



The Commonwealth of Massachusetts

House of Representatives

State House, Boston 02133-1054

November 6, 2015

The Honorable Brian S. Dempsey
Chair, House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Dear Chairman Dempsey,

Thank you very much for the opportunity to meet with you and your staff to discuss solar legislation this week. We are heartened by the commitment that you, Chairman Golden, and Speaker DeLeo have made to raising the net metering caps before the Thanksgiving recess.

As you know, our top priority is for the Commonwealth to take full advantage of the federal investment tax credit (ITC) before its current framework expires on January 1, 2017. If we fail to do so, the Commonwealth will forego as much as \$250 million in federal dollars and many millions more in related private investment. That is money that can be going to support good jobs in Massachusetts while generating Massachusetts-sourced clean energy.

To that end, we respectfully ask you to consider:

- 1) Providing a net metering cap raise significant enough to ensure that the caps are not reached again before January 1, 2017. Based on conversations we have had with industry experts, if the net metering caps are raised only to 1600MW, they will be reached by summertime, stalling projects once again before the ITC deadline.
- 2) Ensuring a seamless transition from the Solar Carve-out II program to the new solar incentive program. Numerous solar industry experts we have consulted estimate that the Solar Carve-out II program capacity cap will be reached as soon as the spring or early summer. If, as seems likely, this occurs before DOER implements a new incentive program, it will create significant business uncertainty during the critical stretch of time leading up to the ITC deadline. We advocate adopting language that would allow the Solar Carve-out II program to extend past its capacity cap if necessary to the date DOER implements a successor program.

- 3) Directing DPU to work with the distribution companies to prioritize processing interconnection applications and performing interconnection construction in advance of the ITC deadline. Solar facilities are not eligible for the ITC until they are actually interconnected and placed in service. It is critical that distribution companies make it a top priority to place in service projects otherwise eligible for the ITC before January 1, 2017.

On points 2 and 3, please see the enclosed for our suggested legislative language.

Thank you once again for your time and leadership on this very important matter. If you have any questions or if we can be of any further assistance, please do not hesitate to reach out.

Best regards,



Representative Frank Smizik
15th Norfolk District



Representative Jonathan Hecht
29th Middlesex District

Cc:

Chairman Thomas Golden
Speaker Robert A. DeLeo

Eliminating Uncertainty on SRECs

Notwithstanding the Solar Carve-out II Program Capacity Cap, as defined under 225 CMR 14.02, generation units and aggregations shall remain eligible for qualification for the Solar Carve-out II under 225 CMR 14.05 (9) until the department of energy resources has developed and implemented a new solar renewable energy credit program pursuant to its authority under Chapter 25A, Section 11F, subsection (g) of the General Laws.

Prioritizing Interconnection

The department of public utilities shall consult with stakeholders to make effective, no later than March 1, 2016, an enforceable program to prioritize processing interconnection applications and performing interconnection construction to place in service solar facilities eligible for federal investment tax credits under 26 USC §48 and 26 USC §25D before January 1, 2017. The department shall enforce this program by whatever mechanism it determines appropriate.