

THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL

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June 1, 2015

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The Honorable Benjamin B. Downing Senate Chair, Joint Committee on Telecommunications, Utilities & Energy State House, Room 413-F Boston, MA 02133

The Honorable Thomas A. Golden House Chair, Joint Committee on Telecommunications, Utilities & Energy State House, Room 473-B Boston, MA 02133

RE: Solar Hearing

Dear Chairmen Downing and Golden:

I write to express my continued support for the establishment of the next generation of solar programs and net metering. Continuation of these programs is vitally important to the Commonwealth's ability to meet its goal of installing 1,600 megawatts of renewable solar power and maintaining high-quality jobs in the clean energy sector.

To that end, I support legislation that would: (1) require an open and transparent study of the value of solar and the distribution costs associated with net metering that currently are not captured; (2) direct the Department of Public Utilities ("DPU") to open a docket, after the publication of the value of solar study, and taking into account the study findings, to determine the appropriate rate mechanism for solar; (3) reform our existing solar incentive programs to foster greater coordination, meet our goals most cost-effectively, and ensure that our solar industries continue to mature and ultimately thrive independent of policies that have helped launch their success; and (4) lift the net metering cap in the immediate term to provide some relief and consistency until the value of solar study is published and the DPU proceeding complete.

As you know, both the public and private net metering caps have been reached in National Grid territory. As a result, solar development is expected to slow in those 171 affected communities. Increased market constraints can drive up costs, and reduce investment in the clean energy sector, to the detriment of customers, the clean tech economy, and the Commonwealth's energy and environmental policy goals. A limited cap increase will help avert this market boom-bust that would adversely impact 1,400 Massachusetts solar companies and place jobs at risk.

A long-term, balanced solar policy must ensure that non-solar customers are not disproportionately subsidizing expansion of solar, and that all the costs and benefits to the system and society are realized and accounted for fully and appropriately. Studies conducted in other states have concluded that solar net metering is a net benefit to all utility customers because solar provides significant benefits to the electric grid, environment, and economy. The Net Metering Task Force started this work for Massachusetts, but it is urgent that this discussion continue, and I look forward to working with the Committee, the Administration, and stakeholders on advancing this important matter.

We appreciate the Committee's attention, and thank you for your work on this important matter. Should you have any questions, please do not hesitate to contact Paul Brennan, III, Special Counsel for Energy Policy, at (617) 963-2086.

Sincerely,

Maura Heale