approximately 90% of residents living in multi-family homes. Cambridge and Somerville are each committed to mitigating climate change and contributing to the greenhouse gas (GHG) reductions required by the Global Warming Solutions Act (2008 Mass. Acts 298). Both cities have been designated Green Communities by the Commonwealth's Department of Energy Resources (DOER), and have ambitious climate and energy goals: the Cambridge Net Zero Action Plan aims to reduce GHG emissions from the built environment 70% by 2040; and Somerville seeks to become a net-zero carbon emissions city by 2050. Achievement of these goals will require continued progress in energy efficiency as well as maximizing the utilization of local renewable energy resources.

Due to the high level of development within these cities, Cambridge and Somerville do not have the land area required for large wind or solar generating facilities, but they do have potential rooftop capacity for small to medium size solar PV installations totaling about 350kW in aggregate technical generating capacity. Both cities have sponsored residential solar promotion programs such as Solarize Mass and envision solar playing a significant role in meeting our local climate goals. For example, under the Net Zero Action Plan, Cambridge has a goal of 60MW installed solar by 2020 and 140MW by 2040, as well as 12MW of Community Shared Solar. State incentives such as SREC-I and SREC-II have been central to driving the growth of solar in our communities. Affordability of solar—particularly for our low-income

residents—is essential for making the economic argument to encourage investments in renewable energy.

Regulatory Certainty is Key to Solar Incentive Programs

Cambridge and Somerville would like to thank DOER for working towards a comprehensive, long-term solar incentive program. We have found that regulatory certainty is key to the health of the solar market in our cities. Given the many steps involved in completing a solar installation, particularly for private residents the simplicity of incentive structures is essential to their decision-making process around going solar. The multiple potential expirations and last-minute extensions of the SREC-II program has hindered our cities' and local installers' ability to communicate clearly about the economic expectations residents should have for their solar projects. Also, since many Cambridge and Somerville residents are unable to install solar on their own homes due to being renters or having roofs unsuitable for solar, Community Shared Solar options are important to broadening the solar market. Regulatory certainty for larger-scale projects outside of our city limits is therefore also crucial to enabling the development of these projects.

Cambridge and Somerville therefore urge DOER to provide a clear and continuous transition from SREC-II to the Next Solar Incentive program. Given the amount of time it will realistically take to develop the new program, SREC-II should be continued for both residential and large-scale solar projects until the Next Solar Incentive has been finalized so that projects can continue to be developed during the transition. The urgency of addressing climate change in our cities and across the Commonwealth is too great to put a hold on the solar market while the Next Solar Incentive is developed.

Furthermore, the Next Solar Incentive should be designed to be as simple as possible for residents to understand and take part in. This could mean fewer, larger declining blocks and a clear registration system to “lock-in” a given incentive rate early in the solar development process. Tracking of incentive credits for behind-the-meter projects must be streamlined and simple. And compensation should be timely and transparent. To simplify the solar incentive landscape, the Next Solar Incentive should strive to integrate net metering credits and any potential Minimum Monthly Reliability Contributions in order to consolidate all electricity costs and revenues into a single bill.

Low Income Support is Particularly Important

Low income residents which make up a significant proportion of Cambridge and Somerville's population (about 15% of Cambridge and Somerville residents fall below the poverty line) have the most to gain from affordable solar electricity due to the disproportionate amount of household income they spend on energy. In Middlesex County, low income residents spend an average of 39.2% of their monthly income on energy costs.¹ Therefore, we urge DOER to maintain strong financial incentives for low income residents to go solar in conjunction with programs such as the Mass Solar Loan and Community Shared Solar to make solar accessible to low income residents, many of whom are renters or lack access to good credit.

Community Shared Solar Support is Particularly Important

For the reasons described above, Community Shared Solar (CSS) availability and affordability must go hand-in-hand with low income solar support. At the same time, CSS is an essential option for the majority of Cambridge and Somerville's residents. Due to the high proportion of renters (60%) and multi-family homes (90%), as well as old building structures, competition for roof space such as dormers, balconies, and HVAC equipment, and shading from trees on small lots, very few of our residents have roofs suitable for solar installations. CSS has the ability to allow these residents to benefit from solar while supporting the solar growth needed to meet the Commonwealth's climate change goals. Cambridge has been pursuing hosting CSS projects on municipal buildings, but the shifting state incentives over the past year have sidelined these projects. Given the uncertainty around the value and availability of Net Metering Credits, CSS incentives under the Next Solar Incentive should consider alternative mechanisms to Virtual Net Metering in order to deliver the value of CSS production to off-site offtakers.

Multi-Family Properties Should Receive Additional Incentives

As stated above, over 90% of Cambridge and Somerville residents live in multi-family properties. Due to the added complication of installing solar on multi-family buildings with multiple decision-makers and the potential for multiple interconnections, we have found that multi-family buildings have a much lower rate of solar adoption than single-family homes,

¹ <http://www.theatlantic.com/business/archive/2016/06/energy-poverty-low-income-households/486197/>

despite the fact that single-family homes make up a much smaller percentage of the housing stock and solar potential in our cities. We have seen that fewer installers are willing to work with multi-family homeowners, and those that do often charge higher fees. In order to unlock the potential generating capacity of multi-family properties, we encourage DOER to consider including a "multi-family adder" in the Next Solar Incentive program. Such an adder would help overcome the added financial and transactional cost of installing solar on multi-family buildings.²

Thank you again for the opportunity to participate in the design of the Next Solar Incentive and we look forward to continuing to support the solar deployment and GHG emission reduction goals of DOER and the Commonwealth.

Very truly yours,



Lisa Peterson
Acting City Manager
City of Cambridge

Note that a copy of these comments has been submitted in duplicate by the Cities of Cambridge and Somerville.

² Note that Boston, Cambridge, and Somerville have submitted separate comments to the Department of Public Utilities urging that the DPU grant a blanket exception to the Single Parcel Rule, D.P.U. 11-11-C, which currently restricts multi-family buildings from installing more than one net meter on a single parcel of land. The Next Solar Incentive could overcome this barrier to multi-family solar installations by compensating each solar owner the same amount for their solar production after taking into account the value of any net metering credits. See http://web1.env.state.ma.us/DPU/FileRoomAPI/api/Attachments/Get/?path=16-117%2fBoston_Camb_Som_comments.pdf.