

TO: DOER.SREC@state.ma.us

Thank you for your efforts to provide a stable and long-lived solar market. At Solar Design Associates, we have been discussing the implications of the Emergency Regulations and upcoming SREC II program. While we cannot suggest that we have a full understanding of how the currently proposed system, or how our comments would impact the market, there are a few important distinctions that we believe would benefit the solar market in MA.

First, let us state the goals of this correspondence:

1. To continue to encourage solar development
2. To encourage the production of more solar generated kWhs
3. To support residential and small scale solar projects with direct ownership, including community shared solar programs
4. To support large scale solar development on non-agricultural sites that require minimal tree clearing or environmental impact
5. To encourage long term maintenance and performance of solar projects at all scales

To achieve these goals, the DOER has already begun the hard work necessary with a number of what we think will be good policies and formulae. However, modifications that may further incentivize good solar development and long range planning include:

1. An SREC is an SREC. The Adjustment factor as described seems to be applied to preminted SRECs. While this preserve the definition of an SREC, it may be challenging to control the value after an SREC is minted. Perhaps modification of the number of kWh/SREC (following the same adjustment factor) would accomplish the goal rather than applying a factor afterward to each SREC.
 - a. Applying a factor afterward encourages the generation of more SRECs than necessary to meet the RPS requirements and pushes down on the market production of solar generated kWh overall. By changing the arbitrary definition of the number of kWh per SREC, the RPS obligations can be met, while encouraging greater solar penetration. In addition, the current and future SREC markets then do not have SRECs of differing values.
2. Encourage Low or Zero-Interest Loans to incentivize direct ownership of small scale and residential systems.
 - a. Forward Minting appears to be an alternate to Solar Leases, Loans, and 3rd party ownership models. We feel it may add unnecessary complexity to the market by allowing a system owner to put the obligation of maintaining a system on the SREC aggregator.
 - b. Excellent loan programs are being developed by Admiral's Bank (for Solarize Massachusetts), and SunGage models to encourage direct ownership with support provide meaningful opportunities for more households and small businesses to own and benefit from solar projects.
 - c. Aggregators' business models will need to change for Forward Minting. For aggregators to ensure their future income by solar generation, they will need maintenance contracts and access to systems typical of 3rd party ownership models. The necessary arrangements between system owners and aggregators will have to include transfer of certain rights and obligations and limits of liabilities for maintenance on a host roof, but without the transfer of ownership, there may be a very weak link in the arrangement. We believe that if the relationship becomes too complex, it will not be a successful option.
 - d. The great advantage of SRECs as production incentive is that the system owner has a regular reminder of their production and the value of keeping it operational. Forward Minting appears to take the responsibility away from the one party that should have this useful pressure, the system owner.
3. Use available feeder capacity to its maximum potential by not excluding all agricultural and forested land from multi mW solar development.

Many farms and private landowners can benefit financially from using a relatively small portion of their total land area, usually under 20 acres, to build a solar field whose income will

supplement farm or small business revenues enabling the farm or small business to remain as viable enterprises. As many otherwise adequate sites have been excluded due to unavailable feeder capacity, it is important to keep options open with some marginally useful land that was once farmed and lies fallow or for some moderate forest clearing to allow for use of the available feeder capacity.

4. Encourage community shared solar programs to be developed as if they were rooftop systems.

By using the CEC Commonwealth II solar rebates as a gating criteria for small system aggregation in community solar gardens, community solar gardens should receive the highest value adjustment factor in the new SREC II program as they would be treated as if they were installed on a residential rooftop.

These solar projects need to be exempted from sales and property taxes as if they were rooftop installations, as well as have building permit fees based on a reasonable criteria that does not overly burden projects with unrealistic and unnecessary fees. Fees should be set according to the actual cost of inspections, not as a revenue generator for local building commissions.

Many thanks,

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