Massachusetts Solar Owners Association
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July 15, 2014

Massachusetts Senators and Representatives
State House
Boston, MA 02133

RE: Response to "H.4185 Letter To Legislators" By Representative Frank Smizik

Dear Senator or Representative,

Find attached a PDF copy of Representative Smizik's letter that begins "Dear Colleagues,"

MASOA fully agrees with paragraph #1 for the call to make "*two necessary changes, establishing in law Governor Deval Patrick's goal of 1,600 megawatts of solar energy in the Commonwealth by 2020, and eliminating the net metering cap*" and "*failure to pass any net metering legislation this month will hurt the burgeoning renewable energy industry by causing uncertainty and unnecessarily stalling viable projects, which will damage our state's economy.*"

What we don't understand is if the crisis is raising the net metering cap, why are legislators being asked to totally rewrite the state's current successful solar incentive program?

MASOA disagrees when in paragraph #2 Representative Smizik states: "The bill we are now reviewing, H.4185, which is in House Ways and Means, was a compromise between many different parties with different interests, and is therefore not perfect in anyone's view."

DOER acknowledged that the bill was drafted behind closed doors between two utilities and two utility sponsored out-of-state utilities. How can this bill be called a "compromise" when it was drafted in secret, and no state based solar organizations such as SEBANE and MASOA were allowed input or comment during the process it was drafted?

By not focusing on the problem the composers of this bill chose instead to create a confusing, incomplete and controversial proposal, thereby risking not addressing the real and immediate crisis – increasing the net metering cap!

MASOA finds that paragraph #3 makes numerous unfounded conclusions that a Declining Block Incentive (DBI) program will be superior to the current successful SREC incentive program. The Solar Renewable Energy Certificates (SREC II) is a very different incentive program in design to the proposed DBI. Most importantly is: who controls the incentives and their purpose? SREC II is about abating damage caused by pollution, as well as being a solar incentive, and it is managed by the DOER. DBI will be managed by the DPU and utilities who will issue incentive blocks. Their value will be determined based on perceived demand for new solar development. SREC II was introduced this past April, and has already met 2014 demand –

so we know it will be as successful as the original SREC program. This is another problem with the bill- because it was rushed and incomplete. Legislators are being asked to vote for replacing a program that works with one that is unknown.

But perhaps the biggest problem with DBI is that it excludes solar investors from the roughly 40 municipal electric utilities from receiving incentives as they do now under the SREC program.

MASOA disagrees that the "Minimum Bill" is a new, fair and necessary requirement to maintain the electrical grid, or that the law will guarantee that the "contribution" will be "used for—upkeep of the electric grid —ensuring that utilities will not make any profit". The minimum bill is an idea that comes directly from the ALEC playbook and it is intended to both scapegoat solar for higher electric rates and discourages future small solar investment. Find out much more at www.MASOA.org.

The Smizik letter fails to address numerous other parts of the bill that will have a very negative influence on solar growth at the discretion of the utilities. Some examples are preventing maximum solar energy development by forcing new solar installations to be no greater than 100% of averaged 3 year consumption. Another oversight is the slashing in nearly half the benefit for Virtual Net Metering which will make low income, neighbor-to-neighbor and Community Shared solar projects impossible in the future to finance.

MASOA agrees there are many good ideas in H4185 and shares the desire to end the limits on the Net Metering cap, if only to 1600 MW, but this bill is basically a "carrot" with a very large "stick" (the utilities and large out-of-state investor solar) behind it. As MASAO is now one of the larger solar organizations in the state (now over 60 members and growing daily) we ask legislators not to vote for H4185 because it is **not a compromise** and **our experts tell us it will severely damage our local solar businesses and investors** in the years to come.

If as Rep. Smizik states numerous times, the crisis is the net metering cap, why not just address this issue now, and allow the state's enviable solar development program to continue without risk of introducing untested policy changes and incentives. MASOA recommends adding on the net metering cap increase to another bill. We have composed language for this at:

http://masoa.org/wp-content/uploads/2014/07/Net-Metering-Insurance-Amendment.pdf

This language suggests only increasing the overall net meter cap to 12%, a modest increase to buy time and to encourage all solar stakeholders to come back to the table in an open, transparent and democratic process to fully draft the future for solar policies and incentives. Of course MASAO will not object if the amendment is rewritten to lift Net Meter Caps altogether!

Sincerely,

Christopher Smith, Secretary, www.MASOA.org
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