COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

Petition of NSTAR Electric Company	*	
d/b/a Eversource Energy, Massachusetts	*	Docket D.P.U. 20-145
Electric Company and Nantucket Electric	*	
Company each d/b/a National Grid, and	*	
Fitchburg Gas and Electric Light Company	*	
d/b/a Unitil for Approval of	*	
Revised Model SMART Tariff	*	

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DIRECT TESTIMONY

OF

NATHAN PHELPS

ON BEHALF OF
SOLAR ENERGY INDUSTRIES ASSOCIATION

August 20, 2021

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I. INTRODUCTION

Q. MR. PHELPS, PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Nathan Phelps. My business address is 101 Summer Street, 2nd Floor, Boston, Massachusetts 02110.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I serve as the Regulatory Director for Vote Solar, an independent 501(c)(3) nonprofit organization working to repower the United States with clean energy by making solar power more accessible and affordable through effective policy advocacy. Vote Solar seeks to promote the development of solar at every scale, from distributed rooftop solar to large utility-scale solar facilities, and to encourage common-sense electrification of the economy, all as part of the transition away from fossil fuel-powered energy consumption. Vote Solar is not a trade group, and it does not have corporate members.

As Regulatory Director, I work on initiatives, development, and implementation of policy related to distributed generation ("DG")[1] and distributed energy resources

[1] DG resources include, but are not limited to, (a) photovoltaics (*a.k.a.* solar or solar electric), (b) wind, (c) micro-hydro, and (d) combined heat and power (*a.k.a.* cogeneration). DG resources are typically located closer to load than central power plants, and are usually interconnected with the distribution system.

("DER")[2] more broadly. I also review regulatory filings, perform technical analyses, and testify in commission proceedings relating to DER.

Q. PLEASE DESCRIBE YOUR EDUCATION, EXPERIENCE, AND QUALIFICATIONS.

A. My primary focus at Vote Solar is utility regulatory issues related to DG. These regulatory issues include: the billing arrangement commonly known as net metering, rate design, rate recovery, and performance-based regulation, primarily within restructured electricity markets in the Northeast. Prior to joining Vote Solar, I was a Senior Economist at the Massachusetts Department of Public Utilities ("Department") for five years. While at the Department, I was the primary staff person who worked on issues related to DG and renewable energy, including net metering, interconnection, long-term contracts for renewable energy, and rate-related issues relevant to DG. Prior to joining the Department, I was a Policy Intern with the Massachusetts Renewable Energy Trust.

I received my undergraduate degree from Willamette University in both Environmental Studies and Politics, and I attended Tufts University for graduate studies in Urban and Environmental Policy and Planning. My résumé is attached as Exhibit SEIA-NP-2.

[2] DER technologies include, but are not limited to, (a) DG, (b) energy efficiency, (c) energy storage, (d) demand response, and (e) load shifting. DER are connected to the distribution system.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE DEPARTMENT?

A. Yes. I testified in: (a) D.P.U. 15-155, the previous general rate case for the Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid; (b) D.P.U. 17-05, the most recent general rate case for NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy; (c) D.P.U. 17-140, the implementation of the Solar Massachusetts Renewable Target tariff; and (d) D.P.U. 18-150, the most recent general rate case for the Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE OTHER REGULATORY BODIES?

A. Yes. I have testified before the Maryland Public Service Commission, the New Hampshire Public Utilities Commission, the Rhode Island Public Utilities Commission, and the Vermont Public Utilities Commission. In Maryland, I testified in the proceeding concerning the proposed merger between Exelon Corporation and Pepco Holdings, and the general rate case of Southern Maryland Electric Cooperative, case Nos. 9361 and 9396 respectively. In New Hampshire, I testified in the Public Utilities Commission's proceeding to evaluate net metering, docket DE 16-576. In Rhode Island, I testified in Narragansett Electric Company's (d/b/a National Grid) most recent general rate case and Power Sector Transformation implementation plan, dockets 4770 and 4780. In Vermont, I

testified in Green Mountain Power's multi-year regulation plan, case no. 18-1633-PET. In addition to testimony, I have provided public comments in regulatory proceedings in Connecticut, Iowa, Maryland, Massachusetts, New Hampshire, New York, Oregon, and Vermont.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING TESTIMONY?

A. I am submitting testimony on behalf of the Solar Energy Industries Association ("SEIA").

Q. PLEASE DESCRIBE SEIA.

A. SEIA is the national trade association of the U.S. solar energy industry. SEIA represents organizations that promote, manufacture, install, and support the development of solar energy. SEIA works with its 1,000 member companies to build jobs and diversity, champion the use of cost-competitive solar in America, remove market barriers, and educate the public on the benefits of solar energy. Since 1974, SEIA has promoted building a strong solar industry to power America, consistent with its mission to work towards a transformed energy supply and delivery system, such that solar electric and thermal technologies, in collaboration with other clean, reliable, affordable renewable resources and storage, fuel this country's economy. SEIA's membership includes many national solar companies that own and operate projects in Massachusetts, and have local employees, as well as approximately 45 companies that list a specific Massachusetts operating address.

SEIA's members, including members in Massachusetts, are engaged in manufacturing solar photovoltaic equipment, developing solar photovoltaic projects, and providing solar energy equipment, services and expertise to retail, commercial, and industrial customers.

SEIA actively participates in state public utility commission proceedings, testifies before state legislative bodies, and hosts seminars and events on solar policy issues. SEIA has been active in using its experience and perspective to help inform and advance energy policy in the Commonwealth. For instance, SEIA was directly involved in the process that the Department of Energy Resources ("DOER") used to develop and revise its Solar Massachusetts Renewable Target program ("SMART Program") and enabling regulations, submitting comments on multiple occasions and participating in associated working groups. SEIA was also a party in D.P.U. 17-140, the docket that approved the model SMART tariff.

II. PURPOSE OF TESTIMONY AND SUMMARY OF RECOMMENDATIONS

A. Background

Q. PLEASE PROVIDE SOME BACKGROUND ON THE DEPLOYMENT OF SOLAR WITHIN THE COMMONWEALTH.

A. Following a 250 megawatt ("MW") target for installed solar resources set by Governor Patrick in 2007, the Green Communities Act, Chapter 169 of the Acts of 2008 ("GCA"), established the foundation for solar's ascent in the Commonwealth's energy landscape. The GCA expanded the Commonwealth's Renewable Portfolio Standard ("RPS"), providing the framework for the Department of Energy Resources' solar renewable energy certificate ("SREC") programs, which were later adjusted to meet a 1,600 MW target for installed solar resources set in 2013. The GCA also expanded the role of net metering in Massachusetts, enabling "virtual net metering"[3] to unlock innovative and flexible new project development structures (*see* 220 C.M.R. § 18.00).

As a result of Chapter 75 of the Acts of 2016 ("Act"), DOER developed a successor program to the SREC programs. The successor program is what is commonly known as the Solar Massachusetts Renewable Target ("SMART") program. In

[3] Virtual net metering is not an official term in the GCA, the enabling regulations, or tariffs. Virtual net metering is common parlance for the ability of Host Customers to transfer net metering credits to recipients.

2017, DOER promulgated the SMART program regulations as 225 C.M.R. § 20.00 ("SMART Regulations"). In 2018, the Department approved a model SMART tariff ("SMART Tariff" or "Tariff") in D.P.U. 17-140. The SMART Tariff became effective in September 2018 and DOER started accepting applications in November 2018.

When 400 MW of solar qualified for the SMART Program, DOER undertook a review of the SMART program (see 225 C.M.R. 20.07(5)) that resulted in revisions to the regulations at 225 C.M.R. 20.00, which were eventually filed with the Secretary of the Commonwealth in final form in July 2020. Some of the revisions to the SMART program require changes to the Tariff to become effective, which is a primary purpose of the immediate proceeding.

B. Revised SMART Tariff Filing

Q. HAVE YOU REVIEWED THE TESTIMONY AND OTHER SUPPORTING DOCUMENTS SUBMITTED BY NSTAR ELECTRIC COMPANY, D/B/A EVERSOURCE ENERGY ("EVERSOURCE"), MASSACHUSETTS ELECTRIC COMPANY AND NANTUCKET ELECTRIC COMPANY, EACH D/B/A NATIONAL GRID ("NATIONAL GRID"), AND FITCHBURG GAS AND ELECTRIC LIGHT COMPANY D/B/A UNITIL

(COLLECTIVELY, THE "DISTRIBUTION COMPANIES") TO DATE IN THIS PROCEEDING?

A. Yes, I have.

Q. PLEASE PROVIDE AN OVERVIEW OF THE DISTRIBUTION COMPANIES' JOINT FILING.

A. The Distribution Companies have proposed for review and approval amendments to the Tariff in order to implement changes to the SMART program as necessitated by DOER's revised SMART Regulations, notably the expansion of the SMART program by 1,600 megawatts (Exh. EDC-1 at 8). The Distribution Companies are also proposing additional revisions "to add clarity to the SMART Tariff based on experience implementing the SMART Program since its effective date of September 26, 2018" (Exh. EDC-1 at 9). Finally, the Distribution Companies are proposing tariff revisions to enable a Distribution Company to propose a community shared solar program for the Department's approval (Exh. EDC-1 at 9). National Grid and Eversource have each subsequently proposed such programs, which I address in Sections IV and V of my testimony below.

Q. HOW WILL THE PROPOSED REVISIONS TO THE TARIFF IMPACT THE DEPLOYMENT OF SOLAR AND STORAGE IN THE COMMONWEALTH?

A. The deployment of solar and storage in the Commonwealth remains extremely dependent on the SMART Tariff. The revisions in the Tariff will, in large part, determine the future of solar energy development in the Commonwealth, and determine the viability of pairing solar and storage together. Further, provisions in the Tariff can drive investment towards or away from certain business models or system designs. For instance, metering requirements can affect the viability of certain solar and storage configurations, and utility rights to restrict the use of energy storage assets co-located with solar can affect whether storage is deployed, and, if so, how it is used.

