

**LOW-INCOME WEATHERIZATION AND FUEL ASSISTANCE NETWORK
COMMENT TO DOER RE: ITS “NEXT GENERATION INCENTIVE STRAW
PROPOSAL**

October 28, 2016

This is the response of The Low-Income Weatherization and Fuel Assistance Program Network (The Network) to the request of the Department of Energy Resources (DOER) (<http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/development-of-the-next-solar-incentive.html>) for Comments on DOER’s September 23, 2016 “Next Generation Incentive Straw Proposal” (Straw Proposal) for development of the Next Solar Incentive pursuant to St. 2016, c. 75.

The Network, which has participated in DOER-sponsored discussions of the Straw Proposal, is the organization of agencies that make up the low-income weatherization and fuel assistance program network that implement low-income energy efficiency programs pursuant to section 11 of the Green Communities Act, G.L. c. 25, sec. , St. 2008, c. 169, sec. 11. The Network provides a high-quality and comprehensive, whole-house approach to single-family and multi-family low-income homes, coordinating utility ratepayer funding with government grants to provide weatherization, pre-weatherization, and other energy efficiency measures at no cost to low-income households. Network agencies also install renewable energy measures for the benefit of low-income households, including pursuant to grants by this Department. In addition, members of the Network counsel low-income households about rates and payment options, and arrange rate payment assistance (including Fuel Assistance, arrearage management, and other forms of assistance). Many low-income customers served by members of the Network are currently having an especially difficult time paying their bills.

The Network offers the following comments on the Straw Proposal, focussing on the interests of the Low-Income (Rate R-2) ratepayers it serves. The Network takes no position at this time with respect to the proposed tariff structures, other than as stated here.

Whatever the net cost to solar customers of solar participation under the proposed structures, there is no evidence that the benefit to R-2 low-income ratepayers as a class would be other than approximately zero. The General Court has determined that low-income R-2 customers should not bear the burden of solar subsidies from which they do not benefit (G.L. c.164, §141) and in applying §141 the DPU has found a net burden on low-income customers (Massachusetts Electric Co., D.P.U. 15-155, at 469). At least roughly, there will thus be little net cost (or benefit) to R2s of this subsidy under DPU rate design principles.

We note that any cost recovery questions with respect to solar subsidies are plainly within the exclusive jurisdiction of the DPU to determine just and reasonable rate designs (subject, among other things, to §141).

We note further that the original intention of this rulemaking process to include a Low Income Access Stakeholders Group (October 7, 2016 PowerPoint at slide 11) has been abandoned in favor of a consolidation of low-income concerns into general tariff discussions (*ibid.* at slide 15; October 20 Power Point at slide 2) with no discussion of whether the proposed structure will have any impact on the ability of R-2 customers to benefit from solar energy (Oct. 20 PowerPoint at slide 17). Similarly, the consultant's report (Sustainable Energy Advantages, LLC, "Developing A Post-1600 MW Solar Incentive Program: Evaluating Needed Incentive Levels and Potential Policy Alternatives," [developing-a-post-a600-mw-solar-incentive-program.pdf](http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/development-of-the-next-solar-incentive.html), Oct. 11, 2016, available at <http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/development-of-the-next-solar-incentive.html>) does not address low-income access at all, limiting its analysis to "the metric of direct ratepayer costs" (at v) of several program alternatives and NOT to whether the proposed (or any other) "low income" incentive could result in any solar power for the benefit of R-2 customers, who are unable to make an investment in solar on their own. There is thus no such evidence. R-2 customers, by definition, have no surplus funds to invest in solar energy and thus to take advantage of incentives for solar investment. There is no evidence that community solar, potential lease offers, potential credit offers, or any other mechanism could overcome this overwhelming obstacle in a way that would result in meaningful net benefit for individual R-2 customers on a meaningful scale.

The Network has no objection to affordable housing owners receiving a special benefit from an SREC program because it could help sustain affordable housing, an objective The Network supports. This should not be confused with direct assistance to low-income (R-2) customers, so the benefits should be separately accounted for as between affordable housing owners and R-2 customers so the two different policy objectives are not conflated.

Similarly, the Network has no objection to a system that allows a few R-2 customers to reap benefits from net metering and other solar subsidies. But, critically, it is clear that under the proposed system of incentives there can be no more than a very small number of such R-2 customers, dependent on the good will of socially-minded solar developers (whom The Network supports and applauds). The Network joins in the hope that perhaps such efforts can eventually grow into broad social policy in support of R-2 customers generally. But under current and proposed conditions, that a tiny number of low-income households may be able to thus win a solar lottery should not be confused with broad social and economic policy.