

## “Comments – Post 400 MW Policy”

The March 22, Stakeholder meeting notes presented by the DoER was very thoughtful. Unfortunately I was unaware of the Stakeholder meeting and did not attend. I actually just noticed that tomorrow was the last day for public comment on the issue. I am very interested in this issue, because it will determine the fate of photovoltaics within Massachusetts. Unfortunately my response is a bit rushed; but at the end of the day, I would like to see MA achieve an exceptionally high percentage of its electrical energy needs from solar energy. When looking at the end goal and looking backward as to the milestones needed to achieve maximum penetration of photovoltaics I come to the following suggestions.

Simplifying to a feed in tariff with a 10 year window makes a lot of sense. This gives financial stability to investors and will grow the installation rate. The drawbacks would be that at present levels in the neighborhood of \$300/MWh would pass along a burden to the ratepayers that are substantially above conventional electrical energy generation. Therefore rather than adding an unpredictable rate change that is based on market trends add a linear 5% reduction of the Feed In Tariff each successive year such that at the end of 20 years, there would be no Feed In Tariff value. This provides predictability for financial investors, and eventually phases out the subsidies.

What happens if there is overproduction of PV? What would define overproduction, more capacity coming on line than the grid can withstand or rising cost of rates for standard rate payers. I would argue that the rate payers should pay the higher premiums because it is the right thing to do, and that is the purpose of government, to push the citizenry into making collective action decisions that are in the best interest of the population at large and not the individual. That being said, pricing should try and remain within a few percent of conventional electrical generation. At present net metering will cap out at certain percentages of generation capacity for each of the IOU distribution companies. Similarly the amount of PV generation allowable on the grid, in my understanding is only 50% of the baseline distribution load. I would argue that if all the circuits were maxed out with PV, with FIT at \$300/MWh the average increase to each rate payer would only be a small percentage, perhaps less than a 5 to 10% overall bill increase. I believe this could be calculated, its only math. If the potential rate increase were to be greater than 10%, then adjust the FIT initial year 1 base rate to a size that would reflect a 10% rate increase. If the production of PV is under expectations, to the point that the state is not meeting its goals, then the FIT percentage could increase or remain the same. Therefore a minimum base has been established for investors, and a possibility for increase is there to spur development if needed.



The present market sector diversity is good, and should be maintained by not adopting a centralized procurement system. I don't have time to go on in detail about this, but going to centralized procurement will narrow the field of installation companies, lessening competition and resulting in higher pricing.

I believe ISO NE in the summer of 2012 had 32,000MW generation capacity plus about 2500MW of on demand capacity. The typical baseline load somewhere between 12,000 and 15,000 MW of power. If we were to take 50% of the 15,000MW and say that the maximum capacity of PV was 7,500MW. Assuming 1.2 RECs per kW of PV installed, the maximum amount of SRECs that could be generated would be 9 million RECs, at \$300/MWh generated, would result in a burden to ratepayers of \$2.7 billion. Normal costs at 4 cents / kWh generated would be avoided; the overall avoided generation cost would be \$360 million, leaving an added burden to ratepayers of \$2.34 billion. With 6.5 million yields an added cost to all rate payers of \$360/yr or \$30/month. A bit steep, but one could not expect to reach 7500MW PV capacity in the first year. (Note that this calculation uses all of New England, and should be reduced to just MA).

I would like to thank you for listening to my concerns, and would like to participate in any way in the future.

Thank you,  
Mike Kocsmiersky