Q. DOES SEIA SUPPORT THE PROPOSED REVISIONS TO THE TARIFF?

A. Unfortunately, SEIA has concerns about some of the proposed revisions to the Tariff. Key revisions necessary to bring the Tariff into alignment with the revised regulations at 225 C.M.R. 20.00 were addressed in Phase 1 of this proceeding. While some of the additional revisions "to add clarity" proposed by the Distribution Companies may be helpful, some impose unnecessary restrictions or burdens or will negatively affect development of solar and energy storage under the SMART Program.

Q. WHAT AREAS OF CONCERN DOES SEIA HAVE WITH THE TARIFF?

A. The testimony addresses the following areas of the Proposed SMART Tariff: (1) the treatment of Alternative On-Bill Credits; (2) metering; (3) Energy Storage Systems; (4) SMART Tariff conformity with Chapter 8 of the Acts of 2021; (5) value of energy; and (6) Eversource-specific provisions.

C. National Grid Filing

Q. HAVE YOU REVIEWED THE TESTIMONY AND OTHER SUPPORTING DOCUMENTS SUBMITTED BY NATIONAL GRID?

A. Yes, I have.

Q. PLEASE PROVIDE AN OVERVIEW OF NATIONAL GRID'S FILING.

A. National Grid has proposed for review and approval a Solar Access Initiative "(SAI") in order to address barriers to the deployment of low-income solar (Exh. NG-1 at 5). The SAI has two primary components, the Solar Simplified Billing ("SSB") proposal and the Solar Enrollment Program ("SEP") (Exh. NG-1 at 5).

Q. DOES SEIA SUPPORT NATIONAL GRID'S FILING AS FILED?

A. While SEIA is supportive of the objective of better serving low-income customers with solar, SEIA does not support the National Grid proposal.

D. Eversource Filing

Q. HAVE YOU REVIEWED THE TESTIMONY AND OTHER SUPPORTING DOCUMENTS SUBMITTED BY EVERSOURCE?

A. Yes, I have.

Q. PLEASE PROVIDE AN OVERVIEW OF EVERSOURCE'S FILING.

A. Eversource has proposed for review and approval the Eversource Community Solar Access Program ("ECSAP") in order to reduce barriers for income-eligible households to participate in community solar and encourage more development of Low-Income Community Shared Solar ("LICSS") in the Commonwealth (Exh. ES-ACB-IH-1 at 3-4). The ECSAP includes a simplified billing structure and an Eversource-administered low-income customer enrollment process (Exh. ES-ACB-IH-1 at 4-5).

Q. DOES SEIA SUPPORT EVERSOURCE'S FILING?

A. With a few relatively minor exceptions, SEIA supports Eversource's filing.

E. Summary of Recommendations

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS

A. SEIA recommends: (1) Section 10.2 of the Tariff should be revised in order to define a completed Alternative On-bill Credit Payment Credit Form as "…allocations total at least 90 percent to active and valid customer accounts…;"

(2) the change to the definition of Alternative On-bill Credit Payment Credit Form that deletes "the Commercial Operation" and adds "final approval . . . a Statement of Qualification for" should be rejected; (3) Owners and Authorized Agents should be allowed to update the Alternative On-bill Credit Payment Credit Form once per month; (4) the definition of Community Shared Solar Tariff Generation Unit, Low Income Community Shared Solar Tariff Generation Unit, and Low Income Property Solar Tariff Generation Unit should all be revised in the tariff to reflect verbatim the definitions in the SMART Regulations; (5) the proposed language on metering should be rejected, and the Department should provide guidance on metering on an ongoing basis, as needed; (6) Section 5.3 of the Distribution Company-proposed Tariff needs to be revised in order to delete reference to Energy Storage System delivery charges; (7) the operational limitation for DC-coupled Energy Storage Systems with a Solar Tariff Generation Unit should to be removed; (8) DOER's recommendation for round-trip efficiency should be adopted in the SMART Tariff; (9) the prohibition on the allocation of Unused Alternative On-Bill Credits should be eliminated; (10) the customer must have the ability to elect a cash out of credits; (11) the Simplified Cash-Out Provision should be adopted; (12) the ability to cash out credits should apply to both standalone and Behind-the-Meter Alternative On-Bill Credit Generating Units; (13) the changes to comply with Section 96 of Chapter 8 of the Acts of 2021 should apply to all SMART facilities; (14) the proposal from the Distribution Companies to set the value of energy for

Alternative On-Bill Credit Generating Units at something other than the basic service rate should be rejected; (15) the capacity blocks should be combined for all of Eversource; (16) the limitation on the allocation of Alternative On-Bill Credits between Eversource East and Eversource West should be eliminated; (17) the Solar Access Initiative proposed by National Grid should be rejected; (18) the Eversource Community Solar Access Program should utilize the Simplified Cash-Out Provision; (19) Eversource should develop a solicitation for the Eversource Community Solar Access Program that has an expeditious review timeline and balances (a) the desire to facilitate moving existing Low Income Community Shared Solar projects to the Eversource Community Solar Access Program, (b) the desire to provide low-income customers with access to the benefits of solar on an accelerated timeline, and (c) the negative ramifications of incentivizing Community Shared Solar projects to join the Eversource Community Solar Access Program; and (20) Eversource should develop customer engagement, acquisition and enrollment with (a) strong consumer protections, (b) meaningful benefits for low-income customers, and (c) monthly customer enrollment updates.

III. JOINT FILING

A. Introduction

Q. PLEASE PROVIDE AN OVERVIEW OF THE ISSUES IN THE PROPOSED REVISIONS TO THE SMART TARIFF THAT YOU WILL BE ADDRESSING IN YOUR TESTIMONY.

A. In this testimony, I address: (1) the allocation of Alternative On-Bill Credits; (2) metering; (3) energy storage; (4) implications of Chapter 8 of the Acts of 2021 on the SMART Tariff; (5) the value of energy for Alternative On-Bill Credit Generation Units; and (6) special provisions for Eversource.

B. Allocation of Alternative On-Bill Credits

Q. PLEASE PROVIDE AN OVERVIEW OF THE PROPOSED CHANGES TO THE SMART TARIFF THAT IMPACT THE ALLOCATION OF ALTERNATIVE ON-BILL CREDITS ("AOBC").

A. The proposed revised Tariff (a) amends the requirement for a "complete" AOBC Payment/Credit Form, (b) includes a requirement for a complete AOBC Payment/Credit Form in order to receive a final Statement of Qualification, (c) includes a new definition and rules associated with "Unused AOBCs," and (d) includes a new definition for Community Shared Solar Tariff Generation Unit ("LCSS STGU"), Low Income Community Shared Solar Tariff Generation Unit

("LICSS STGU"), and Low Income Property Solar Tariff Generation Unit ("LIP STGU").[4]

1. Definition of a Complete Payment/Credit Form

Q. PURSUANT TO THE PROPOSED SMART TARIFF, WHEN IS A PAYMENT/CREDIT FORM DEEMED COMPLETE?

A. The proposed Tariff deems an AOBC Payment/Credit Form (a.k.a., "Payment/Credit Form") complete when "allocations correctly total 100 percent to active and valid Customer accounts and there are no billing account number or customer name errors" (Exh. EDC-2 at 19).

Q. IS THE REQUIREMENT THAT 100 PERCENT OF CREDITS NEED TO BE ALLOCATED CONSISTENT WITH DOER RULES?

A. No, it is not. Pursuant to DOER's *Statement of Qualification Reservation Period Guideline*, §9(b)(v):

> A Solar Tariff Generation Unit seeking a Community Shared Solar adder or Low Income Community Shared Solar adder must allocate at least **90 percent** of or its credits or electricity by the Payment Incentive Effective Date. To remain in compliance for the adder, an applicant must provide to the Department updated customer disclosure forms for any new Customers of Record and an updated Schedule Z, Credit Allocation Form, or Off-taker list annually by no later than December 31st, demonstrating the project continues to allocate at least **90 percent** of its credits or electricity to eligible off-takers. If applicant does not submit the documents by December 31st or the information supplied does not meet the eligibility

[4] The LIP STGU definition is not related to the allocation of AOBCs, but contains the same issue that exists in the other two definitions, so is addressed with them in this section of my testimony.

> requirements, the Department may revoke qualification for the Community Shared Solar adder or the Low Income Community Shared Solar adder. (emphasis added).

DOER's current Guideline reflects the same 90% requirement that is established in the SMART Regulations. See 225 C.M.R. § 20.6(1)(h)(3). While the currently-in-effect Tariff includes the requirement for 100 percent allocations, this requirement is inconsistent with the SMART Regulations and with DOER's guidelines. As such, the Tariff should be revised in order to comply with the SMART Regulations and DOER's guidelines.

Q. WHY WOULD AN ENTITY NOT ALLOCATE 100 PERCENT OF AOBCS?

A. Under a community solar framework, developers will want to allocate AOBCs to customers; unallocated AOBCs likely represent lost revenue for the developer. However, I can think of two likely reasons why an allocation would not total 100 percent. First, the developer may want to maintain some AOBCs on the host account in order to pay for any charges incurred, such as the customer charge. Second, there is always the possibility that the information for one or more of the off-takers is incorrect or outdated. For example, because customer information changes, customers who subscribed as off-takers may become ineligible (or close their accounts) prior to submission, and those customers' shares may not be able to be reallocated without affecting the timing of when the STGU may begin to generate credits.

Q. WHY WOULD AN OWNER OR AUTHORIZED AGENT BE OKAY WITH INCORRECT OR OUTDATED INFORMATION BEING ACCEPTED BY THE DISTRIBUTION COMPANY?

