



Commissioner Judith Judson
Director Michael Judge
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

October 28, 2016

MassSolar
SolarIsWorking.org

Dear Commissioner Judson and Director Judge,

Thank you for the hard work you and your team invested in creating a proposal for the next solar incentive program as presented on September 23rd, 2016 and for allowing MassSolar the opportunity to provide you with our comments.

We appreciate the administration's desire to reduce the cost of maintaining a robust solar industry in Massachusetts by reducing the market risk and uncertainty inherent in the current incentive program. The solar industry in Massachusetts is currently experiencing a time of extremely rapid change due to recent legislation reducing net metering rates, proposals for new regulations, tariff changes and the potential for the imposition of new fees, such as the minimum monthly reliability contribution (MMRC). Any new solar incentive program will need to be flexible enough to accommodate market and regulatory changes, by allowing incentive values to be adjusted as necessary to provide for the stability and certainty required to meet the administration's goals for solar power in the Commonwealth.

We would recommend that the incentive values included in the straw proposal should be adjusted to consider the impact of the MMRC.

We are broadly supportive of the proposed structure for the next solar incentive program, but believe that the final program could be stronger by addressing the following concerns.

- 1) **Set Higher Program Goals** - We would recommend establishing a larger solar generation target for the program. Two thirds of our member companies believe the target should be set between 2,400 MW and 4,000 MW and another 23% believe the target should be set higher than 4,000 MW. This would have the advantage of enhancing certainty for municipalities, businesses and residents hoping to develop solar projects, by providing a consistent incentive framework for several years – as opposed to the boom and bust cycles we've experienced with previous relatively rapidly achieved goals. This would have the added advantage of being consistent with the Kain vs. Department of Environmental Protection decision by the SJC, the Global Warming Solutions Act, the recent Executive order 569, and the Green Communities Act.
- 2) **Establish an Interim Program** - For all intents and purposes, early stage solar project development has stopped in Massachusetts. Until there is certainty regarding the new solar incentive program, no investor will be willing to take the risk and expense of developing new projects in Massachusetts.

MassSolar recommends extending the SREC II program until the next solar incentive program is in effect, either by issuing a new emergency regulation or adopting the good cause extension clause of the current emergency regulation. Since there is no certainty as

to when the current Solar Incentive Straw Proposal or even a modified version of an SREC III program would begin, this extension would allow project development to proceed in the interim.

- 3) **Provide Balanced Site Development Options** – While we agree with the administration’s desire to balance the benefits of solar development with the benefits of protecting forests and farmland, the land use restrictions in the straw proposal could potentially prohibit 98% or more of the land area in Massachusetts from being used for solar development. We would strongly encourage the Department to allow solar development in areas where other forms of development such as roads, subsidized housing, commercial development or power generation stations are currently allowed. We have seen many farms enhance their economic viability by using non-productive land for solar development. Allowing farmers to supplement their income and make their farms more economically viable should be encouraged, not discouraged. Other sensitive areas are already protected through local by-laws, conservation restrictions and wetland protection acts, zoning by laws and the Natural Heritage & Endangered Species program. We urge the Department to find a compromise position that addresses the concerns raised by the environmental community and preserves the rights of developers to build distributed generation at the appropriate sites.
- 4) **Establish a Declining Block System of Assurance** – Larger projects which often take 2 or 3 years to develop, will need some form of assurance or date certainty regarding the project’s expected incentive levels to provide the certainty needed to secure financing. Smaller projects should not experience sudden and unexpected changes in incentive levels if larger projects unexpectedly use up the remaining capacity of any given block.
- 5) **Next Solar Incentive Program Should include MLPs** - The next solar incentive program should be equally accessible for all residents and businesses in the Commonwealth, including those residents and businesses located in MLP territories. One option is to offer an opt-in option, which would allow MLPs to pay into a fund to participate in a statewide program.
- 6) **Community Shared Solar** - Recognition and distinction ought to be made between a member owned community shared solar project and one where the members are only off-takers. Member owned community shared solar gardens, such as the Harvard Solar Garden, require substantially higher organizational effort and costs to operate, and the adder should be priced accordingly.

MassSolar appreciates the opportunity to participate in the ongoing formulation of these new policies and looks forward to further engaging in these discussions,

Respectfully,



Mark Sandeen
President, MassSolar