



January 31, 2024

Department of Energy Resources
100 Cambridge Street, 9th Floor
Boston, MA 02114
Attn: Samantha Meserve

RE: Comments in Response to the Department of Energy Resources (DOER) Request for Comments on the Solar Massachusetts Renewable Target (SMART) Review and Stakeholder Questions

Dear Ms. Meserve, et al:

The Berkshire Regional Planning Commission (BRPC) is pleased to submit comments in response to the Department of Energy Resources (DOER) request for comments on the Solar Massachusetts Renewable Target (SMART) Review and Stakeholder Questions. BRPC appreciates the efforts of DOER to seek input and make improvements to the SMART Program. While we are supportive of solar development in general, we do have concerns regarding the types of projects developed. Our priorities are solar on rooftops, landfills, and disturbed land¹ (including canopy solar and Brownfields). In 2019, we raised concerns that greater than 50% of the largest solar installations within Berkshire County are being developed on forested land. We remain concerned that the economics favor forested land, greenspace and agricultural land and that this trend will continue. BRPC offers the following comments in response to stakeholder questions.

The SMART program currently provides added incentives for certain project types, including building mounted, canopy mounted, landfill, brownfield, agricultural, floating, community solar, and projects serving low income or public entities, projects with energy storage, and axis tracking. DOER seeks additional feedback on changes or improvements that will advance achievement of the Commonwealth's 2050 GWSA mandates while balancing land use, equity, and economic considerations.

We appreciate DOER's recognition that added incentives are needed for solar projects on buildings and disturbed lands of different types. To the extent possible solar development should not come at the expense of irreplaceable forests and natural lands, which provide carbon sequestration, clean water, flood and erosion control and a good quality of life for Massachusetts residents. Currently, the economies of scale and deployment costs favor solar development on large greenfield sites over small and medium size projects on roofs and disturbed land. Revised incentives are needed to make medium and small size solar projects on commercial buildings and disturbed land able to obtain financing and become economically viable.

Changes to the SMART program are essential for achieving the Massachusetts solar goals for 2030 and 2050 by siting solar projects where they have the least environmental impact (on buildings and disturbed lands) and to foster a stable solar industry in Massachusetts working to achieve our climate goals. To this end, BRPC is supportive of changes to SMART as proposed by the Massachusetts Sierra Club and summarized in the bullets below:

- The declining incentive block structure and any aggregate caps which are less than the Commonwealth's solar GW ambition for 2050 should be eliminated for solar projects on buildings and disturbed land. The

¹ "Disturbed land" refers to parking lots over which a solar canopy can be installed, structures, brownfields, landfills, roadway cuts, land containing pavement, compacted urban soils, gravel pits, and other land that is barren of native plant growth due to human activity prior to January 1, 2023 and land that is part of a parcel containing a building and is not and has not been forest or tree covered or used for agriculture or zoned for agriculture since January 1, 2012.

Commonwealth needs to maximize solar in locations with the least detrimental side effects. Increasing aggregate deployment will never eliminate the cost differential with large greenfield solar projects. Declining incentives and caps are contrary to developing a stable solar workforce and meeting our solar goals in a responsible fashion.

- Incentive rates for projects on buildings and disturbed land should be adequate for developers to obtain financing and be set high enough such that these projects have the same or better financial appeal to developers as projects on greenfield sites. A major strength of SMART is its framework that can be used to achieve this goal by taking into account the various building and disturbed land project types, locations, and sizes.
- The incentive rates should be reviewed and revised on an annual basis to reflect changes in the economic factors that affect the cost of solar projects. There needs to be a balance between providing solar developers with a stable set of incentives and the need to respond to market conditions. To achieve this the revised SMART policy should limit the permissible annual change of an incentive to a fixed, small percentage.
- If possible, a disincentive should be created for solar projects on large greenfield sites. Currently there is a subtractor for such projects, but only if a STGU has applied for a Statement of Qualification. Large greenfield projects may never apply to SMART. A mechanism that may be available to DOER to achieve cost parity or cost preference for solar on buildings and disturbed land is an increased subtractor and imposition of fees if there is no application to SMART.
- Create new incentives for building and disturbed land projects on roadway cuts or where there are no interconnection issues, e.g. which don't require a substation upgrade. Many of the building and disturbed land potential sites are close to load, in or close to urban settings where there is a more robust electrical infrastructure than in rural sites. The goal of 10GW of solar by 2030 requires a large ramp up in the next 6 years. We need to encourage building and disturbed land solar projects which are not tied up in interconnection or substation issues.