A. Any errors on the Payment/Credit Form submitted by the Owner or Authorized Agent are obviously suboptimal, but they would be the fault of the submitting party.[5] However, as proposed in the revised Tariff a "complete" Payment/Credit Form is required for the allocation of *any* AOBCs (Exh. EDC-2 at 19), which can be an even worse outcome. Furthermore, the Distribution Companies have proposed a revision to the definition for "AOBC Payment/Credit Form such that a Payment/Credit Form is required in order to secure "final approval of a Statement of Qualification…" (Exh. EDC-2 at 1). Combined, a prohibition on the allocation of any AOBCs or a delay on a finalized Statement of Qualification could be very detrimental to a community solar developer.

Q. SHOULD THE TARIFF DICTATE WHEN DOER CAN ISSUE A FINAL APPROVAL OF A STATEMENT OF QUALIFICATION?

A. No. The SMART Program is established by DOER as set forth in regulations at 225 C.M.R. 20.00. Under those regulations, DOER has authority over the issuance of statements of qualifications. See 220 C.M.R. 20.06(3). DOER may choose to

[5] Notably, an error transcribing and/or inputting information from the Payment/Credit Form into the Distribution Company's billing system would not be the Owner or Authorized Agent's fault and would need to be remedied by the Distribution Company.

require completion of the AOBC Payment/Credit Form in order to issue a final statement of qualifications, but incorporating language that binds DOER's implementation of its regulatory authority to a process not required by those regulations is not appropriate and could result in restraining DOER's ability to effectively implement the SMART Program. In particular, it may create confusion and regulatory uncertainty if DOER determines that a different approach is required by or consistent with its regulations, but the tariff remains unchanged.

Q. WHAT DOES SEIA RECOMMEND?

A. Section 10.2 of the Tariff should be revised in order to define a completed Payment/Credit Form as "…allocations total at least 90 percent to active and valid customer accounts…." This revision is consistent with DOER guidelines and should reduce or eliminate any administrative delays to the allocation of AOBCs and/or a project receiving a final Statement of Qualification. In addition, the change to the definition of AOBC Payment Credit Form that deletes "the Commercial Operation" and adds "final approval . . . a Statement of Qualification for" should be rejected so as not to dictate DOER's authority via Distribution Company tariffs.

2. Frequency of updates to the Payment/Credit Form

Q. PLEASE EXPLAIN THE DISTRIBUTION COMPANIES' PROPOSED REVISIONS TO THE TARIFF RELATED TO THE FREQUENCY OF UPDATES TO THE PAYMENT/CREDIT FORM.

A. The Distribution Companies proposed two relevant revisions to the Tariff. First, the Distribution Companies propose revising the treatment of "Unused AOBCs." Second, the Distribution Companies propose rewording the restriction on updates to the Payment/Credit Form from twice per 12 month period to twice per calendar year.

Q. PLEASE EXPLAIN THE PROPOSED TREATMENT OF UNUSED AOBCS.

A. The Distribution Companies propose the following definition:

> Unused AOBCs shall mean a balance of AOBCs on an AOBC Generation Unit's billing account. Unused AOBCs result when AOBCs cannot be applied, allocated, or transferred to recipient accounts. (Exh. EDC-2 at 6).

In addition, the Distribution Companies are proposing a new §10.3, which would address Unused AOBCs. For standalone AOBC Generating Units, the Distribution Companies maintain the ability to cash out the Unused AOBCs at a discounted value. For behind-the-meter AOBC Generating Units ("BTM AOBC"), the Distribution Companies propose that Unused AOBCs will carry over from month-to-month. Of particular note, proposed §10.3 notes that Unused AOBCs applies when "…recipient account(s) becom[e] invalid or inactive…" (Exh. EDC-2 at 20).

Q. IS THE DEFINITION OF UNUSED AOBCS AND §10.3 NECESSARY?

A. The Tariff does need to specify how AOBCs that are not allocated are treated. This is especially necessary with the introduction of BTM AOBC Generating Units.

Q. WHY IS THE TREATMENT OF UNUSED AOBCS RELEVANT TO THE DISCUSSION OF UPDATES TO THE PAYMENT/CREDIT FORM?

A. For community solar facilities the definition and §10.3 are primarily needed due to the limitation on updating the Payment/Credit Form to two times per year. If developers could update the Payment/Credit Form monthly there would be far fewer Unused AOBCs, and therefore the relevant importance of the treatment of Unused AOBCs would be minimized. Unfortunately, restricting the ability to update the Payment/Credit Form so severely makes it inevitable that off-taker turnover (which might be due to closed accounts, off-takers moving, or other events outside the control of the Owner) will occur that cannot be immediately addressed by updating the form, unnecessarily resulting in unused AOBCs. The Distribution Companies highlight the situation well when they explain that Unused AOBCs apply when "…recipient account(s) becom[e] invalid or inactive…" (Exh. EDC-2 at 20). While certainly situations arise intra-monthly when AOBCs cannot be "applied, allocated, or transferred to recipient accounts," the magnitude of Unused AOBCs starts to increase dramatically when developers are prohibited from stopping the allocations to invalid or inactive accounts for upwards of six months.

Without a doubt, the Tariff needs to specify how Unused AOBCs will be treated. However, the Distribution Companies' proposed revisions to the Tariff for Unused AOBCs actually highlight the detrimental implications of limiting the frequency of updates to the Payment/Credit Form. For additional discussion on the treatment of Unused AOBCs, please see Section III(F) below.

Q. CAN THE DISTRIBUTION COMPANIES PROCESS MORE FREQUENT UPDATES TO THE PAYMENT/CREDIT FORM?

A. Eversource and National Grid state that they expect to be able to process more frequent updates to the Payment/Credit Form in the future (Exh. EDC-1 at 26, lines 1-2). Furthermore, in the proposed SAI, National Grid proposes to allow R-2 subscribers to unenroll in the SAI at any time, with the unenrollment becoming effective at the start of the customer's next billing period (Exh. NG-1 at 20). In the proposed ECSAP, Eversource proposes to update subscriptions quarterly (Exh. ES-ACB-IH-1 at 25).

Q. HOW OFTEN DO OTHER STATES ALLOW REVISIONS TO COMMUNITY SOLAR SUBSCRIPTIONS?

A. Other states allow revisions as frequently as monthly. Most notably, since 2015 the Public Service Commission in New York made permissible monthly updates to the

allocation of community solar credits for all distribution companies – including National Grid's affiliate.[6]

Q. WHAT DOES SEIA RECOMMEND?

A. Owners and Authorized Agents should be allowed to update the Payment/Credit Form once per month.

3. Definition of Community Shared Solar Tariff Generation Unit

Q. PLEASE EXPLAIN THE DISTRIBUTION COMPANIES' PROPOSED REVISIONS TO THE TARIFF RELATED TO THE DEFINITION OF COMMUNITY SHARED SOLAR TARIFF GENERATION UNIT.

A. The Distribution Companies are proposing the following definition:

> Community Shared Solar Tariff Generation Unit shall mean a Solar Tariff Generation Unit that provides bill credits to three or more Customers. No more than two participants may receive bill credits in excess of those produced annually by 25 kW of nameplate AC capacity, and the combined share of said participants' capacity shall not exceed 50 percent of the total capacity of the generation unit, except in the case of generation units smaller than 100 kW AC. The STGU must demonstrate that no individual or legal entity will receive bill credits in an amount that exeeds [sic.] this limitation, even if the credits are allocated across multiple billing accounts. (Exh. EDC-2 at 2).

[6] Case 15-E-0082, Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program, Order Establishing A Community Distributed Generation Program and Making Other Findings (issued July 17, 2015).

Q. IS THE PROPOSED DEFINITION CONSISTENT WITH THE SMART REGULATIONS?

A. No. The definition of CSS STGU in the SMART Regulations does not include the last sentence of the proposed definition, and the proposed definition eliminates reference to "electricity" that is present in the regulatory definition.

Q. WHERE DID THE PROPOSED ADDITIONAL LANGUAGE COME FROM?

A. The SMART regulations at §§20.06(1)(f)(3) and 20.06(1)(h)(4)[7] state that:

> The Solar Tariff Generation Unit must demonstrate that no individual or distinct legal entity will receive bill credits or electricity in an amount that exceeds the applicable limitations noted in 20.06(1)(f)1, even if the credits are allocated across multiple utility accounts.

In this regard, the additional sentence the Distribution Companies propose to include in the definition of CSS STGU appears to have originated from the aforementioned sections of the SMART Regulations.

Q. IF THE LANGUAGE IS CONSISTENT WITH REGULATORY PROVISIONS OUTSIDE OF THE REGULATORY DEFINITION, IS THE

[7] The provision for §20.06(1)(h)(4) is the same as the provision for §§20.06(1)(f)(3) shown here, except that the internal reference in the provision is to §20.06(1)(h)(1).

INCLUSION OF THE ADDITIONAL LANGUAGE IN THE TARIFF APPROPRIATE?

A. The inclusion of the sentence in the definition of CSS STGU is not appropriate for two reasons: (1) unless necessary, the definitions in the SMART Regulations and the Tariff should be identical; and (2) the Distribution Companies appear to be asserting oversight that is inconsistent with the SMART Regulations. First, any differences between definitions in the SMART Regulations and the Tariff create unnecessary confusion and should be avoided unless absolutely necessary. If DOER had intended the definition of CSS STGU to include the additional sentence, then DOER would have included it in the definition in the SMART Regulations.

