

Comments of Sunrun, Inc. on the Solar Renewable Energy Credits II Emergency Regulations (225 CMR 14.00)

In response to the Department of Energy Resources' (DOER) Notice of Public Hearing and Comment Period issued April 28, 2016, Sunrun, Inc. (Sunrun) offers the following comments on the Renewable Energy Portfolio Standard (RPS) Class I Emergency Regulations (225 CMR 14.00) (Regulations) filed by DOER on April 8, 2016.

Sunrun is the nation's largest dedicated residential rooftop solar company. The company designs, installs, monitors and maintains solar panels on homeowner rooftops. The rooftop solar market in Massachusetts has been driven by Massachusetts residents' desire to assert control over their electric bills, and Sunrun strongly supports the continuation of this trend. Sunrun is committed to offering the state's citizens a viable choice in energy providers and providing near-term, low-cost and customer-based solutions to integrate renewable energy resources and improve operational efficiencies that preserve both the health of the solar industry and the public interest at large.

Sunrun appreciates the opportunity to provide comments on the proposed Regulations. We are generally supportive of the Regulations and offer the following recommendations in order to ensure clarity regarding the end of the Solar Carve-out II Program and guarantee a smooth transition to the successor program. Specifically, we recommend a small change to the current definition of the Solar Carve-out II Program Capacity Cap to avoid creating a gap in program continuity and recommend that requirements for systems 25 kilowatts (kW) or smaller be amended to reflect this change. We also request that systems 25 kW or smaller not require authorization to interconnect or permission to operate (PTO) prior to receiving Statements of Qualification. We offer a summary of our proposed changes in Appendix A.

1. The Regulations' definition of the Solar Carve-out II Program Capacity Cap risks creating a gap that could harm program continuity

Sunrun appreciates that extending the Solar Carve-out II Program based on a date certain rather than a capacity based cap can provide greater clarity and a smoother transition to the new incentive program. However, as presently written, the Regulations' definition of the Solar Carve-out II Program Capacity Cap risks creating a gap that could jeopardize a smooth transition to the successor program. 225 CMR 14.02 defines the Solar Carve-out II Program Capacity Cap as "The aggregate eligible capacity, in MW, of Solar Carve-out II Renewable Generation Units qualified by the Department within nine months of April 8, 2016 or upon the establishment of a new incentive program, *whichever occurs first*, minus the Solar Carve-out Program Capacity Cap."¹ Under this language, it is uncertain what would occur in the event that the new program is not established within nine months of April 8, 2016 (January 8, 2017). It appears likely that projects could be stranded without a clear path forward, thereby stalling development and potentially chilling the growth of solar in the state.

¹ 225 CMR 14.02 (Emphasis added).

In order to avoid this scenario, Sunrun recommends changing the definition of the Solar Carve-out II Program Capacity Cap in 225 CMR 14.02 as follows:

The aggregate eligible capacity, in MW, of Solar Carve-out II Renewable Generation Units qualified by the Department within nine months of April 8, 2016 or upon the establishment of a new incentive program, whichever occurs ~~first~~later, minus the Solar Carve-out Program Capacity Cap.

This simple change eliminates the risk of a gap created in the event that the new incentive program is not established by January 8, 2017 and thereby ensures a smooth transition to the successor program.

2. The requirements for systems equal to or less than 25 kW to receive Statements of Qualification should parallel the recommended change to the Solar Carve-out II Program Capacity Cap

The risk posed by the current definition of the Solar Carve-out II Program Capacity Cap is also present in the rules regarding systems 25 kW or smaller. The proposed language in 225 CMR 14.05(9)(s)(3) states that a Solar Carve-out II Renewable Generation unit of 25 kW or less will receive a Statement of Qualification if it submits an application “by the effective date of a new solar incentive program.”² Because the Regulations would cap the Solar Carve-out II program on the earlier of January 8, 2017 or the establishment of the new incentive program,³ the Regulations, as currently proposed, would create uncertainty in the event the new program is not established until after January 8, 2017. In such a situation, a 25 kW or smaller project would appear to be eligible to receive a Statement of Qualification until the new program was established despite the fact that the program cap would have been reached on January 8, 2017.

