April 13, 2021

VIA ELECTRONIC MAIL
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Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

RE: D.P.U. 20-75 – First Set of Information Requests for Stakeholders

Dear Secretary Marini;

Please find the enclosed comments regarding the First Set of Information Requests. If you have any questions, or need any other information from SunConnect, please do not hesitate to contact us.

Regards,

Nicolette Karakos

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Policy Analyst and Development Associate
(239) 201-3260

/enclosure

cc: Katie Zilgme, Hearing Officer

SUNCONNECT COMMENTS FOR SUBMISSION
STAKEHOLDERS FIRST SET OF INFORMATION REQUESTS

April 13, 2021

Introduction

This document contains comments regarding the First Set of Information Requests for Stakeholders as submitted by SunConnect Corporation.

Stakeholder-1: ***Refer to the response to EDC-1. Do you currently have a distributed generation facility in the interconnection queue within one of the groups identified by the EDCs?***

SunConnect currently has four projects within the interconnection queue which date back to December 2018. Three projects are within the Freetown group (11 MWac) and the fourth one is in the New Bedford group (1 MWac).

Stakeholder-2: ***Refer to the response to EDC-1. Based on the high-level planning estimates for costs and timelines provided by the EDCs, would you move forward with interconnection under the currently applied cost causation methodology?***

Under the current cost causation methodology, the costs associated with the upgrades are too high for many developers to bear, especially when you consider the additional costs that arise from these long timelines.

To date, our projects have sat in the interconnection queue since 2018. This brings the total timeline for project development in Massachusetts almost ten years: making solar development exorbitantly expensive. Given that the Commonwealth has been chasing strict climate policy since 2010, and utilizing renewable energy programs as a catalyst, it concerns us that the utilities and the Department of Public Utilities (DPU) have not started planning for infrastructure sooner. It truly shows a conflict of interest and neglect of the common goals. Furthermore, as evident with the passage of new climate laws, it is more important than ever for the Commonwealth to encourage growth of renewable energy. This includes implementing a fair and effective approach to cost allocation, ensuring that interconnection does not continue to be an issue in the future. Otherwise, these hinderances will discourage individuals from renewable energy development within the Commonwealth and move us further away from our overall climate goals.

We applaud the DPU for finally stepping in and starting to design a long-term plan for infrastructure analysis and improvements. However, based on these cost and timeline estimates, it is not realistic for us (or any other developer) to move forward with interconnection. As happened

in National Grid, the ill-conceived notions surrounding grid infrastructure and the solar program will once against chase businesses out of Massachusetts.

In our view, there are several ways you can approach this situation.

1. The DPU needs to expedite the permitting approvals for the infrastructure upgrades therein pulling in the development timeframes. **The timeline for buildout should be one year, and no more than two years for the most complex upgrades**. If the Hoover Dam could be built in five years at a time with significantly less modern equipment and technology while amid the Great Depression, then in 2021 we should be capable of upgrading some seriously outdated grid systems. Systems that are already in place and just need modifications.
2. Regarding the cost allocation: if these costs are not reduced to a feasible amount, many projects will drop out and trigger the need for re-study which will further stall the queue and lengthen interconnection timelines. **We recommend a sliding scale of cost. Lower costs (we suggest $50/kW) for those projects who take on the risk of the first payments and then must wait eight years for interconnection.** This softens the capital issues that surround the massive financing required to sustain timelines over two years. Landowners will not sit idle without full rent while we wait for interconnection. Some of these rents are already six-digit values, this cost alone becomes astronomical considering we have zero system revenue. In the future, as we near the completion of the infrastructure upgrades, the later projects can bear a higher cost up to the $300/kW threshold suggested by Eversource.
3. Continue to move forward with the strategic planning for new infrastructure. If this issue is not addressed, Massachusetts will not meet her renewable energy goals and developers will leave in droves. **Requiring annual grid analysis seems like a logical way to stay ahead of the problems that arise from building a clean economy, adding renewable resources, and increasing dependence on electrification (i.e., transportation).** Consider situations like intense storms where Governor Baker could declare this situation an emergency and call on third parties to restore power to the grid quickly and effectively. This is the type of urgency with which the DPU must act – especially when accounting for the lofty goals Massachusetts set to offset the negative externalities of Climate Change.