Second, both §§20.06(1)(f) and 20.06(1)(h) clearly state that the applicable facilities (CSS STGU and Low Income Community Shared Solar Tariff Generation Units) must "submit satisfactory documentation to the Department [of Energy Resources][8] as detailed in the Department's *Guideline(s)*…." As such, the SMART Regulations clearly assign oversight of compliance with this requirement to DOER, not the Distribution Companies. The entity with oversight is important because there remain unanswered questions about the interpretation of this provision. For instance, does the limitation apply to all entities under the umbrella of a parent company? Does the limitation apply across service territories? Since DOER

[8] In the SMART Regulations, the reference to "Department" refers to the Department of Energy Resources.

imposed these limitations and the reporting requirements, DOER – and not the Distribution Companies – should be responsible for interpretation and implementation of the reporting requirements. The Distribution Companies assertion of oversight is unwarranted and inappropriate.

Q. IS THE REMOVAL OF REFERENCE TO "ELECTRICITY" APPROPRIATE IN THE DEFINITION OF COMMUNITY SHARED SOLAR TARIFF GENERATION UNIT?

A. The removal of reference to electricity is unnecessary. While the Distribution Companies are correct that electricity is not allocated to customers that participate in Community Shared Solar (Exh. EDC-1 at 16), the host customer does use electricity on-site. As such, the removal of "electricity" from the definition is unnecessary and creates needless divergence from the SMART Regulations.

Q. DOES THE ELIMINATION OF "ELECTRICITY" APPLY TO OTHER DEFINITIONS TOO?

A. Yes. "Electricity" has also been removed from the definitions of Low Income Community Shared Solar Tariff Generation Unit ("LICSS STGU") and Low Income Property Solar Tariff Generation Unit. The elimination of references to electricity in these definitions is also unnecessary and creates needless divergence from the SMART Regulations.

Q. WHAT DOES SEIA RECOMMEND?

A. The definition of CSS STGU, LICSS STGU, and LIP STGU should all be revised in the tariff to reflect verbatim the definitions in the SMART Regulations.

4. Conclusion

Q. PLEASE SUMMARIZE SEIA'S RECOMMENDATIONS FOR THE ALLOCATION OF ALTERNATIVE ON-BILL CREDITS.

A. SEIA recommends: (1) Section 10.2 of the Tariff should be revised in order to define a completed Payment/Credit Form as "…allocations total at least 90 percent to active and valid customer accounts…;" (2) the change to the definition of AOBC Payment Credit Form that deletes "the Commercial Operation" and adds "final approval . . . a Statement of Qualification for" should be rejected; (3) Owners and Authorized Agents should be allowed to update the Payment/Credit Form once per month; and (4) the definition of CSS STGU, LICSS STGU, and LIP STGU should all be revised in the tariff to reflect verbatim the definitions in the SMART Regulations.

C. Metering

Q. PLEASE DESCRIBE THE PROPOSED REVISIONS TO THE SMART TARIFF RELATED TO METERING.

A. The Distribution Companies propose new definitions related to metering, specifically definitions for: (1) Energy Storage System Meter; (2) Generation or

Production Meter; and (3) Retail, Service, or Revenue Meter. In addition, the Distribution Companies propose extensive details on metering requirements and configurations in Section 5 of the proposed Tariff.

Q. ARE THERE ANY ISSUES WITH THESE PROPOSALS?

A. As the Distribution Companies acknowledge, "… meter configuration has been a challenge, particularly as customers present[] new designs or use cases for paired [energy storage systems]" (Exh. EDC-1 at 27). The level of specificity for metering proposed by the Distribution Companies has the potential to limit swift revisions to metering processes in the future, as necessary. Specifically, codifying the metering configurations in the Tariff will limit the ability for customers, the Distribution Companies, and the Department to make metering revisions without opening the Tariff. As such, codifying the metering configurations in the Tariff could actually complicate all parties' abilities to address challenges that will arise in the future. Such challenges are likely, given the rapid evolution of technologies and practices in this space.

Q. ARE YOU PROPOSING TO REMOVE ALL METERING REFERENCES IN THE SMART TARIFF?

A. No I am not. The proposed revision to move the metering references in Section 3.0 to Section 5.0 makes sense. However, the other additions to Section 5.0 (*e.g.*, the addition of Sections 5.2 & 5.3 and the proposed revisions to the newly-named

Section 5.1) include detail that is best left as guidance from the Department, or information that is already covered by existing rate tariffs. The additional information unnecessarily complicates the SMART Tariff.

Q. WHAT DOES SEIA RECOMMEND?

A. The additional language on metering should be rejected, and the Department should provide guidance on metering on an ongoing basis, as needed.

D. Energy Storage Systems Operation

Q. PLEASE DESCRIBE THE DISTRIBUTION COMPANIES' PROPOSAL FOR LIMITATIONS ON THE CHARGING OF ENERGY STORAGE SYSTEMS ("ESS").

A. In Section 5.3 of the Distribution Company-proposed Tariff, the Distribution Companies propose to limit the ability of the customer to charge a DC-coupled energy storage system from the Solar Tariff Generation Unit ("STGU"). Specifically, the Distribution Companies propose:

> For DC-Coupled STGUs paired with ESS, the customer may not charge the ESS from the STGU *during any period that interferes with the Company's ability to participate in markets or incentive programs for which the Company is entitled to participate*. The customer will cooperate with the Company in the installation and reporting of any metering or sensing devices to ensure that this condition is met, and to separate the performance of the STGU and the ESS during applicable periods. Exh. EDC-2 at 9 (emphasis added).

The proposed limitation is overly broad and has the potential to limit customers from charging the ESS from the STGU during all daylight hours.[9]

Q. WHAT ARE THE IMPLICATIONS OF SUCH A LIMITATION?

A. There are two notable implications of the proposed limitation. First, the limitation negates the primary benefit of a DC-coupled ESS, reducing the energy losses associated with going from DC to AC, or vice versa. Specifically, a STGU generates electricity in DC and an ESS stores energy in DC. If the Distribution Companies' proposal is adopted, much (if not all) of the STGU's energy will need to be converted into AC to be fed back to the electric grid while the ESS will separately need to convert AC to DC in order to charge and then DC to AC in order to discharge. This framework creates needless inefficiencies and, ultimately, the loss of electricity and a reduction in the climate benefits associated with the STGU and ESS resources.

Second, ESS is eligible for the Federal Investment Tax Credit, but only if the ESS is charged from a renewable energy facility. If the Distribution Companies force the ESS to charge from the grid and not the STGU, the end result is foreclosing the ability for the customer to avail themselves of the Federal Investment Tax Credit, thereby increasing net system costs. In fact, this may render it uneconomical to

[9] The inclusion of "markets or incentive programs for which the Company is entitled to participate" is broad enough to include markets and programs that could theoretically run during any hour of the year. However, the STGU will only produce electricity (in any meaningful amount) during daylight hours.

include DC-coupled ESS with STGUs in such configurations, thwarting the intent of the SMART Program and preventing deployment of an ESS arrangement that brings significant potential benefits.

Ultimately, the operational limitation undercuts the intent of coupling ESS with a STGU. Section 20.06(e)(5) of the SMART Regulations imposes operational requirements for ESS paired with STGU, but the proposal from the Distribution Companies has the potential to drive a wedge between the "pairing" of an ESS with a STGU and essentially force an ESS and a STGU to operate independently from each other. The implications are inefficient from an energy conservation perspective (more energy losses) and economically (more expensive ESS). As proposed, the charging limitations proposed by the Distribution Companies will unnecessarily create a barrier to the adoption of ESS.

The blanket and overly broad prohibition proposed by the Distribution Companies has other obvious flaws. For one, by incorporating any "markets or incentive programs for which the [Distribution] Company is entitled to participate," it creates uncertainty that will chill investment. Some markets and incentive programs (potentially broad terms) could apply at all times the STGU is generating, and other such markets or programs may emerge in the future. Without knowing how the Distribution Companies will interpret these requirements, developers are likely to consider this a significant risk that may preclude investments. For another, some markets or incentive programs may offer only minimal or de minimis financial

benefits to the Distribution Company. Nonetheless, as written there is no way to balance those interests against potentially very large interests in charging the ESS at the same time.

Q. ARE THERE OTHER INDICATIONS OF THE DISTRIBUTION COMPANIES' INTENTION TO SEPARATE ESS FROM STGU?

A. Yes. The Distribution Companies have proposed Section 5.3 for the Tariff, which includes (in part) the following language:

> For all Standalone STGUs and Standalone STGUs paired with ESS, the Company will read the Retail, Service or Revenue Meter to determine the STGU's delivery charges, *and it will determine the appropriate meter for the ESS's delivery charges*. (emphasis added).

This provision appears to indicate that the Distribution Companies plan to treat the ESS as a separate account, thereby separating the ESS from the STGU in the billing system. This approach further indicates an intention to sever the pairing of an ESS and a STGU, which is especially problematic for DC-coupled ESS with a STGU. First, this proposal appears to be a way to force the ESS to become a separate customer of the Distribution Company (including the charges associated with the applicable rate class), thereby increasing costs for pairing ESS with a STGU. Second, severing the pairing of a DC-coupled ESS and a STGU results in the operational inefficiencies discussed above.

Q. WHAT DOES SEIA RECOMMEND?

A. First, Section 5.3 of the Distribution Company-proposed Tariff needs to be revised in order to delete reference to "ESS's delivery charges." At the very least, the provision should be revised in order to specify applicability only to AC-coupled ESS and STGU.

Second, the operational limitation for DC-coupled ESS with a STGU needs to be removed, or at least significantly constrained. The Distribution Companies have not proposed any constraints on the limitation they have proposed, and it is their burden to provide a reasonable approach in order to support a change to the Tariff on this point. At the very least, SEIA suggests that any limitation would need to be restricted to a certain and pre-specified hours of the year so that the implications could be assessed during project development. Any such restriction should be supported by a clear case that there is a specific value to the Distribution Companies associated with a specific market or incentive program that would otherwise be lost, that can be quantified, and that outweighs interests in allowing the market operation of ESS facilities. This approach is necessary to make sure the restriction does not preclude valuable development with positive climate characteristics absent a real counterweighing value. To the extent that there is no basis for a current restriction but the Distribution Companies wish to preserve the ability to impose restrictions in the future if new markets or incentive programs emerge, they are free to propose future tariff changes if and when that occurs.

