



October 24, 2016

Judith Judson, Commissioner
Department of Energy Resources
100 Cambridge St # 1020
Boston, MA 02114

RE: Next Generation Solar Incentive Straw Proposal

Dear Commissioner Judson:

On behalf of nearly 300 affiliate organizations and more than 400,000 grassroots members nationwide, 20,000 of which live in New England, Consumer Energy Alliance submits this letter and attached report to urge the Department of Energy Resources to create energy policy that is pro-solar, pro-grid, and pro-consumer through its Next Generation Solar Incentive Straw Proposal.

CEA is a consumer advocacy organization that represents every sector of the U.S. economy including families, farmers, small business owners, manufacturers, truckers, airlines, and chemical producers. As the voice of the energy consumer, CEA strongly supports access to clean, renewable, reliable, and affordable energy resources for each and every American.

On behalf of our members, CEA applauds DOER's efforts to create solar policies that work for families and businesses. As DOER is aware, solar incentive programs, including renewable energy certificates, create tax or ratepayer funded returns – which necessarily shift costs from the recipient onto others. Based on the attached study (completed before the NextGen proposal), Massachusetts' current incentive program yields a return equal to 185% of the installed cost of a 3.9 kW customer-owned facility and 182% for a 6 kW customer-owned facility.

The current straw proposal leaves some key aspects of the pending program open to interpretation, although any interpretation of it leads to incentives that still exceed the related costs of solar. According to the same methodology found within the attached study, residential rooftop solar systems installed on or after January 1, 2017 would receive incentive rates in a range from 199% of the installed system costs, if the system receives both net energy metering and NextGen incentives, to 141% of the installed system costs, if the system only receives the NextGen incentives. While the second scenario could be lower than 185%, the first scenario actually represents an increase in the incentives to residential rooftop owners. In either case, the incentives more than exceed installed costs and the cost shift onto traditional customers is still considerable.

CEA urges the Commonwealth to maintain its efforts to develop policies which will continue to reduce costs for its traditional customers while achieving the goals of continued solar growth, ensuring a robust electric grid, and treating each family and business equally.

CEA is encouraged by the progress DOER is making towards energy policy that works for everyone, and we look forward to working with your office to build on the Next Generation Solar Incentive Straw Proposal's current progress towards an energy future that is pro-solar, pro-grid, and pro-consumer.

Sincerely,

James Voyles
Counsel
Consumer Energy Alliance