



October 28, 2016

To the Massachusetts Department of Energy Resources,

Pika Energy supports the creation of DOER's proposed Next Generation Solar Incentive that would incentivize the co-location of advanced energy storage with solar. Pika Energy is a manufacturer of direct current (DC) power electronics, including bi-directional, islanding inverters, battery charge controllers and DC solar optimizers. Pika Energy's products provide grid-supporting clean power that enables buildings to collect, store and self-consume energy from solar PV and wind sources. Headquartered in Westbrook, Maine, Pika Energy manufactures inverter equipment in Billerica, Massachusetts via our contract manufacturing partner, MC Assembly. We sell our equipment to distributors and installers throughout the Commonwealth.

The Pika Energy team has reviewed the 'Next Generation Solar Incentive Straw Proposal' released by DOER on September 23, 2016. We agree that a tariff-based incentive is the simplest and most cost-effective way to build customer demand for energy storage in Massachusetts.



Pika Energy advanced bi-directional storage-enabled inverter, Manufactured in MA

Incorporating an energy storage policy adder to the proposed solar tariff will spur increased installation of solar-plus-storage systems, making businesses and homeowners in Massachusetts more resilient to grid outages. The Pika Energy team believes the value of energy storage is greater in grid-tie systems than in standalone off-grid systems. Distributed solar-plus-storage systems in grid-tied buildings offer power generators an attractive network of grid assets that can be aggregated for applications such as demand response. In this future, all participants in energy generation and consumption benefit from distributed clean energy systems with integrated storage.

Pika has asked for feedback on the proposed Next Generation Solar Incentive with leading Massachusetts installers. They tell us that if the policy adder for Behind-the-Meter Energy

Storage is set equal to or below the level of the Non-Net Metered adder, they are most likely to “take the easy route” and select the Non-Net Metered option.

As such, we at Pika Energy support an adder for Behind-the-Meter Energy Storage installations that is **set at a level higher than the proposed \$0.05/kWh adder for Non-Net Metered systems**. We believe this incentive will provide a meaningful increase in the adoption of solar-plus-storage in the Commonwealth as more homes and businesses can recognize an appealing return on a solar-plus-storage investment.

Pika Energy recommends that the DOER consider taking the following into account when designing an energy storage incentive:

- Ensure access to energy storage and its many benefits across Massachusetts ratepayers by creating a carve-out for residential and small commercial systems.
- Require that inverter equipment is connected to the internet to ensure that behind-the-meter storage is capable of being dispatched by utilities or other third parties.
- Create a policy adder for equipment that is manufactured in Massachusetts and creates local manufacturing jobs. Several battery and power electronics companies manufacture equipment in Massachusetts.

Pika Energy believes that the Next Generation Solar Incentive and the Energy Storage Initiative together lay the groundwork to make Massachusetts a leader in deployment of solar-plus-storage systems and will put the state on track to installing 600 MW of advance energy storage capacity by 2025.

Sincerely,



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