



May 19, 2021

By Electronic Mail

Matthew H. Nelson, Chair
Massachusetts Department of Public Utilities
One South Station, 5th Floor Boston, MA 02110

Re: Response to the Second Set of Information Requests of the Department Public Utilities to the Non-EDC Participants in Proceeding D.P.U. 20-75

Dear Chair Nelson,

Please see our responses attached to your Stakeholder Requests.

BlueHub Capital (“BlueHub Capital” f/k/a Boston Community Capital) is a thirty-five-year-old community development finance institution dedicated to building healthy communities where low-income people live and work. Since 2008, we have been working through our affiliate, BlueHub Energy, to develop innovative financing and business models to expand access to solar in low-income communities. We have developed and operate approximately 7 MW of solar capacity across 80 Massachusetts projects. These projects primarily serve affordable, multifamily housing developments. We also have projects that benefit non-profit organizations and municipal facilities, such as the Greater Boston Food Bank. Our experience in developing solar for low-income beneficiaries means we are uniquely positioned to understand the challenges of serving this market segment and the ways in which policy design can enable or hinder a more equitable distribution of solar’s direct benefits across all classes of ratepayers.

Thank you for your consideration of our experiences and comments.

A handwritten signature in blue ink, appearing to read "DeWitt Jones".

DeWitt Jones
BlueHub Energy
djones@bluehubcapital.org
617-427-3580

A handwritten signature in blue ink, appearing to read "Fred Unger".

Fred Unger
Heartwood Group, Inc.
unger@hrtwd.com
508-951-7419

Enclosures
cc: Kate Zilgme, Hearing Officer
dpu.efiling @state.ma.us

Information Request Stakeholders-2-1

Refer to National Grid's response to EDC-1, at 8-9. Please provide your perspective on National Grid's proposal to allocate up to 40 percent of the DG interconnection costs as system benefits to all customers.

Response

It should be clear to everyone that replacing and upgrading old transformers, lines, and other equipment, while certainly benefitting the distribution projects being interconnected, also benefits all other customers utilizing the impacted equipment and provides benefit to all ratepayers who would ultimately have to pay the cost of maintaining and eventually replacing that equipment even in the absence of distributed generation. Upgrades provided for project interconnection also provide significant system benefits to all customers.

The question is not a matter of whether these costs should be shared by all ratepayers, but rather a question of what portion should be allocated to specific distributed generation customers and what should be rate-based to all ratepayers? With statutory requirements to reduce greenhouse gas emissions from the electrical sector, the matter becomes more complicated than just calculating the costs and benefits of specific equipment upgrades. At a time when excessive interconnection costs are hampering the development of the clean energy projects needed to reach these legislatively mandated emission reduction targets, a more appropriate allocation of interconnection costs is essential.

Moreover, it is not just a matter of system benefits to ratepayers but also the societal benefits necessary to meet these emissions targets that should be considered in any cost allocation formulas. In light of the mandates faced by the electrical sector, the 40% proposed by National Grid should be considered the minimum allocation to all ratepayers. A more reasonable share would be 60% to 80%.

Information Request Stakeholder-2-2

Refer to Stakeholder responses to Stakeholder-4, which include recommendations for a 30-to-45-day Department review of an EDC's provisional system planning program proposal. Refer to (a) G.L. c. 30A, §§ 1(1), 10, 11, 12; and (b) 220 CMR 1.00. Considering the interests and issues involved in the review of an EDC's provisional system planning program proposal, the Department may be required to conduct the reviews of these proposals through an adjudicatory proceeding, which includes notice, intervention, discovery on petitioner's filing, opportunity for intervenors to file direct cases, discovery on intervenors' cases, opportunity to present rebuttal testimony, evidentiary hearings, briefs (initial and reply). Assume you are a party to an adjudicatory proceeding to review an EDC's provisional system planning program proposal, identify the time period you would request for each of these procedural steps.

Response

As noted in our April 8, 2021 submittal,¹ we have a fully permitted site that is ideal for solar deployment. It will be serving low-income communities; re-developing a brownfield site; utilizing battery storage to maximize benefits to the overall electric system; and reducing climate impacts. It is on a long-vacant, industrial-zoned site and will be completely hidden from view from the road and any residential neighbors.

This project is fully permitted and has been ready for construction since January 2019. We have to submit requests to extend our permits with the local Planning Board, Zoning Board of Appeals, and Conservation Commission in October. We also have to extend our lease option in November. Some of the parties that need to grant extensions for our project will be skeptical if we have no clear idea of whether we will ever be able to afford to interconnect the project after over four years in development.

We decided not to move forward with the most recent round of group study and are waiting until there is clarity around any new policy for cost allocation for interconnection costs and a more reasonable payment schedules for interconnection upgrades with long lead times. We expect to re-apply for interconnection after the outcomes of this proceeding are clearer.

¹ See <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/13401394>.

D.P.U.: 20-75
IR#: Stakeholder-2-2
Date: May 19, 2021
H.O.: Kate Zilgme
Page 2 of 2

We don't have specific times in mind for each of the procedural steps listed in your question but would sincerely hope the entire process could be completed before the end of September 2021. Without more clarity on a sensible cost allocation and payment system in a reasonable timeframe, we cannot justify the cost of maintaining the site and the permits for the project.

Information Request Stakeholder-2-3

Refer to your response to Stakeholders-2-2. Explain how such a process would affect your decision to move forward with your DG project.

- a) Provide a response based on an adjudicatory proceeding timeline of 3 months;
- b) Provide a response based on an adjudicatory proceeding timeline of 6 months; and
- c) Provide a response based on an adjudicatory proceeding timeline of 9 months.

Response

- a) If the process were completed in three months, presuming a sensible cost allocation and payment formula, we would re-apply for interconnection and all necessary lease and permit extensions.
- b) If the process were expected to be completed in six months, without interim rulings indicating a sensible cost allocation and payment formula, we would have to make some hard decisions as to whether to reapply for interconnection and all necessary lease and permit extensions.
- c) With all the time that has already been spent in the Docket 19-55 proceeding on these matters, as well as time already passed in this current Docket 20-75 proceeding, we feel that delay of a resolution for another nine months would represent a significant setback for the Massachusetts solar industry, as well as for the clean energy and climate agenda of the Baker Administration and the legislature. If it becomes clear that this is the expected timeframe, we are likely to abandon our project and take a significant loss.