E. Appropriate Compensation of DC-Coupled Solar-Plus-Storage Facilities under the SMART Program

Q. THE DOER SUBMITTED A LETTER TO THIS DOCKET ON MAY 12, 2021 PROVIDING AN UPDATE ON A METHOD OF COMPENSATING DC-COUPLED SOLAR PAIRED WITH ESS IN THE SMART PROGRAM FOR THE ROUND-TRIP EFFICIENCY ("RTE") LOSSES OF RENEWABLE ENERGY FROM CHARGING AND DISCHARING THE ESS. PLEASE EXPLAIN THE PURPOSE OF THE COMPENSATION.

A. In the SMART program, a STGU that co-locates with an ESS is eligible to receive a variable adder to its Base Compensation Rate. Co-located STGUs can be AC coupled or DC coupled. Due to system design, whereas AC coupled STGUs have total SMART compensation calculated based off of gross PV production (not reduced by battery RTE losses), proposed compensation for DC coupled STGUs would be based off of net production. Given that DC coupled projects should not be placed at a financial disadvantage compared to AC coupled projects, a compensation mechanism has been proposed by DOER in draft guidance. The mechanism will address the loss compensation concerns associated with DC-coupled solar STGUs' paired with storage participating in the SMART Program.

Q. IS THERE DISAGREEMENT WITH THE DOER LETTER FROM OTHER PARTIES TO THE PROCEEDING?

A. No. In their response to Information Request DPU-2-5, the Distribution Companies stated that they did not have any disagreements with the representations included in the DOER letter. Further, in Attachment DPU-2-6 the Distribution Companies incorporate the SMART DC-Coupled Energy Storage System Round Trip Efficiency Loss Annual True-UP Payment Equation agreed upon between the Distribution Companies, developers and DOER in late 2020.

Q. DOES SEIA AGREE WITH THE REPRESETATIONS MADE IN THE DOER LETTER?

A. Yes. The final compensation method for measuring and estimating the efficiency losses to AC equivalence was the result of sustained stakeholder engagement and cooperation over many months. The solution garnered consensus and will permit the fair and full compensation of standalone DC-coupled solar-plus-storage under the SMART program.

Q. WHAT OTHER STEPS SHOULD BE TAKEN BEFORE THE DISTRIBUTION COMPANIES CAN BEGIN COMPENSATING DC COUPLED SOLAR PAIRED WITH ENERGY STORAGE SYSTEMS?

A. In its May 12, 2021 letter, the DOER recommends that "the SMART tariff be revised to describe this 'true-up' compensation." Also, that the revision could occur

within D.P.U. 20-145. SEIA supports the DOER's recommendation and notes that the opportune time to amend the SMART tariff to describe the true-up compensation and provide the Distribution Companies with the authority to make payments based on the compensation method is in the immediate docket, given that the tariff is undergoing several other revisions.

Q. WHAT DOES SEIA RECOMMEND?

A. DOER's recommendation for RTE should be adopted in the SMART Tariff.

F. Tariff Conformity with Chapter 8 of the Acts of 2021

Q. PLEASE PROVIDE AN OVERVIEW OF CHAPTER 8 OF THE ACTS OF 2021.

A. Chapter 8 of the Acts of 2021 ("Climate Act") was enacted earlier this year and mostly addresses the way in which the Commonwealth will achieve its climate requirements for a decarbonized society. While there are many provisions in the Climate Act, I focus on Section 96.

Q. PLEASE DESCRIBE SECTION 96 OF CHAPTER 8 OF THE ACTS OF 2021.

A. Section 96 of Chapter 8 of the Acts of 2021 ("Section 96") states:

> Notwithstanding any general or special law to the contrary, the department of energy resources and department of public utilities shall amend any rules, regulations, and tariffs to permit the owner of any new solar facility, including any solar energy generating

> source, that qualifies for programs pursuant to section 11 of chapter 75 of the acts of 2016 and application regulations that achieves commercial operation on or after January 1, 2021 to: (i) receive credits for any electricity generated by a solar facility that exceeds the owner's usage during a billing period, with such credits to be credited to a solar facility owner's customer account with the relevant distribution company, and carried forward from month to month; (ii) designate customers of the same distribution company, regardless of which ISO-NE load zone the customers are located in, to receive such credits in amounts attributed by the solar facility, with such credits applicable to any portion or all of a designated customer's electric bill; and (iii) direct the distribution company to purchase all or a portion of any credits produced by a solar facility at the rates provided for in the applicable statute, regulation, or tariff without discount, fee, or penalty. This section shall not apply to solar net metering facilities.

Section 96 applies to all solar facilities installed after January 1, 2021 that qualify for the SMART Program. The first provision of Section 96 specifies that the account of the solar facility's owner receives the credits for electricity that is generated. The second provision of Section 96 specifies that the owner of a solar facility can allocate credits to other customers of the same Distribution Company, regardless of ISO-NE load zone, and the credits can be applied to the entirety of the recipient customer's electric bill. Finally, the third provision of Section 96 mandates that at the discretion of a customer, the Distribution Companies must purchase all or some of the credits *without discount, fee, or penalty*.

Q. IS THE DISTRIBUTION COMPANIES' PROPOSED TREATMENT OF UNUSED AOBCS CONSISTENT WITH SECTION 96?

A. No. The proposed tariff specifies that Distribution Companies may elect to cash out Unused AOBCs to some types of STGUs but not others, while Section 96 gives the discretion to the Customer in all cases. In addition, the proposed Tariff specifies that for credits that are cashed out, the cash out amount is less than the credit. Specifically, the proposed Tariff "adjust[s]" or discounts the value of credits that are cashed out by multiplying them by an amount based on average ISO-NE Locational Marginal Pricing. With the passage of the Climate Act, such a discount is no longer permissible. In addition, Section 96 makes it no longer possible to prevent STGUs from allocating initially unused AOBCs.

Q. PLEASE ELABORATE ON THE TREATMENT OF UNUSED AOBCS.

A. The Distribution Companies propose a new section in the Tariff, Section 10.3. The proposed section specifies how "unused AOBCs" will be treated, specifically that the AOBCs will: (1) carry forward from month-to-month; (2) no longer be transferable; (3) be eligible to be applied toward service charges of the account of the AOBC Generating Units; (4) be eligible to be cashed out for standalone AOBC Generating Units – at the discretion of the Distribution Company – yearly on March 31; and (5) not be cashed out for BTM AOBC Generating Units and recipient customer accounts, but instead will carry forward indefinitely. Notably, some of these provisions are in conflict with Section 96.

Q. WHY SHOULD THE PROPOSED LANGUAGE TO PROHIBIT THE TRANSFER OF UNUSED AOBCS BE ELIMINATED?

A. The second provision of Section 96 allows customers to allocate credits. The proposal by the Distribution Companies to prohibit the transfer of Unused AOBCs inappropriately restricts the allocation of credits that, for some reason, could not be previously allocated. A failure to allocate credits – sometimes through no fault of the developer – should not prohibit the allocation of the credits in the future. As such, the prohibition on the allocation of Unused AOBCs should be eliminated.

In addition, since Section 96 now requires that unused credits be cashed out without discount, preventing the allocation of unused credits serves no purpose, as it simply results in the value of those credits going to the STGU Owner directly rather than to an eligible off-taker.

Q. WHY SHOULD THE CASH OUT PROVISION IN THE TARIFF BE AT THE DISCRETION OF THE CUSTOMER?

A. As currently drafted, the Tariff provides the Distribution Company with the discretion to cash out credits, which is in direct conflict with Section 96. In order to comply with Section 96, the customer – not the Distribution Company – needs to make the choice.

Q. HOW DO YOU RECOMMEND THE CASH OUT PROVISION IN THE TARIFF BE IMPLEMENTED?

A. The third provision of Section 96 "…permit[s] the owner of any new solar facility… to …direct the distribution company to purchase all or a portion of any credits produced by a solar facility at the rates provided for in the applicable statute, regulation, or tariff *without discount, fee, or penalty*" (emphasis added). The Distribution Company's calculation for cash outs does not comply with the third provision of Section 96 because the calculation includes reduced compensation for the value of energy. For administrative efficiency *of cash outs,* the value of energy for all SMART facilities should be calculated as the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output of STGU's with ISO-NE over the course of the year.[10] For ease, I'll refer to this approach as the "Simplified Cash-Out Provision." For the purposes of the Simplified Cash-Out Provision, any difference between the value of energy calculation for cash outs and the value of energy calculation pursuant to §7.0 of the Tariff should be considered an incentive and paid to the Customer accordingly. Ultimately, the intent of the Simplified Cash-Out Provision is to conform the SMART Tariff with Section 96 by allowing any SMART facility to cash-out credits, which is especially relevant to the net crediting proposals (a.k.a., simplified billing) from both National Grid and Eversource.

[10] This is one of the current calculations used for qualifying facilities.

Q. IS THE PROHIBITION ON BTM AOBC CASHING OUT INCONSISTENT WITH SECTION 96?

A. Yes. The proposed Tariff eliminates the ability for BTM AOBC to cash out their credits, which is inconsistent with Section 96. The Tariff should be revised in order to give all AOBC Generating Units the ability to cash out credits.

