Pope Energy

October 30, 2015

Judith F. Judson
Commissioner DOER
100 Cambridge Street
Boston, MA 02114

DOER.Regreform@State.MA.US
michael.judge@state.ma.us

Re: Listening Session – Creating An Energy Economy While Transitioning to Renewables

Dear Commissioner Judson:

We appreciate all of the work that DOER has done in the past to start and encourage a solar industry within the Commonwealth. Energy reinvestment conditions within New England now mandate immediate leadership of DOER and by extension the Baker Administration to give notice to the market that state-sponsored renewable energy programs will take the place of 8,300 megawatts of retiring coal and oil generation and the 1,200 megawatts of nuclear generation. Establish levels of solar, wind and other renewables to be built within the Commonwealth that can be installed over the next five, ten and twenty-years and then, and only then, make your decisions to obtain base load from Canadian hydro, wind from Maine or new natural gas pipelines. In so doing, the Commonwealth will provide a path to transitioning to renewables and create an energy economy within the Commonwealth.

If no action is taken, forces of reliability will take over and we will be burning natural gas and exporting our energy dollars to Canada for the next forty-years. If the Commonwealth gives notice to the market that state-sponsored renewable energy programs will make up 30% of Commonwealth energy consumption by 2030, that capacity commitment will be part of every proforma for every new base load energy generation project and attendant construction of transmission and pipeline facilities.

By establishing specific build rates for solar, wind and other renewables, all legislation and regulations will be built around accomplishing these objectives and recycling our energy dollars within the Commonwealth.

The Commonwealth should commit to installing solar to the extent that 20% of our electricity will come from solar by 2025 with 50% of that total being Community or Commercial Community-Shared Solar. Community-Shared Solar will be for users 25kW or less and Commercial Community-Shared Solar shall be for commercial users 300 kW or less in energy consumption. For no money invested, this allows every resident and business within the Commonwealth to participate in the solar program. (see attached legislative language)

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Transition to Renewables: We have transitioned from a regulated to a deregulated grid from 1998 to 2015 for a cost of $8.7 billion with an average cost of three-cents ($0.03) per kWh.[1] This legislative and regulatory effort did not bankrupt the ratepayer nor the system as benefits were brought to the ratepayer in the form of lower generation cost and new product offerings.

At a build rate of 800 MW of solar per year using a performance based incentive, with no arbitrage discount for SRECs, plus a nine-cent net metering credit value totaling an illustrative $335 per megawatt, the cost to the ratepayer would be $0.00630 per kWh or $3.15 per month. (please find enclosed spreadsheet)

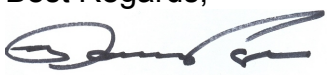
State-Sponsored renewables suppress the forward cost of energy – The monetization of this finding from ISO-NE vs. The New England States needs to be explored. Solar has an installed capacity of less than two-percent. Until solar starts competing with itself, DOER should determine how much 800 MW of solar being installed will suppress the forward cost of energy. One-half of a cent, one-cent or two-cents per kWh? In addition to the other values of solar, how much will solar suppress the forward cost of energy? Will solar pay for itself on this basis alone?

There will be those that state that the capacity factor for solar is not significant enough to justify significant investment. Yet, solar is the fastest renewable energy source to be deployed, represents a strategic decentralized energy source for the Commonwealth and the capacity factor issue will nearly disappear as energy storage becomes more ubiquitous in the distributed energy environment.

Establishing a clear path to transitioning to a renewable energy future is in the best interest of two generations of ratepayers for both environmental and economic reasons.

The Baker Administration and DOER need to lead affirmatively in this transition to a renewable future.

Best Regards,



Doug Pope
President

Enclosures:
PBI Program Cost
Transition Cost 10-30-2015
Transition Charges Brief – Hoffman BCC
Solar Bill for Legislative Adoption

[1] Transition cost analysis completed by Fahad M. Siddiqui, Masters student at Tufts University under Bobbi Kates-Garnick, former Under Secretary of Energy, EEOA