



October 26, 2016

Mr. Michael Judge  
Director, Renewable and Alternative Energy Division  
Ms. Kaitlin Kelly  
Renewable Energy Program Coordinator  
Department of Energy Resources  
100 Cambridge Street  
Boston, MA 02114

Re: Solar Straw Proposal

Dear Mike and Kaitlin:

Thanks for presenting the Solar Straw Proposal on September 23, 2016. We appreciate your continued openness and clarity regarding each new phase of the DOER's solar programs.

As you know, we are primarily focused on solar parking lot canopies. We think there is tremendous benefit to covering existing parking lots rather than green landscape or taking down forests. Canopies are a unique, special solution for solar in Massachusetts and, we think, deserve special consideration and allocations. We are currently working on 37 MBTA sites and 7 non-MBTA sites, and we are trying to get them completed under SREC II. It is an ambitious goal, but we would like to complete as much as we can under SREC II. We have the following questions and comments about the proposal.

**Solar Straw Proposal**

- 1.) Getting this program worked out under DOER by the end of the year seems like a pragmatic goal. How long do you think it will realistically take for DPU to approve their part of the new program?
- 2.) Given that it could take some time to work out this new program and then get it approved by both State agencies, can we get some relief on the end of the SREC II program? Right now, there is a January 8, 2017 deadline with a four-month extension with a proposed penalty of 20% off the SREC production number. Can you extend the program end date to June 30, 2017 and eliminate any penalty?



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- 3.) For solar parking lot canopies, the proposed tariff period is 15 years. Can this be extended to 20 years? A 20-year tariff would allow owners of solar canopies the economic certainty that the systems would be sufficiently amortized by the end of the tariff period as the canopy solutions are typically more expensive to install compared to other system types like ground mounts.
- 4.) Under the declining block model, it is proposed that with each new 200 MW block, tariff values will decrease by 5% in each subsequent block. Why is it necessary for this decrease? We think it would contribute to a more stable market if the tariff values stayed the same throughout the 8 blocks. The State now has to consider that they need to remain competitive with other State programs. This decrease will bring the program down 40% by the last block, and we do not envision the same, proportionate decline in the cost of system installations, especially as it relates to canopies.
- 5.) Regarding solar parking lot canopies, our understanding of the proposal is that if we build a project 1 MW AC or larger we would start with a base rate of \$.15 and then would add \$.04 for a solar canopy. Then, if we have a non-net metering PPA, we could add another \$.05, to bring us to \$.24. This is substantially below the approximately \$.32 we receive now over 10 years, which is why we would like you to consider a 20-year tariff. This becomes more important for canopies because the construction costs are at least \$1.00/watt higher than ground mounts.
- 6.) Under the MBTA portfolio, we have at least 6 sites that are in MLPs, and we have a non-MBTA site in Boxborough (Littleton Electric Light Department – MLP) that we are trying to complete under SREC II. The MLP projects suffer greatly under the SREC II extension penalty of a 20% reduction of SREC capacity. At the very least, if you cannot extend the deadline and eliminate this penalty, can you eliminate it for MLP projects under SREC II?



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7.) Also, under the Straw Proposal, and as you mentioned at the rollout, you are still trying to figure out what to do with MLP projects when SRECs are eliminated. We are finding that we can sell the electricity to MLPs for around \$.07/kWh. Is there any way to continue the SREC Program for MLPs under your next phase?

These are our comments and concerns about the Straw Proposal. Again, we appreciate your dedication to making the Massachusetts program one of the best in the country.

Sincerely,

A handwritten signature in blue ink that reads "James McAuliffe". The signature is fluid and cursive.

James McAuliffe  
CEO