Q. SHOULD SECTION 96 APPLY TO FACILITIES INSTALLED BEFORE JANUARY 1, 2021?

A. Section 96 applies to solar facilities that achieve commercial operation on or after January 1, 2021. However, there is not a prohibition in applying the rules to SMART facilities installed prior to January 1, 2021. In fact, it would create complexity and confusion to have two sets of rules based on when a facility went into operation. For administrative ease, the Department should consider having one set of rules rather than two.

Q. PLEASE SUMMARIZE SEIA'S RECOMMENDATIONS TO CONFORM THE TARIFF WITH SECTION 96.

A. SEIA recommends that: (1) the prohibition on the allocation of Unused AOBCs should be eliminated; (2) the customer – not the Distribution Company – needs to elect a cash out of credits; (3) the Simplified Cash-Out Provision should be adopted; (4) the ability to cash out credits should apply to both standalone and BTM AOBC

Generating Units; and (5) the changes to comply with Section 96 should apply to all SMART facilities.

G. Value of Energy for Alternative On-Bill Credit Generation Units

Q. PLEASE PROVIDE AN OVERVIEW OF THE DISTRIBUTION COMPANIES' PROPOSED REVISION FOR THE VALUE OF ENERGY FOR AOBC GENERATING UNITS.

A. The Distribution Companies propose to add an additional provision to §7.1, the calculation of incentive payments for standalone facilities. Specifically, the Distribution Companies propose to add the emphasized provision:

> For AOBC Generation Units, the VOE will be equal to the Basic Service rate applicable to the AOBC Generation Unit's rate class in effect during the billing period, as established by the Company's Basic Service tariff, *or a rate approved by the Department for AOBC facilities enrolled in any Company offered Community Solar Access program, as allowed by Section 10, multiplied by the kilowatt-hours measured on the Company's Retail, Service or Revenue Meter*.

National Grid proposes to use this provision in their Solar Access Initiative (addressed below in Section IV), in order to set the value of energy at $0 per kilowatt-hour.

Q. IS THIS PROPOSAL APPROPRIATE?

A. No, it is not. The Department should not approve a different compensation structure for Distribution Company-administered programs. A Distribution Company-

offered program should not operate by a different set of rules that creates an arbitrary competitive advantage over programs offered in the competitive market. If the concern of the Distribution Companies is cashing out credits at above avoided cost, then – as discussed in Section III(F) above – the Simplified Cash-Out Provision should be adopted. Under this approach, the rules for a Distribution Company-administered program would be the same as programs offered in the competitive market.

Q. WHY SHOULD THE SIMPLIFIED CASH-OUT PROVISION BE ADOPTED INSTEAD OF THE DISTRIBUTION COMPANIES' PROPOSAL?

A. If the value of energy for cash outs is standardized, it should allow for net crediting approaches (a.k.a., simplified billing) such as the proposals from National Grid and Eversource, discussed below, to proceed, but not provide an unfair advantage to Distribution Company-administered programs. In addition, the Simplified Cash-Out Provision should reduce the administrative complexity of creating a different value of energy calculation (and the implementation of the calculation) and allow low-income programs to flourish as a result of the net crediting approach.

Q. PLEASE ELABORATE.

A. Pursuant to the proposal from the Distribution Companies, they could create one (or more) new values of energy. In SMART, there are currently value of energy

calculations for (1) net metering facilities, (2) qualifying facilities, and (3) AOBC Generating Units. The proposal from the Distribution Companies would add one (or more) new calculation(s) to implement for SMART facilities. While a new calculation is not difficult to create, the implementation would create additional work for the applicable Distribution Company by creating a new class of facility. A Simplified Cash-Out Provision would eliminate the need for an additional calculation by utilizing an existing qualifying facility calculation.

As discussed by both National Grid and Eversource, low-income customer participation in SMART has been poor (Exhs. NG-1 at 7; ES-ACB-IH-1 at 8-9). One of the barriers to community solar adoption by low-income customers is the traditional contract and two-bill structure (one bill from the Distribution Company and one from the community solar developer). This has led National Grid and Eversource to file proposals to facilitate low-income solar participation via net crediting. The Simplified Cash-Out Provision would enable net crediting by eliminating any concerns with cashing out the value of energy portion of the credit created by the SMART facility, and by extension help facilitate low-income adoption of solar. Net crediting – and the associated cash out to the developer for the portion of credits that are not allocated to customers – can be an extremely effective mechanism to enable the benefits of solar to flow to low-income customers.

Q. WHAT DOES SEIA RECOMMEND?

A. The proposal from the Distribution Companies to set the value of energy for AOBC Generating Units at something other than the basic service rate should be rejected.

H. Eversource Provisions

Q. PLEASE EXPLAIN THE ISSUES SPECIFIC TO EVERSOURCE.

A. There are two lingering issues in SMART associated with the legacy merger of NSTAR Electric Company ("Eversource East") and Western Massachusetts Electric Company ("Eversource West").[11] First, the capacity blocks for Eversource East and Eversource West are currently still separate. Second, in the current Tariff there is a prohibition on the allocation of AOBCs between Eversource East and Eversource West.

Q. PLEASE ELABORATE ON THE CAPACITY BLOCKS.

A. The SMART Regulations have combined the capacity blocks associated with the expansion of the SMART program for Eversource East and Eversource West. The combined capacity blocks should be reflected in the compliance tariff filed by Eversource.

[11] It is possible that these issues will be addressed in Phase I, but I nonetheless raise these issues in case they are not addressed in Phase I.

Q. PLEASE ELABORATE ON THE ALLOCATION OF AOBCS BETWEEN EVERSOURCE EAST AND EVERSOURCE WEST.

A. The currently-in-effect Tariff for Eversource, M.D.P.U. No. 74C (as of August 18, 2021) includes a prohibition on the allocation of AOBCs between Eversource East and Eversource West. In concert with the combined capacity blocks, the prohibition should also be eliminated. This is also required by Section 96 of the Climate Act, which mandates that bill credits be transferable to "customers of the same distribution company" and does not allow for a distinction between Eversource customers.

Q. WHAT DOES SEIA RECOMMEND?

A. Consistent with the Department's directives in D.P.U. 17-140 and the SMART Regulations,[12] the capacity blocks should be combined for all of Eversource, and

[12] "The Department directs Eversource to work quickly and collaboratively with DOER: (1) to determine the new SMART Program capacity blocks and [base compensation rates]; and (2) to resolve other issues related to merging NSTAR and WMECo" (D.P.U. 17-140-A at 206). "The Department directs that Eversource merge its capacity blocks for Eversource East and Eversource West following the SMART Program launch" (D.P.U. 17-140-C at 17). "Special Provision for Eversource Energy Capacity Blocks. Beginning with the ninth Capacity Block, the service territories formerly designated as NSTAR Electric Company and Western Massachusetts Electric Company, shall be combined into a single service territory with a total available capacity equal to that amount previously available for the two separate Distribution Companies'. The total combined capacity available in this single service territory shall be divided into eight equally sized Capacity Blocks. The Base Compensation Rates established for the service territories formerly designated as NSTAR Electric Company and Western Massachusetts Electric Company shall remain separate and will continue to apply." (225 CMR 20.05(3)(e)).

the limitation on the allocation of AOBCs between Eversource East and Eversource West should be eliminated. This is also required by Section 96 of the Climate Act, which mandates that bill credits be transferable to "customers of the same distribution company" and does not allow for a distinction between Eversource customers.

IV. NATIONAL GRID SOLAR ACCESS INITIATIVE

A. Introduction

Q. PLEASE PROVIDE AN OVERVIEW OF THE SOLAR ACCESS INITIATIVE FILING PROPOSED BY NATIONAL GRID.

A. As discussed earlier, National Grid has proposed a Solar Access Initiative in order to address barriers to the deployment of low-income solar (Exh. NG-1 at 5). The SAI has two primary components, the Solar Simplified Billing proposal ("SSB") and the Solar Enrollment Program ("SEP") (Exh. NG-1 at 5). According to National Grid, the SSB "will simplify the activities around the allocation of AOBCs to Subscribers" by eliminating the need for subscribing customers to pay a separate bill to system owners by splitting AOBCs into two parts: (1) credits to subscribing customers' electric bills; and (2) the remainder as a payment to system owners (Exh. NG-1 at 17-18). The SEP has three primary components: (1) acquire and manage participating R-2 customer participation; (2) create a standardized LICSS

offer to participating R-2 customers; and (3) qualify LICSS facilities for participation in the program (Exh. NG-1 at 18). Notably, the SAI proposal includes a fee for the SSB and the SEP, and National Grid proposes a performance incentive mechanism (Exh. NG-1 at 18-19, 25, 40-45).

B. The Solar Simplified Billing Proposal is Inconsistent with the Climate Act

Q. IS THE SOLAR SIMPLIFIED BILLING PROPOSAL FROM NATIONAL GRID CONSISTENT WITH THE CLIMATE ACT?

A. No, it is not. As discussed above, §96 of the Climate Act requires the Distribution Companies to allocate credits as directed by the system owner and purchase credits without discount, fee, or penalty. National Grid proposing to charge a fee for the net crediting approach[13] is inconsistent with §96 because National Grid is proposing to charge a fee for purchasing a portion of the credits generated by the solar facility.

Q. IS SEIA OPPOSED TO NET CREDITING?

A. SEIA is not opposed to the outcome, but the details are important. Net crediting can be very good for customers – and system owners – by (1) reducing confusion with

[13] National Grid uses the term "simplified billing," but I prefer the term "net crediting." From the recipient customers' perspective, they receive a credit on their electric bill that is net of the costs they otherwise would have to pay the system owner for the credit. Nonetheless, this process does reduce billing complexity.

having multiple bills associated with electricity (even when the overall charges are lower than not participating in community solar), and (2) greater consumer protection. The current billing framework for community solar can be confusing for customers, especially when the bills for credits from system owners do not align with when the credits appear on subscribing customers' electric bills. In addition, net crediting can reduce the total number of bills that low-income customers receive – thereby decreasing their financial exposure – while still providing savings on their electric bill. However, National Grid's proposal to charge for net crediting is inconsistent with Section 96 of the Climate Law.

