



February 5, 2016

The Honorable Brian S. Dempsey, House Chair
The Honorable Benjamin B. Downing, Senate Chair
The Honorable Thomas A. Golden, House Vice Chair
The Honorable Marc R. Pacheco, Senate Vice Chair
The Honorable Bradley H. Jones, Ranking House Member
The Honorable Bruce Tarr, Ranking Senate Member
Committee Conference Solar Net Metering Legislation (H. 3854 & S. 2058)
State House
Boston, MA 02133

Dear Conference Committee Members,

On behalf of the cities and towns of the Commonwealth, the Massachusetts Municipal Association is writing to offer input regarding H. 3854 and S. 2058, the important solar net metering legislation advanced by the House and the Senate. We thank you for your dedication to clean renewable energy in the Commonwealth.

MMA strongly supports lifting the net metering cap and asks that the conference committee take action to allow communities to continue their good work in helping Massachusetts meet its solar goals. The MMA does have significant concerns regarding several of the provisions in the bills before the committee, as they would make projects more costly and less feasible for communities. We ask that the committee support a bill that allows communities to continue to host solar facilities on municipal property and continue to make strides in renewable energy, by preserving the beneficial rate of net metering credit for municipal projects, as is current policy.

The Commonwealth has far exceeded its original solar goal of 250 megawatts by 2017, established in the 2008 Green Communities Act, and is well on its way to meeting its goal of 1600 megawatts by 2020. There are now 985 megawatts of solar in the Commonwealth and Massachusetts has been ranked number one in the nation in energy efficiency by the American Council for an Energy-Efficient Economy.

Cities and towns have been the bedrock of Massachusetts' success in meeting its solar goals. Nearly every city and town in Massachusetts has a solar development. Collectively, cities and towns are among the largest consumers of energy in Massachusetts. Municipal officials care deeply about clean and renewable energy and want to continue to put solar projects in their communities.

Lifting of the Net Metering Cap

The MMA is advocating for the lifting of the net metering cap on public projects to allow municipal solar projects to go forward. Net metering is a critical part of solar development financing. Many cities and towns have projects in the queue that are unable to move forward because the cap has been reached in some service areas. The uncertainty about net metering is

causing delays in planning these projects and is preventing municipalities from taking advantage of federal tax credits for solar projects. The MMA asks that the cap be lifted for all public projects.

The bills before you would raise the net metering cap on public projects from 5% to 7%. This increase would allow many valuable projects to move forward. However, in order to continue municipalities' success with solar projects, it is important to think about next steps for when the cap is hit again and to consider a long-term strategy to allow municipalities to continue to plan for solar projects.

Establishment of New Net Metering Credit

The legislation before your committee would change the rate of compensation for municipalities by establishing a new net metering credit at a less beneficial rate for solar projects, after 1600 megawatts is reached. The MMA asks that the retail rate be preserved for municipal projects. Changes to the net metering credit could have a large impact on the cost effectiveness of municipal solar projects and could discourage municipalities from choosing to host solar projects. We are concerned that the proposed change in the municipal net metering credit would reduce the feasibility of future projects, or result in much less overall savings or revenue generation.

H. 3854 would create a new credit value for all systems over 25 kilowatts at the wholesale rate, which would result in a 75 percent cut in reimbursement. S. 2058 would reduce compensation by establishing a new credit at the retail-minus-distribution rate for public projects. We respectfully urge you to support retention of the retail rate for municipal projects.

Fees and Surcharges

H. 3854 would allow the Department of Public Utilities to accept proposals from utilities to add a minimum bill charge on solar customers. Municipal budgets are very tight, and these changes could make a big difference to municipalities with existing and future projects, and could impact the savings that communities expect when they plan for solar projects.

The bill would not only impact future projects, but could add a minimum bill charge retroactively. This would mean that municipalities who researched and chose to move forward with a project based on the projected savings could have their bill changed. This would be an unfair shift to municipalities who appropriately expected and budgeted around the cost savings that a solar project would provide.

Treatment of Existing Customers

These bills would eventually transition existing customers to the rate of the new net metering credit, even for municipal customers who developed their projects under the net metering credit at the retail rate. The MMA asks that existing municipal customers be grandfathered and that no change be made to the rates for existing customers.

Statewide Solar Incentive Program

MMA supports the provisions in these bills that would instruct the Department of Energy Resources to develop a statewide solar incentive program to encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental and industrial electricity customers throughout the Commonwealth. An incentive program, along with net metering, is very important to communities and the MMA looks forward

to working with you on ways to continue and grow the success of solar energy in the Commonwealth.

Thank you for your strong and abiding commitment to renewable energy, and your past work to make Massachusetts so successful. We urge your support for lifting the net metering cap on municipal projects, retaining the retail rate, and avoiding new fees and charges that would reduce the financial viability and success of projects.

If you have any questions, please do not hesitate to have your staff contact me or Victoria Sclafani of the MMA staff at (617) 426-7272 at any time.

Again, thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Beckwith". The signature is stylized and cursive.

Geoffrey C. Beckwith
Executive Director & CEO