

Environmental, civic, and business organizations support solar energy provisions in the Senate clean energy omnibus bill

Senator Karen E. Spilka
Chairwoman, Senate Committee on Ways & Means
Massachusetts General Court

April 2, 2018

Dear Chairwoman Spilka and members of the Senate Committee on Ways and Means,

As environmental, civic, affordable housing, health, faith, and business organizations representing tens of thousands of Massachusetts residents, we urge you to advance legislation to expand solar energy.

As you know, the Senate Committee on Global Warming and Climate Change recently approved omnibus legislation (S.2302, *An Act to promote a clean energy future*) including several measures to accelerate the growth of clean energy and reduce pollution from fossil fuels. We are writing to voice our support for the solar energy provisions in S.2302, and ask you to retain and strengthen these provisions when you report the bill out of your committee.

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 is 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 and more severe storms.

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.

For all of the progress we have made, we have still tapped only a small fraction of Massachusetts' solar potential. Unfortunately, recent actions by state and federal agencies could significantly slow the growth of solar energy and make it harder for many families, businesses, and local governments to switch to solar. Massachusetts could become a laggard rather than a leader on solar energy.

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.

Second, the recent decision by the Trump administration to impose a new tariff on imported solar panels is expected to raise costs and slow solar market growth. 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.¹

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 by 40 percent for community and low-income solar projects and the net metering caps have been hit in many communities, has resulted in a number of solar projects being held back or canceled. What's more, the prohibition on sharing net metering credits across utility load zones continues to be an obstacle for low-income communities, renters, and others who cannot put solar on their own roofs to access the benefits of solar energy.

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. In addition, the SMART program is temporary and will only support new solar development for a few years. After the SMART program ends, net metering will be the only mechanism for people to access and share the benefits of solar. This underscores the need for full retail-rate net metering to be restored, especially for community and low-income solar projects. According to a number of studies, retail-rate net metering is a good approximation of the fair value of solar energy to the grid.²

Unfortunately, the delay in the SMART program and the policy changes noted above are already having a negative impact on solar energy in Massachusetts. Between 2016 and 2017, Massachusetts lost more than 3,000 solar jobs, equivalent to 21 percent of the workforce in the Commonwealth's solar industry.³ Unless the Legislature and the Governor take action on solar policy soon, we could see this trend continue.

¹ "President's Decision on Solar Tariffs is a Loss for America," Solar Energy Industries Association, <<https://www.seia.org/news/presidents-decision-solar-tariffs-loss-america>>

² *Shining Rewards*, Environment Massachusetts Research & Policy Center, <<http://environmentmassachusettscenter.org/reports/mac/shining-rewards>>.

³ *National Solar Jobs Census 2017*, The Solar Foundation, <<https://www.thesolarfoundation.org/national/>>.

Now more than ever, it is critical to advance legislation to ensure the continued growth of solar energy in Massachusetts. We encourage you to report favorably on S.2302, including strong provisions to continue the growth of solar energy. Specifically, we recommend taking the following steps:

- Eliminate caps on net metering, and set goals of at least 17.5 percent solar by 2025 and 25 percent solar by 2030.
- 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 unfair minimum charges, including 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, in the same way the SMART program will allow alternative on-bill credits to be shared.
- 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.
- 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.

This is not the time to put up barriers to the adoption of solar energy. Instead, please take action to expand 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
Alternatives for Community & Environment
Ampion, Inc.
Avid Solar LLC
BCC Solar Energy Advantage
Berkshire Environmental Action Team
Berkshire Photovoltaic Services
BlueSel Home Solar, Inc.
Boston Clean Energy Coalition
Boston Climate Action Network
Cape Downwinders
Citizens Against the Rehoboth Compressor Station

Citizens Awareness Network
Clean Power, Inc.
Clean Water Action
Climate Action Brookline
Climate Action Now
Codman Square Neighborhood Development Corporation
FireFlower Alternative Energy
Franklin County Continuing the Political Revolution
Green Cambridge
Harvard Solar Gardens
Health Care Without Harm
International Brotherhood of Electrical Workers, Local 103
LISC Boston
Marion Institute - SouthCoast Energy Challenge
Massachusetts Association of Community Development Corporations (MACDC)
Massachusetts Quaker Legislative Action 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 Fossil Fuel, LLC
No Fracked Gas in Mass
No Sharon Gas Pipeline/Clean Energy Now
North Quabbin Energy
Northeast Solar
Orus Energy
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 Store of Greenfield
SolarEdge
SolarFlair Energy, Inc.
Solstice
South Mountain Company, Inc.
Spirit Solar

StopNED
SunBug Solar
Sungage Financial
Suntility Electric LLC
Sustainable Sudbury
U.S. Green Building Council - Massachusetts Chapter
Vineyard Power
Vote Solar
Yule Development Co.