

Senator Michael J. Barrett
Chairman, Joint Committee on Telecommunications, Utilities and Energy
Massachusetts General Court

Representative Thomas A. Golden, Jr.
Chairman, Joint Committee on Telecommunications, Utilities and Energy
Massachusetts General Court

Tuesday, October 3, 2017

Dear Chairman Barrett, Chairman Golden, and members of the Joint Committee on Telecommunications, Utilities and Energy,

As environmental, civic, housing, health, faith, and business organizations representing tens of thousands of Massachusetts residents, we urge you to approve legislation that will expand solar energy and ensure that its benefits are available to all.

Solar energy has grown rapidly in recent years, with more than 300 times as much solar capacity installed today as in 2007. Thanks to supportive state policies as well as the efforts of countless families, businesses, institutions and municipalities, Massachusetts has emerged as a national leader for solar energy.

We are seeing the benefits of solar energy all around us. Solar is helping to clean up our air and protect our health from dangerous fossil fuel pollution. We are emitting less carbon dioxide and other climate-altering pollution, which contributes to rising sea levels, more severe storms, and other impacts of global warming.

Cities and towns are reducing their municipal electric bills and saving money for their residents by installing solar panels on capped landfills, brownfields, and rooftops. Nonprofits and affordable housing organizations are switching to solar to stabilize their energy costs and invest more of their resources in serving their communities.

According to MassCEC, more than 18,000 Massachusetts residents are now working for solar companies, a number that will grow with continued policy leadership from state officials.

For all of the progress we have made, we have still tapped only a small fraction of Massachusetts' solar potential. To maximize the benefits to our environment, our health, and our communities, we should accelerate the growth of solar energy and ensure that everyone in Massachusetts has access to its benefits.

Unfortunately, the caps on net metering are preventing families, businesses, nonprofits and local government from switching to solar power. Although the Legislature acted last year to raise the caps, the increase was insufficient to accommodate continued solar growth. As a result, communities served by National Grid and Unitil, as well as Western Massachusetts communities served by Eversource, have once again seen solar projects stall due to the caps.

Additionally, the 40 percent cut in the value of net metering credits, adopted by the Legislature when it raised the net metering caps last session, is making it harder for many to switch to solar. This adverse impact is particularly severe for affordable housing providers, low-income families, renters, and others who are unable to install solar panels on the roofs of their homes.

While the Solar Massachusetts Renewable Target (SMART) program, developed by the Department of Energy Resources, has attempted to address some of these issues, SMART is not a replacement for net metering. SMART does not eliminate the need for the state to have a robust net metering policy or the need to raise the net metering caps.

First, the SMART program is still not in place, and it will likely take several more months for the proceedings at the Department of Public Utilities to conclude and the program details to be finalized. Projects have been altered, delayed, or canceled due to the reduction in net metering compensation and the presence of caps on net metering. To allow these projects to move forward, we urge you to act quickly to raise the net metering caps.

Additionally, the SMART program has several shortcomings:

- The alternative on-bill crediting mechanism proposed under SMART may not work adequately as a means to transfer the value of solar projects to multiple off-takers, in the same way that virtual net metering credits can be allocated for community solar projects. As a result, community solar projects may no longer be viable, and families who are unable to install solar panels on their roofs may find it much harder to switch to solar energy.

- SMART incentives only last for 10 to 20 years after the project is completed, while net metering credits are available for the lifetime of a solar project, which may be 30 years or more.
- The level of compensation under SMART has yet to be decided and may be insufficient to support the development of some types of solar projects.
- The SMART program is designed to phase out over the next 1,600 megawatts of solar, after which only net metering would remain. According to several studies, full retail rate net metering is a good approximation of the fair value of solar energy to the grid.¹ It is important that net metering remains as fair compensation for solar customers for that value.

For these reasons, net metering remains the bedrock of Massachusetts' solar policy on which SRECs or SMART are built. We encourage you to pass legislation that will allow for the continued growth of solar energy, including S.1846 and H.2706, *An Act relative to solar power and the green economy*, and S.1831 and H.3396, *An Act relative to solar power in environmental justice and urban communities*. We also support the provisions in H.3403 and S.1848, *An Act relative to low income solar*.