What project type incentive changes could improve program outcomes?

Today there is an on-going residential solar industry in Massachusetts because there is 100% net metering credit and because there is no aggregate cap or phase-out of the net metering as the residential solar market expands. (The federal 30% credit also helps.) SMART has essentially no role in the residential market. There is very little solar development on commercial roofs or on small or medium size disturbed land sites (other than landfills) because the incentives required to make such projects economically possible or attractive do not exist. Other than residential rooftops, the only other solar projects of any significance are large greenfield projects. We need a much broader participation of solar project types, specifically those that do not impact our natural and working lands.

The incentive rates for commercial rooftops (e.g. greater than 25kW) and all types of disturbed land projects need to be increased, and these incentives must not be subject to phase out or aggregate caps. In particular we call attention to the following:

- The parking lot canopy adder needs to be at least twice what it is today.
- The current battery storage adder is too low to provide any meaningful incentive. Solar plus storage plays a huge role in our transition to renewable energy and deserves to be incented so that storage is a natural choice for solar projects on buildings and disturbed land.

Should other project types also be prioritized?

All types of disturbed land projects should be prioritized. In particular we call attention to:

- Community solar projects on disturbed land and buildings where the off-takers are low income or environmental justice ratepayers. Please note that this is not a recommendation for a special incentive for all community solar, only for projects on buildings and disturbed land serving local load (if any) and low income or EJ populations.
- Roadway cuts should be encouraged with an incentive that makes them economically viable and no more expensive than greenfield projects.

- Solar projects on buildings that require roof repair or replacement should receive a “re-roofing” adder. Combined with the standard roof adder this might double the total incentive.
- Similarly, solar projects on buildings that require structural enhancement should receive a special adder.
- Uncapped landfills should be prioritized by an additional incentive to cover the additional cost of capping the landfill.
- More generally, different incentive levels may be needed for other types of disturbed land, potentially with different constraints. The goal is to have the cost of a disturbed land project to have the same or better financial appeal to developers as projects on greenfield sites and be adequate to obtain financing.

The current SMART program structure includes a declining block model. Is a structure with fewer blocks and a greater decline between blocks preferable to a greater number of blocks with a smaller decline between blocks? Are there any other modifications to the declining block model structure that could more effectively support solar development?

The declining block model for solar projects on buildings and disturbed land should be removed and is contrary to the Commonwealth’s solar goals on several levels:

- The declining block model hurts our ability to meet aggregate 10GW by 2030 and GWSA mandated goals by 2050. Effective and stable incentives are needed for the next several decades.
- The goal of achieving our aggregate solar deployment without unnecessary harm to our natural and working lands is a related and important goal. If a future declining model should once again disincentivize solar projects on roofs and disturbed land then SMART would be encouraging development on greenfield sites where the economics are better. This must be avoided.
- Workforce development is harmed by a declining block model. Over the years the state has seen several cycles of solar industry ramp up followed by solar industry decline. Efforts to train a renewable energy workforce will fall flat if potential participants see unstable employment opportunities after training. There will always be a workforce differential (and thus cost differential) for roofs and disturbed land projects.
- A declining block model for greenfields may be an effective means to shift our solar development from large greenfield projects to buildings and disturbed land by phasing out incentives for the large greenfield projects. On the other hand, these large projects may not need or rely on SMART incentives and so may be unaffected by declining blocks.

These comments were approved by the BRPC Executive Committee at its meeting on February 1, 2024.

Sincerely,

Thomas Matuszko, AICP
Executive Director