Stakeholder-3: ***Refer to the response to EDC-1. If a provisional system planning program were implemented that decreased the cost to interconnect but did not alter the timeline for EPS upgrade construction, would you move forward with interconnection?***

Based on Eversource's high-level projections, in the most expedited cases, transmission and DG upgrade permitting would not commence until 2022 with full development and construction being completed as late as 2027. If Eversource's projections are accurate, the total timeline for system upgrades would be about five to six years. If you look at the accuracy of their projected timelines on the ASO and Group Studies, they typically miss the mark by forty percent. Another example

of botched timeline is our 366kW project in Boston that took 498 days to interconnect after calling in the witness test. **Given this history, we feel the realistic timeline is six to eight years.** Many projects have waited in interconnection queues for three years. When you include that, the development timeline for these projects is ten years.

At current cost and timeline projections, SunConnect cannot move forward with interconnection. With high costs, a one-year timeline is feasible with no more than two years for the most complex grid modifications. Project costs rise dramatically when it takes ten years to reach interconnection. As solar developers typically do not face ten-year development cycles, these costs are unplanned. Unless the initial cost to interconnect is lowered, an additional eight years for upgrades combined with the current time invested in these projects would mean these systems are bankrupt.

Developers must cover all the costs associated with maintaining the system for this additional length of time while the upgrades are constructed. This may be feasible for large developers with revolving lines of credit or well-funded bankrolls, but it would force many small developers out of Massachusetts all together. There is no way for a small developer to cover the proposed $300/kW interconnection fee plus the millions in debt incurred through rent and all the additional carrying costs of development. The real cost to developers will be significantly higher than the $300/kW Eversource suggested. The upgrade cost will also need paid immediately, even though we will most likely not see benefits for almost a decade. **Furthermore, with the additional delays, developers must take into consideration the approaching expiration of the Federal Investment Tax Credit (ITC) in 3-years.** There is no indication that this significant portion of system revenue will be extended again and without it, many developers feel that it does not make sense to take on any extra risk without the ITC.

If timelines cannot be changed, the cost to developers needs drastically reduced. We believe a sliding scale of cost is the best solution. The longer upgrade buildout takes, the lower the rate, starting at $50/kW or lower. This softens the capital issues surrounding the financing required to sustain decade long timelines. As we near the completion of the infrastructure upgrades, the later projects bear a higher cost up to the $300/kW suggested by Eversource. The later projects will be in a clear position to execute expediently and efficiently with normal development cycles in the nine- to twelve- month range.

In the meantime, **EDCs should seek out opportunities when possible to work with developers to interconnect projects prior to comprehensive area upgrades. In some cases, projects may be able to use the existing facilities that have capacity available to interconnect.** This should be a collaborative process done through the existing framework of a technical conference or working group, prior to a provisional system program being filed by the Utilities.

Stakeholder-4: ***Refer to the response to EDC-4, how long following submittal of a provisional system planning program proposal by the EDCs would the Department need to make a determination on the proposal for you to move forward with interconnection?***

Our estimates suggest that the projects currently waiting on the completion of Distributed Generation and Transmission studies could be valued at about two billion dollars. That does not include the tens of millions of dollars invested in each project's development. Eversource estimates needing three months to create a provisional system planning program after the completion of impact studies. These extra three months are burdensome when you consider that they are already four months behind on the results of those impact studies. The Group Study Process in Section 3.4.1 of the Standards for Interconnection of Distributed Generation requires a 15 Business Day Notice Period and 35 Business days for the EDC to publish an Interconnection Service Agreement (ISA). This means members of the Group Study are forced to decide if they can move forward before a provisional system plan has even been proposed.

Therefore, we recommend that the preparation of the provisional system plan occur in parallel with the Group Study. The Group Study Notice Period and ISA Period should be put on hold until the Department approves the provisional system plan and issues their order. The Department should discuss any options that encourage Utilities to shorten timelines whenever possible, including having them develop the provisional planning system in parallel to the group study. Based on this timeline, we would expect the DPU to 1) hold Eversource to their timeline projections and 2) provide a decision by the middle of Quarter Three of 2021. Otherwise, projects would be put in jeopardy as the timelines lengthen and the cost of development and maintenance skyrocket.

We also support the continued work to ensure this kind of infrastructure planning is not neglected in the future. We would like to see the DPU, DOER, Utilities, and Beacon Hill work together to build a cleaner, safer, more modern, and efficient energy grid to the benefit of everyone.

Stakeholder-5: ***Are there any federal law implications that should be considered concerning sharing costs of EPS upgrades with interconnecting customers over an extended period of time and in particular after the EPS upgrade has been constructed?***

We have no feedback on this question.