

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

February 5, 2018

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 report favorably on legislation to expand solar energy before the Joint Rule 10 deadline on February 7.

Since the October 3 hearing before your committee, the urgency of enacting solar legislation has measurably increased.

First, the Department of Public Utilities (DPU), in response to a rate case filed by Eversource, recently approved a demand charge and other charges for new solar customers under the Minimum Monthly Reliability Contribution (MMRC). Because of the way in which the demand charge will be assessed, customers will have a hard time predicting and controlling this cost through energy efficiency or other measures. This DPU ruling amounts to an imposition of additional, unfair fees that will disincentivize customers from switching to clean, local, renewable energy while overcompensating utility companies.

Second, the recent decision by the Trump administration to impose a new tariff on imported solar panels is expected to raise costs significantly and further disincentivize potential solar customers. Nationally, the Solar Energy Industry Association estimates that this decision will lead to the loss of approximately 23,000 American jobs in 2018, and cause billions of dollars in solar projects to be canceled or delayed.

Together, the MMRC and federal solar tariff increase the already significant barriers to solar access facing many members of our communities. Low-income families, people without adequate credit, renters, and others who cannot put solar on their own roofs will find it harder to switch to solar.

Aside from these new fees, another obstacle to continued solar growth is the fact that the Solar Massachusetts Renewable Target (SMART) program has still not been finalized. This delay, along with the fact that net metering compensation has been reduced and the net metering caps have been hit in many communities, has resulted in a number of solar projects being altered, held back, or canceled.

Even when the SMART program is finalized, we will still need a robust net metering policy in place to ensure the continued growth of solar.

Depending on the outcome of the DPU's SMART tariff proceeding, the SMART program's alternative approach to net metering (known as the alternative on-bill crediting mechanism) may not work well for community and low-income solar projects, which aim to ensure that everyone has access to solar. In addition, the SMART program phases out after 1,600 MW and payments for solar facilities are time-limited, while net metering credits are available for the lifetime of a solar project, which may be 30 years or more. Finally, according to a number of 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.

Because of these recent developments, it is more important than ever for you to advance legislation to ensure the continued growth of solar energy in Massachusetts.

We encourage you to report favorably on 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:

- Eliminate the caps on net metering. At a minimum, net metering caps would need to be raised by at least 5 percentage points for both public and private projects in order to provide certainty over the coming year.
- 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.
- Prohibit demand charges for solar customers specifically, and residential and small business customers generally.
- Set aside a portion of any future solar incentive program to benefit low-income communities and renters.
- Allow net metering credits to be shared across utility load zones.
- 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.
- 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>>.

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

Please take action to expand solar energy before the Joint Rule 10 deadline. 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
Alternatives for Community & Environment
Berkshire Photovoltaic Services
BlueSel Commercial Solar
Boston Area Solar Energy Association
Boston Clean Energy Coalition
Boston Community Capital
Cape Downwinders
Chase Systems LLC
Citizens Against the Rehoboth Compressor Station
Citizens Awareness Network
Clean Power, Inc.
Clean Water Action
Climate Action Now
Co-op Power
Commonwealth Green Low-Income Housing Coalition
Cotuit Solar, LLC
Dismas House
Fire Flower Alternative Energy
Franklin County Continuing the Political Revolution
Greening Greenfield
Health Care Without Harm
Healthy Home Healthy Planet
Lagoon Ridge, LLC
Local Initiatives Support Corporation (LISC) Boston
Marion Institute — SouthCoast Energy Challenge
Massachusetts Climate Action Network
Massachusetts Quaker Legislative Action Network
Massachusetts Sierra Club
MASSPIRG
MASSPIRG Students
MassSolar
My Generation Energy
Neighbor to Neighbor
New England Clean Energy

No Fossil Fuel, LLC
No Sharon Gas Pipeline | Clean Energy Now
Precision Decisions LLC
Progressive Democrats of Massachusetts
Resonant Energy
SJP Environmental Consulting, LLC
Solar Store of Greenfield
Solstice
South Coast Neighbors United
Spirit Solar
StopNED
SunBug Solar
Sungage
Sunpower by BlueSel Home Solar
Suntility Electric LLC
Sustainable Sudbury
Sustainable Wellesley
Toxics Action Center
Union of Concerned Scientists
Unitarian Universalist Mass Action Network