Such an inconstancy is likely to cause confusion regarding whether systems 25 kW or smaller will still be eligible under the Solar Carve-out II Program after January 8, 2017. Sunrun therefore recommends that the language in 225 CMR 14.05(9)(s)(3) be amended to parallel our proposed change to the definition of the Solar Carve-out II Program Capacity Cap such that the deadline for submission of a Statement of Qualification Application would be changed from “by the effective date of a new solar incentive program” to “within nine months of April 8, 2016 or by the effective of a new incentive program established by the Department, whichever occurs later.” This change would avoid any gaps and create certainty over whether systems applying after January 8, 2017 will remain eligible under the Solar Carve-out II Program.

Additionally, Sunrun is concerned that the requirement in 225 CMR 14.05(9)(s)(3) that systems 25 kW or smaller receive authorization to interconnect or PTO before receiving a Statement of Qualification is problematic because it delays certainty about a system’s ability to participate in the program until late in the development process. This risks stranding systems that have already

² 225 CMR 14.05(9)(s)(3).

³ See 225 CMR 14.02 (“Solar Carve-out II Program Capacity Cap. The aggregate eligible capacity, in MW, of Solar Carve-out II Renewable Generation Units qualified by the Department within nine months of April 8, 2016 or upon the establishment of a new incentive program, whichever occurs first, minus the Solar Carve-out Program Capacity Cap.”).

begun development and hindering market growth. Sunrun therefore believes systems 25 kW or smaller should not require authorization to interconnect or PTO as conditions to receiving a Statement of Qualification. This change would alleviate concerns regarding project development and would be more consistent with the Regulations' treatment of larger projects.⁴ We recommend this change be reflected in the rules regarding Statements of Qualification for systems 25 kW or smaller and by removing 225 CMR 14.06(3)(f).⁵

Based on the foregoing concerns, Sunrun recommends that 225 CMR 14.05(9)(s)(3) be amended as follows:

A Solar Carve-out II Renewable Generation Unit that has a rated capacity equal to or less than 25 kW, which ~~has received its authorization to interconnect or permission to operate from its local distribution company and~~ has submitted a Statement of Qualification Application **within nine months of April 8, 2016 or** by the effective date of a new solar incentive program established by the Department, **whichever occurs later,** shall be provided a Statement of Qualification provided it meets all other applicable eligibility criteria of 225 CMR 14.00. For the purpose of this subparagraph, the Unit's capacity shall be measured as the total capacity of qualified Solar Carve-Out Renewable Generation and Solar Carve-Out II Renewable Generation on a single parcel of land or on a roof of a single building, whichever is less.

Sunrun appreciates the opportunity to comment on the Regulations and looks forward to continued engagement with the DOER to ensure the continued growth of solar in Massachusetts.

Respectfully submitted,

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⁴ See 225 CMR 14.05(9)(s)(2), (4).

⁵ 225 CMR 14.06(3)(f) ("Statements of Qualification for Solar Carve-out II Renewable Generation Units shall only be granted to those Units that can demonstrate that they have been granted the approval to interconnect by the local distribution company.").

Appendix A
Proposed changes to Emergency Regulations (225 CMR 14.00)

225 CMR 14.02

Solar Carve-out Program Capacity Cap. The aggregate eligible capacity, in MW, of Solar Carve-out II Renewable Generation Units qualified by the Department within nine months of April 8, 2016 or upon the establishment of a new incentive program, whichever occurs ~~first~~ later, minus the Solar Carve-out Program Capacity Cap.

225 CMR 14.05(9)(s)(3)

A Solar Carve-out II Renewable Generation Unit that has a rated capacity equal to or less than 25 kW, which ~~has received its authorization to interconnect or permission to operate from its local distribution company and~~ has submitted a Statement of Qualification Application within nine months of April 8, 2016 or by the effective date of a new solar incentive program established by the Department, whichever occurs later, shall be provided a Statement of Qualification provided it meets all other applicable eligibility criteria of 225 CMR 14.00. For the purpose of this subparagraph, the Unit's capacity shall be measured as the total capacity of qualified Solar Carve-Out Renewable Generation and Solar Carve-Out II Renewable Generation on a single parcel of land or on a roof of a single building, whichever is less.

225 CMR 14.06(3)(f)

~~Statements of Qualification for Solar Carve-out II Renewable Generation Units shall only be granted to those Units that can demonstrate that they have been granted the approval to interconnect by the local distribution company.~~