In order to address net crediting comprehensively – specifically, beyond low-income customers – the Department should open a generic investigation on the issue. This would allow more parties to be involved (*e.g.*, parties that are not intervenors in the immediate docket), more time for deliberations, and an opportunity for the Department to consider net crediting for programs beyond SMART – such as net metering – thereby creating consistency across programs.

Q. ARE THERE OTHER ISSUES ASSOCIATED WITH THE SSB PROPOSAL FROM NATIONAL GRID?

A. Yes. As discussed above in Section III(G), National Grid's proposal to have a value of energy at $0 per kilowatt-hour is inappropriate.

Q. WHAT DOES SEIA RECOMMEND?

A. The SSB proposal from National Grid should be rejected.

C. Charges Reduce the Benefits to Low-Income Customers

Q. DO THE PROPOSED CHARGES FOR SSB AND SEP FINANCIALLY BENEFIT LOW-INCOME CUSTOMERS?

A. No, they do not. The total amount of compensation through SMART is fixed for each facility. Any proposed charges from National Grid will directly reduce the benefits that low-income customers receive from subscribing to community solar.

Q. IF THE SAI WERE TO BE APPROVED, HOW SHOULD NATIONAL GRID RECOVER THE COSTS OF ADMINISTERING THE PROGRAM?

A. If the SAI were to be approved, National Grid should follow the lead of Eversource and recover any administrative costs in the SMART Factor. This approach will provide a greater financial benefit to low-income customers and/or benefits to more low-income customers, which is a good policy outcome.

Q. FOR THE DISTRIBUTION COMPANIES, ON A PROJECT-BY-PROJECT BASIS ARE THE ADMINISTRATIVE COSTS OF ADMINISTERING A SSB GREATER THAN ADMINISTERING SMART?

A. I do not know, but I suspect that the incremental costs are negligible, if they exist at all. Currently, the solar program administrator is responsible for calculating the

SMART incentive for each facility. Once the allocation calculation is determined, the administrative costs to split the incentive between the subscribing customers and the system owner should be very small. Specifically, the additional process will be the addition of one entity (the system owner) to the total number of subscribing customers. Furthermore, the system owner already has an electric account with the applicable Distribution Company and is therefore already a customer of the Distribution Company.

D. The Solar Access Initiative Should Only Apply to Low-Income Customers

Q. SHOULD THE SAI APPLY TO *NON*-LOW-INCOME CUSTOMERS?

A. No. National Grid has failed to demonstrate why a monopoly investor-owned utility should insert itself into a functioning community solar market. National Grid has failed to demonstrate any type of market failure for *non*-low-income customers in community solar, and as such the entry of National Grid into the Community Solar market for *non*-low-income customers is inappropriate.

Q. IS DISTRIBUTION COMPANY INVOLVEMENT IN COMMUNITY SOLAR FOR LOW-INCOME CUSTOMERS APPROPRIATE?

A. As both National Grid and Eversource have testified, low-income customers have not participated in SMART at the same rate as *non*-low-income customers (Exhs. NG-1 at 7; ES-ACB-IH-1 at 7-9). While there have been developers providing

community solar benefits to low-income customers, low-income customers have not benefited from community solar as much as other customers. While I would not consider the current community solar deployment for low-income customers to be a total market failure, the deployment is far from serving the needs of the Commonwealth's most vulnerable customers. As such, Distribution Company facilitation of the deployment of community solar to low-income customers could be helpful.

However, Distribution Company involvement should be targeted at addressing the barriers to low-income adoption of community solar. The primary objective of these proposals should be to better serve the most vulnerable customers in the Commonwealth, and this objective should shape all decisions associated with Distribution Company involvement in the competitive community solar market.

Q. WHAT DOES SEIA RECOMMEND?

A. If approved, the SAI should only apply to low-income customers.

E. Conclusion

Q. WHAT DOES SEIA RECOMMEND?

A. As currently filed, the SAI proposed by National Grid should be rejected because: (1) the SSB is inconsistent with the Climate Act; (2) the SSB and the SEP directly reduce the benefits that should flow to low-income customers by imposing charges

for participation; and (3) National Grid inappropriately proposes to apply the SAI to *non*-low-income customers.

V. EVERSOURCE COMMUNITY SOLAR ACCESS PROGRAM

A. Introduction

Q. PLEASE PROVIDE AN OVERVIEW OF THE EVERSOURCE COMMUNITY SOLAR ACCESS PROGRAM.

A. As discussed earlier, Eversource has proposed for review and approval the ECSAP to reduce barriers for income-eligible households to participate in community solar and encourage more development of LICSS in the Commonwealth (Exh. ES-ACB-IH-1 at 3-4).[14] The ECSAP includes a simplified billing structure (a.k.a., net billing) and an Eversource-administered low-income customer enrollment process (Exh. ES-ACB-IH-1 at 4-5). For the simplified billing structure, Eversource states that:

> The ECSAP program provides a simplified billing structure for the distribution of [AOBCs] that eliminates third-party bills between LICSS or [Community Shared Solar] Tariff Generation unit [Owners] and their participating customers ("Subscribers"). Instead of transferring AOBCs wholly from Owner to Subscriber accounts, the AOBCs are automatically apportioned at a pre-determined percentage between on-bill credits issued directly to low-income

[14] Although the proposal from Eversource does not address eligibility of Low-Income Property Solar Tariff Generation Units, there is also the possibility that low-income customers could benefit by expanding the ECSAP to include LIP STGUs too.

> Subscriber accounts and a direct cash payment to Owners. (Exh. ES-ACB-IH-1 at 4).

In regard to the Eversource-administered low-income customer enrollment process, Eversource will be responsible for enrollment and subscriber management of R-2 and R-4 customers in the ECSAP (Exh. ES-ACB-IH-1 at 23).[15] Nonetheless, Eversource has not finalized (1) the request for proposals to select Tariff Generation units for the ECSAP or (2) the customer enrollment process (Exh. ES-ACB-IH-1 at 20, 24).

Q. WHAT ARE SEIA'S VIEWS OF THE PROPOSED ECSAP?

A. Eversource has been very collaborative in the development of the ECSAP, and SEIA is appreciative of the proposal and the process that Eversource used to develop the proposal. SEIA believes that the ECSAP is a very positive filing and has the potential to benefit low-income customers.

Q. DOES THAT MEAN THAT SEIA SUPPORTS THE ECSAP AS FILED?

A. While SEIA supports the vast majority of the ECSAP, as I discuss below there are a few areas for improvement.

[15] Notably, the definition of Low Income Customer in the SMART Regulations includes customers on a low-income discounted rate *or* a resident in a Low Income Eligible Area. Currently, Eversource's proposed ECSAP would only apply to customers on the low-income discounted rate.

B. Value of Energy

Q. WHAT DOES EVERSOURCE PROPOSE FOR THE VALUE OF ENERGY IN THE ECSAP?

A. Eversource proposes to calculate the value of energy for projects participating in the ECSAP at the basic service rate (Exhs. ES-ACB-IH-1 at 6, 26, 28; ES-ACB-IH-1 at 6).

Q. DO YOU AGREE WITH THIS APPROACH?

A. Calculating the value of energy at the basic service rate is consistent with the treatment of AOBC Generating Units. However, when the AOBCs are cashed out the Simplified Cash-Out Provision should be applied, as discussed earlier.

C. Development for the Request for Proposals

Q. PLEASE DESCRIBE THE FRAMEWORK THAT EVERSOURCE HAS PROVIDED FOR THE SELECTION OF PROJECTS TO PARTICIPATE IN THE ECSAP.

A. Eversource proposes to release a Request for Proposals ("RFP") twice per year for three years in order to procure a total of 234 megawatts of community solar (Exh. ES-ACB-IH-1 at 16-17). In order for a facility to participate it must be at least 100 kilowatts (alternating current) and be: (1) qualified as a Standalone AOBC Generation Unit or eligible to become a Standalone AOBC Generation Unit under

the SMART program tariff; (2) intending to qualify for the Community Shared Solar ("CSS") or LICSS adder by participating in the Program, and (3) willing to allocate a minimum of 50% percent of the unit's energy output, in the form of AOBCs, to the Program (Exh. ES-ACB-IH-1 at 18).

Q. DOES EVERSOURCE PROPOSE TO GIVE PREFERENTIAL TREATMENT TO SOME BIDS IN THE RFP?

A. Yes. Eversource proposes to give preference to bids with the following facilities:

> 1. The facility is already in operation as a SMART-qualified AOBC Generation Unit with the LICSS adder[;]
> 2. The facility is already in operation as a SMART-qualified AOBC Generation Unit with the CSS adder and can assign a percentage of its energy output, as AOBCs, to the ECSAP within 6 months of selection;
> 3. The facility is located within a neighborhood or census block identified as an Environmental Justice Population; (Exh. ES-ACB-IH-1 at 21).

Eversource notes that the weighting of bid preferences will be established in the RFP (Exh. ES-ACB-IH-1 at 21).

Q. DOES SEIA SUPPORT EVERSOURCE'S PROPOSED RFP PROCESS?

A. Eversource's competitive procurement proposal does not involve the dangers that typically exist for solicitations (*e.g.*, potential winning bids may not be viable), which is encouraging. In addition, SEIA supports providing "SMART program benefits to [] low-income customers at an accelerated pace" (Exh. ES-ACB-IH-1 at 22). SEIA does have additional considerations for the RFP structure and looks forward to working with Eversource on the RFP structure going forward.

