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Center**

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April 24th, 2015

Chair Angela O'Connor
Department of Public Utilities

Acting Commissioner Dan Burgess
Department of Energy Resources

Enabling Our Clean Energy Future by Maintaining Consumer Incentives in Electric Rates

Dear Chair O'Connor and Acting Commissioner Burgess:

We thank you for the hard work undertaken in your role as Co-Chairs of the Massachusetts Net Metering and Solar Task Force. Clean local distributed energy is an extremely important resource and we commend your commitment to the 1600 MW solar PV goal. However, we have become concerned about policy proposals being considered at the Task Force that could reduce consumer control over energy bills and undermine our broader clean energy future.

In particular, we are concerned about minimum bills, or similar policies under different names. Minimum bills reduce economic incentives for consumers to invest in energy efficiency by reducing customer control over energy bills. Minimum bills also risk adversely impacting low-income customers, who tend to use less energy and would thus be disadvantaged disproportionately by loss of control over a fixed portion of bills. We urge the Task Force to avoid recommending these types of mechanisms.

There are many other reforms that the General Court could adopt to correct any proven imbalances between the value of solar and current methods of compensation through retail rates. Options recommended by the Task Force should support economic incentives to drive towards our clean energy future. This is consistent with longstanding regulatory principles that prices should be in line with marginal costs as the best means to control those costs and ultimately optimize our electricity system. Under this framework, solar PV should be fully compensated for its economic value to ratepayers and further incentives may be warranted based on additional societal benefits.¹

We strongly believe that solar PV is an important part of our clean energy future, but any reforms to retail rates must be consistent with other public policy objectives. Accordingly, establishing a minimum bill should not be one of Task Force's recommendations.

Thank you for your consideration and your hard work on these important issues.

Respectfully,

Mark LeBel
Staff Attorney
Acadia Center

¹ See Acadia Center's Value of Solar analysis for Massachusetts at <http://acadiacenter.org/document/value-of-solar-massachusetts/>.

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