COALITION FOR COMMUNITY SOLAR ACCESS

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Kaitlin Kelly
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Dear Ms. Kelly:

On behalf of the Coalition for Community Solar Access (CCSA), we thank you and your colleagues in the Baker Administration for your efforts to keep the solar industry vibrant and growing in the Commonwealth. We write today to provide comments on the recently filed Solar Renewable Energy Certificate II (SREC II) emergency regulations (RPS Class I Emergency Regulation, 225 CMR 14.00).

CCSA is a business-led trade organization that works to expand access to clean, local affordable energy nationwide through community solar. Our mission is to empower energy consumers -- including renters, homeowners, and households of all socio-economic levels -- by increasing their access to affordable, reliable clean energy, whether or not they can put it on their own roof. Our members have invested heavily in community solar development in Massachusetts, with development pipelines representing hundreds of millions of dollars in local clean energy projects.

To start, we would like to thank the Baker Administration and Department of Energy Resources (DOER) staff for all of your work in recent months to promote a stable business environment for the solar industry. The extension of SREC II and, most recently, your support for a clear net metering transition, will help this industry currently employing 15,000 Massachusetts workers to remain strong. In keeping with the goals of a stable business environment and expanding access to solar energy to more Massachusetts residents, we offer the following comments on the SREC II Emergency Regulations.

First, CCSA member companies are now making significant investments based on these emergency regulations, so it is important there not be significant changes between the emergency and final regulations.

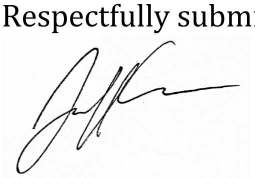
Next, in order to ensure a smooth and efficient business environment, we request a one-time extension of Statements of Qualification (SOQs) beyond January 8, 2017 for projects that meet significant construction milestones. Specifically, with respect to the deadline for projects to reach mechanical completion, CCSA recommends an approach similar to that taken at the end of the SREC I program: Allowing a one-time, four-month extension to May 8, 2017 for projects that can demonstrate 50% expenditure of total estimated construction costs by November 8, 2016. Additional requirements could include an executed engineering, procurement, and construction (EPC) contract and payment of interconnection costs. All projects seeking an extension would need to meet strict compliance requirements set by DOER.

We respectfully request this one-time extension option because of the extreme construction crunch the industry faces this year. Due to a number of factors – particularly the large backlog of community solar projects that were awaiting a net metering cap raise which was finally enacted this spring – construction companies and their subcontractors are very short on staff. Utilities' distributed generation teams are also currently short-staffed, resulting in lengthy response times that are further delaying construction. The impact of this widespread labor shortage has already become evident in the weeks since the emergency regulations were adopted, and it is now clear that this will jeopardize the ability of many advanced stage community solar projects to meet the January deadline, even though these projects have been ready to proceed for months, just awaiting net metering clarity. An optional SOQ extension also helps remove risk premiums from the financial agreements surrounding construction. Making this one-time extension available will lower the overall costs for developing projects, which importantly can translate into greater savings for community solar customers.

Finally, looking to the future, we believe it is critical that the next-generation incentive program effectively support community solar to enable continued access for all customers, particularly since the recent 40% cut to the net metering credit rates primarily affects community solar. In particular, we support a declining block incentive model that provides a predictable revenue stream, allows the industry to scale and lower costs, and sets a path to a self sustaining market.

We appreciate the Administration's leadership and openness in working with industry, and we are ready and willing to assist as DOER addresses both the short-term transition and the development of the next-generation incentive program.

Respectfully submitted,



Jeff Cramer
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