Q. WHAT ADDITIONAL CONSIDERATIONS DOES SEIA HAVE FOR THE RFP?

A. First, any preferential treatment for projects already in operation needs to take into account potential market implications. Second, the review and selection of projects pursuant to the RFP should happen expeditiously.

Q. PLEASE ELABORATE ON THE FIRST POINT.

A. Allowing existing LICSS projects – and the participating customers of those projects – to participate in the ECSAP makes sense and is a good outcome. However, preferential treatment for non-low-income projects could have unintended consequences for the community solar market. Specifically, consumer confidence in community solar writ large could erode if customers are kicked off a community solar program so that the project can move to the ECSAP. If consumer confidence erodes, it could impact the adoption rate of community solar for both low-income and *non*-low-income customers. In addition, moving a CSS project to the ECSAP to become a LICSS project will essentially mean that the singular project has been counted twice in the Off-Taker Based Adders tranches (once for CSS and once for LICSS), which is detrimental to future development of community solar projects.[16] As such, the RFP must appropriately balance (1) the

[16] Currently, there is no mechanism to "add" capacity back to an adder tranche. As such, if a project moves from one adder tranche to another adder tranche, the capacity in the first adder tranche is "lost" because it is not available to other projects.

desire to facilitate moving existing LICSS projects to the ECSAP, (2) the desire to provide low-income customers with access to the benefits of solar on an accelerated timeline, and (3) the negative ramifications of incentivizing CSS to join the ECSAP.

Q. PLEASE ELABORATE ON THE SECOND POINT.

A. Currently, Eversource does not provide any timeline for the review of responses to an RFP. Eversource should review and select projects expeditiously in order to allow projects to proceed. While Eversource is reviewing bids, the projects associated with the bids will be in a holding pattern pending the outcome of the RFP. As such, all projects associated with bids – both winning and losing bids – will be waiting for a decision from Eversource. If the review and selection process takes a while, projects that are not selected will have to pivot to other off-taker strategies. All parties involved benefit from an expeditious review and selection process associated with an RFP.

Q. ARE THERE ANY OTHER CONSIDERATIONS THAT EVERSOURCE SHOULD TAKE INTO ACCOUNT?

A. Yes. The preferential treatment for projects "located within a neighborhood or census block identified as an Environmental Justice Population" could present some opportunities to promote projects that benefit vulnerable communities. In addition to – or as a part of – the location-based preference, Eversource may want

to consider accounting for the allocation of credits to community-based non-profits that serve low-income customers (*e.g.*, allocations that are not part of the scoring formula in the RFP, but may warrant additional considerations). Furthermore, Eversource could consider removing the 100 kilowatt floor for participation for projects located in vulnerable communities (thereby allowing for greater opportunities within the communities).

Q. WHAT DOES SEIA RECOMMEND?

A. SEIA looks forward to working with Eversource on an RFP that has an expeditious review timeline and balances (1) the desire to facilitate moving existing LICSS projects to the ECSAP, (2) the desire to provide low-income customers with access to the benefits of solar on an accelerated timeline, and (3) the negative ramifications of incentivizing CSS to join the ECSAP.

D. Customer Engagement, Acquisition and Enrollment

Q. PLEASE DESCRIBE EVERSOURCE'S PROPOSAL FOR CUSTOMER ACQUISITION AND ENGAGEMENT.

A. Eversource is developing the customer enrollment process for the ECSAP via a stakeholder group, but Eversource is clear that only low-income customers will be eligible to participate in the ECSAP (Exh. ES-ACB-IH-1 at 23-24). Although the process is not final, SEIA does have some thoughts on a potential process, and looks

forward to working with Eversource on the development of a customer engagement, acquisition, and enrollment process.

Q. WHAT DOES SEIA PROPOSE FOR GUIDELINES ON ENGAGING, ACQUIRING AND ENROLLING LOW-INCOME CUSTOMERS FOR PARTICIPATION IN THE ECSAP?

A. First and foremost, any process needs to have very strong consumer protection rules for the Commonwealth's most vulnerable customers. At a minimum, consumer protection rules should include (1) a prohibition on charging customers for participation in the ECSAP, (2) accurate information on the expected benefits of participating in the ECSAP, and (3) accurate information on the solar that is generating the benefits for customers participating in the ECSAP, thereby creating a tangible connection between the solar project and the benefits to the customers. Second, the process should include opportunities for community-based organizations to bring vulnerable customers to the ECSAP to reduce their energy burden. In addition, Eversource should create a process for developers to work with community-based organizations to bring eligible customers into the ECSAP, such as low-income customers in the community surrounding a LICSS Generating Unit. Another example is existing LICSS Generating Units that want to bring their existing low-income customers to the ECSAP.

SEIA looks forward to working with Eversource to develop and implement rules that both protect and engage low-income customers, and accelerate the benefits of solar flowing to low-income customers.

Q. SHOULD THERE BE A MINIMUM AMOUNT OF BENEFIT THAT FLOWS TO EACH PARTICIPATING LOW-INCOME CUSTOMER?

A. Yes. Eversource is currently working on a survey to send to low-income customers, and one of the questions in the survey will try to gauge low-income customers' perspective on a "meaningful amount of electric bill savings" (Exh. ES-ACB-IH-1 at 24). The survey will hopefully be very useful in identifying the minimum amount of benefit that should flow to customers in the ECSAP. At this time, I estimate that a meaningful bill savings for low-income customers will be in the range of $120 per year, but I very much look forward to learning the results of the survey.

At the very least, Eversource – with approval from the Department – should identify a minimum amount of savings per year for participating customers. The Department should ensure that any low-income program – including the ECSAP – brings benefits to low-income customers that reduce their energy burden and increase their quality of life. A bad outcome would be a low-income program that provides a token benefit, but no meaningful savings to low-income customers. SEIA looks forward to working with Eversource on defining a meaningful benefit for low-income customers.

Q. HOW OFTEN SHOULD CUSTOMER PARTICIPATION IN THE ECSAP BE UPDATED?

A. As discussed earlier in Section III(B), Owners should be able to update the Payment/Credit Form monthly. The same logic applies with regard to Eversource updating customers participating in the ECSAP- as necessary, customer enrollment should be updated monthly.

Q. WHAT DOES SEIA RECOMMEND?

A. SEIA looks forward to working with Eversource on customer engagement, acquisition and enrollment with (1) strong consumer protections, (2) meaningful benefits, and (3) monthly customer enrollment updates.

A. Conclusion

Q. WHAT DOES SEIA RECOMMEND FOR THE ECSAP?

A. SEIA appreciates Eversource's collaborative approach in the development of the ECSAP and looks forward to working with Eversource to: (1) utilize the Simplified Cash-Out Provision; (2) develop an RFP that has an expeditious review timeline and balances (a) the desire to facilitate moving existing LICSS projects to the ECSAP, (b) the desire to provide low-income customers with access to the benefits of solar on an accelerated timeline, and (c) the negative ramifications of incentivizing CSS projects to join the ECSAP; and (3) develop customer

engagement, acquisition and enrollment with (a) strong consumer protections, (b) meaningful benefits, and (c) monthly customer enrollment updates.

VI. CONCLUSION AND RECOMMENDATIONS

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. SEIA recommends: (1) Section 10.2 of the Tariff should be revised in order to define a completed Alternative On-bill Credit Payment Credit Form as "…allocations total at least 90 percent to active and valid customer accounts…;" (2) the change to the definition of Alternative On-bill Credit Payment Credit Form that deletes "the Commercial Operation" and adds "final approval . . . a Statement of Qualification for" should be rejected; (3) Owners and Authorized Agents should be allowed to update the Alternative On-bill Credit Payment Credit Form once per month; (4) the definition of Community Shared Solar Tariff Generation Unit, Low Income Community Shared Solar Tariff Generation Unit, and Low Income Property Solar Tariff Generation Unit should all be revised in the tariff to reflect verbatim the definitions in the SMART Regulations; (5) the proposed language on metering should be rejected, and the Department should provide guidance on metering on an ongoing basis, as needed; (6) Section 5.3 of the Distribution Company-proposed Tariff needs to be revised in order to delete reference to Energy Storage System delivery charges; (7) the operational limitation for DC-coupled Energy Storage Systems with a Solar Tariff Generation Unit should to be removed;

(8) DOER's recommendation for round-trip efficiency should be adopted in the SMART Tariff; (9) the prohibition on the allocation of Unused Alternative On-Bill Credits should be eliminated; (10) the customer must have the ability to elect a cash out of credits; (11) the Simplified Cash-Out Provision should be adopted; (12) the ability to cash out credits should apply to both standalone and Behind-the-Meter Alternative On-Bill Credit Generating Units; (13) the changes to comply with Section 96 of Chapter 8 of the Acts of 2021 should apply to all SMART facilities; (14) the proposal from the Distribution Companies to set the value of energy for Alternative On-Bill Credit Generating Units at something other than the basic service rate should be rejected; (15) the capacity blocks should be combined for all of Eversource; (16) the limitation on the allocation of Alternative On-Bill Credits between Eversource East and Eversource West should be eliminated; (17) the Solar Access Initiative proposed by National Grid should be rejected; (18) the Eversource Community Solar Access Program should utilize the Simplified Cash-Out Provision; (19) Eversource should develop a solicitation for the Eversource Community Solar Access Program that has an expeditious review timeline and balances (a) the desire to facilitate moving existing Low Income Community Shared Solar projects to the Eversource Community Solar Access Program, (b) the desire to provide low-income customers with access to the benefits of solar on an accelerated timeline, and (c) the negative ramifications of incentivizing Community Shared Solar projects to join the Eversource Community Solar Access Program;

and (20) Eversource should develop customer engagement, acquisition and enrollment with (a) strong consumer protections, (b) meaningful benefits for low-income customers, and (c) monthly customer enrollment updates.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.