

The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

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COMMITTEES:
VICE CHAIR, REVENUE

December 18, 2015

The Honorable Brian S. Dempsey, Chair
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

The Honorable Thomas A. Golden, Jr., Chair
Joint Committee on Telecommunications, Utilities, and Energy
State House, Room 473B
Boston, MA 02133

The Honorable Bradley H. Jones, Jr., Minority Leader
Massachusetts House of Representatives
State House, Room 124
Boston, MA 02133

Re: Net-metering reimbursement rates in S.1979 conference report.

Dear Honorable Conferees:

Thank you for your ongoing work on compromise legislation that will address the issues of net-metering and energy reimbursement rates. These are complex, multi-faceted issues that broadly impact the Massachusetts economy, the environment, and our state's future. I trust that you are working toward a bill that is as fair as possible to all parties involved, and will both protect ratepayers and ensure that solar array owners receive fair compensation.

I am writing to comment primarily on the issue of how net-metering legislation should value the electricity generated by distributed solar. This question is arguably the most important issue that is before the conference committee because it will be a prime determinant of the economic viability of individual solar installations, and thus of the Commonwealth's solar industry as a whole and of the 15,000 good-paying jobs that industry represents.

Because this methodology of valuation is so important, I feel that we need to take a more careful and thorough approach than has been previously proposed.

The question of valuation is not as simple as wholesale versus retail generation, as distributed generation (DG) solar provides a number of additional benefits beyond the value of the electricity generated. Unlike centralized power plants, electricity from DG is typically consumed close to the point of generation, and does not need to be transmitted from remote power plants to the location of use. Thus transmission losses are avoided, as such generation places no additional strain and wear on the transmission system. Additionally, DG in the right places can help us avoid the need for investments in additional power plants and grid upgrades.

In a number of other states, legislators and regulators have examined the issue of how to value the electricity generated by customer-sited solar. In looking at these diverse states, it is clear that the most careful and fair approach has been to commission a professional study of the value that solar provides to the grid, and to use this study as a basis for determining levels of compensation.

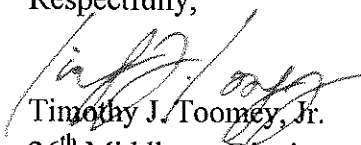
Furthermore, I feel that the most appropriate place for setting solar compensation and other aspects of electricity rates is through the Department of Public Utilities, as this body brings the highest-available level of technical expertise to such decisions.

The future of Massachusetts' solar market and industry is important to the Commonwealth for a number of reasons, including job creation, our obligations to meet greenhouse gas reduction goals, and the need to hedge our dependence upon natural gas for both heat and electricity.

For all of these reasons, I respectfully ask that you incorporate language into your final conference report that instructs DPU to commission a study of the value of solar, and that uses this study as the basis for setting compensation for future solar installations under net metering. I feel that this is the most professional, careful and appropriate way to address this issue. Alternatively, I would ask that you consider leaving the issue of compensation to a separate legislative vehicle so it can be considered in a manner that is independent of the more pressing issue of net-metering caps.

Thank you for your consideration of these comments and for your ongoing work to achieve a compromise net-metering bill. Your hard work and dedication is sincerely appreciated. I wish you and your family a blessed Christmas and a happy, healthy New Year.

Respectfully,



Timothy J. Toomey, Jr.
26th Middlesex District

cc: The Honorable Robert A. DeLeo, Speaker