



May 27, 2016

Michael Judge
Director, Renewable and Alternative Energy Development
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020, Boston, MA 02114
Via Email to: DOER.SREC@state.ma.us

Re: Comments – RPS Class I Emergency Regulation

Dear Mr. Judge,

I am writing to submit comments on the Department of Energy Resources' recently filed RPS Class I Emergency Regulation.

Clean Asset Partners represents renewable energy system owners in Massachusetts's renewable energy certificate markets. Our clients include a number of SREC II participants. We applaud DOER's work to enable the SREC II program's continuity for solar owners already participating and who will be able to qualify under the new regulatory framework. We appreciate the opportunity to comment and have two suggestions.

First, we ask DOER to consider changing the definition of "Solar Carve-out II Program Capacity Cap" which, in the Definitions Section of the redlined version of the Emergency Regulation, is currently "[t]he aggregate eligible capacity, in MW, of Solar Carve-out II Renewable Generation Units qualified by the Department ~~equal to 1600 MW 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."

I believe the definition in the Emergency Regulation is inaccurate. Since new Generation Units >25 kW can continue to submit Statement of Qualification Applications (SQAs) and proof of being online or mechanically complete by January 8, 2017, the SREC II capacity cap should not occur any earlier than January 8, 2017, even if a new solar incentive program were to be established before that. As others have recommended, for prospective owners of PV systems ≤25 kW it would also be very helpful for the regulation to specify a date certain until which they can qualify for SREC II. In any case, I think January 8, 2017 would be the earliest that the SREC II capacity cap could be established. I therefore suggest deleting the clause "within nine months of April 8, 2016 or upon the establishment of a new incentive program, whichever occurs first." In that case the "Solar Carve-out II Program Capacity Cap" definition would be: "The aggregate eligible capacity, in MW, of Solar Carve-out II Renewable Generation Units qualified by the Department ~~equal to 1600 MW 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”

Second, since, as a result of the Emergency Regulation, DOER asked SREC II applicants to no longer submit applications for projects ≤ 25 kW until after they obtain permission to operate (PTO) and returned the applications of all projects ≤ 25 kW without their PTO, a mechanism is needed to estimate the capacity of such projects anticipated to be online in 2017 so that the minimum standard calculation will account for this as it would have if those projects had obtained a statement or assurance of qualification prior to the changes stemming from the Emergency Regulation. According to DOER’s March 14, 2016 update on the qualification status of SREC II applications, 48.397 MW of projects ≤ 25 kW under review for qualification were not yet operational. By August 30, 2016, the capacity of projects ≤ 25 kW not yet qualified but that could have been qualified had DOER continued to allow such projects to submit SQAs prior to obtaining their PTO might therefore be expected to be 48 MW or more.

In order to help maintain market balance through minimum standard calculations made in a manner consistent with that prior to DOER’s understandable prohibition on projects ≤ 25 kW submitting SREC II SQAs before obtaining their PTO, I recommend adding to 225 CMR 14.07(3)(e)2. Qualified but not Installed SREC II Supply the following sentence: “This calculation will also include the capacity, estimated by the Department, of projects ≤ 25 kW that would have received Statements of Qualification if the Department had reviewed and qualified the applications of all eligible projects that submitted, or would reasonably be expected to have submitted, SQAs before obtaining permission to operate, as allowed prior to April 8, 2016.”

The amount of capacity and the associated 2017 SREC II generation from pre-PTO projects ≤ 25 kW that would reasonably be expected to have been qualified by August 30, 2016 is substantial, and could impact the market’s supply and demand dynamics if not accounted for in the 2017 minimum standard calculations. The Emergency Regulation will already alter market dynamics due to new exempt load, which in fairness to electricity suppliers is unavoidable. DOER can help to avoid additional potential market impacts by estimating and incorporating the amount of capacity from all projects ≤ 25 kW that would have been qualified by August 30, 2016.

Thank you for the opportunity to comment and for your consideration.

Sincerely,



Steven Kaufman
Managing Director