Specifically, we recommend taking the following steps:

1. Eliminate the caps on net metering. Absent an elimination of net metering caps, they should be lifted by no less than 5 percentage points for public and private projects, to provide certainty for solar projects over the coming year.
2. Restore the full value of net metering credits, particularly for projects that benefit low-to-moderate income communities. For the long term, we also support a thorough and transparent process to study and adopt a "value of solar" methodology that fairly accounts for all of the benefits that solar provides as well as the costs.
3. Set aside a portion of any future solar incentive program to benefit low-income communities and renters.
4. Allow net metering credits to be shared across utility load zones.
5. Allow cities and towns to build solar projects on municipal properties and allocate net metering credits from those projects to low-income residents at the full retail rate.
6. Set a long-term target for solar growth. We recommend a goal of 17.5% solar energy by 2025, and 25% by 2030.

¹ *Shining Rewards*, Environment Massachusetts Research & Policy Center, <<http://environmentmassachusettscenter.org/reports/mac/shining-rewards>>.

7. Increase the state's Renewable Portfolio Standard (RPS) by 3 percent per year, to encourage the continued expansion of solar and other renewable energy technologies.

Please report favorably on legislation that will ensure the continued growth of solar energy. We should do everything we can to tap into clean, local, limitless energy from the sun.

Sincerely,

Environment Massachusetts
350 Mass for a Better Future
Acadia Center
Ampion, Inc.
Avid Solar LLC
BCC Solar Energy Advantage
Berkshire Environmental Action Team
Berkshire Photovoltaic Services
BlueSel Home Solar, Inc.
BlueWave Solar
Cape Downwinders
Chase Systems LLC
Citizens Against the Rehoboth Compressor Station
Citizens Awareness Network
Clean Power, Inc.
Clean Water Action
Climate Action Brookline
Climate Action Business Association
Climate Action Now
Co-op Power
Codman Square Neighborhood Development Corporation
Commonwealth Green Low-Income Housing Coalition
Cotuit Solar
Dismas House
FireFlower Alternative Energy
Franklin County Continuing the Political Revolution
Green Cambridge
Greening Greenfield

Health Care Without Harm
Healthy Home Healthy Planet
International Brotherhood of Electrical Workers, Local 103
Leverett Climate Action Committee
LISC Boston
Longmeadow Environmental Transition Group
Marion Institute - SouthCoast Energy Challenge
Mass Energy Consumers Alliance
Massachusetts Association of Community Development Corporations (MACDC)
Massachusetts Climate Action Network
Massachusetts PipeLine Awareness Network
Massachusetts Sierra Club
Massachusetts Solar Owners Association
MASSPIRG
MASSPIRG Students
MassSolar
My Generation Energy
Nashoba Conservation Trust
Neighbor to Neighbor Massachusetts
New England Clean Energy
No Canton Gas Pipeline: Toward an Equitable, Sustainable Future
No Fossil Fuel, LLC
No Fracked Gas in Mass
No Sharon Gas Pipeline/Clean Energy Now
North Quabbin Energy
Northeast Solar
Pope Energy
Precision Decisions LLC
Progressive Democrats of Massachusetts
PV Squared Solar
Resonant Energy
SHR Energy Management LLC
SJP Environmental Consulting, LLC
Social Justice Commission, Episcopal Diocese of Western Massachusetts
Solar Design Associates
Solar Energy Business Association of New England (SEBANE)
Solar Store of Greenfield

SolarEdge
SolarFlair Energy, Inc.
Solstice Initiative
South Coast Neighbors United
South Mountain Company, Inc.
Spirit Solar
Springfield Area Interfaith Climate Action Network
Stephen M. Kurkoski Electric
StopNED
SunBug Solar
Suntility Electric LLC
Sustainable Marblehead
Sustainable Sudbury
Sustainable Wellesley
Toxics Action Center Campaigns
U.S. Green Building Council - Massachusetts Chapter
Unitarian Church of Sharon, Social Justice Committee
Unitarian Universalist Mass Action Network
Vineyard Power
Vote Solar