SOLAR BENEFITS MASSACHUSETTS BUSINESSES

Across Massachusetts solar is working to build healthier and more resilient communities, increasing jobs and economic viability while addressing the energy affordability and access challenges created by volatile electricity prices.

SOLAR LOWERS ENERGY COSTS
The price of fossil fuels has a history of volatility, putting consumers and the economy at significant risk. Companies of all sizes have embraced solar power in order to hedge against volatile electricity prices. Investing in solar power is a way to have a guaranteed source of energy with stable costs. Many small businesses who do not have the option of putting a solar panel on their roof also have the ability to participate in community solar. Leveling the playing field to give solar energy a fair spot in the marketplace will allow Massachusetts businesses to lower their energy costs.

SOLAR Creates LOCAL Jobs AND A RESILIENT, COMPETITIVE STATE
Solar helps us diversify our energy portfolio which improves Massachusetts energy independence. Solar energy is also a big job booster. The Massachusetts Clean Energy Center recently announced that in 2016 the Commonwealth added 6,317 clean energy jobs and surpassed 100,000 clean energy jobs statewide, currently at 105,212. The report also found that the number of clean energy jobs in Massachusetts has increased by 75 percent since 2010.

SOLAR BOOSTS THE LOCAL Economy
In 2015 the Solar Task Force, created by the legislature, found that for every $1 invested in solar energy, the state receives at least $2.50 in benefits. Solar is one way to reclaim the lost economic opportunity resulting from the capital flowing out of Massachusetts each year for fossil fuels. In addition to the jobs directly created in the solar industry, growth in solar creates positive economic "ripple" effects. Industries along the solar energy supply chain benefit, as do local businesses from increased household and business incomes.

UNDERSTANDING THE STATE OF SOLAR IN MA

Massachusetts is quickly reaching its goal of 1,600 MW of solar before, thanks to the solar incentive programs (SREC I & II) and net metering. Much of the installed capacity comes from community solar programs, which broaden access to renewable energy by allowing anyone to reap the benefits of solar - deployable roof or not. Solar policy, though, has not been able to keep up with the rapidly growing demand. The industry quickly outgrows slow moving policies, leaving greater market uncertainty for a promising market.

SOLAR POLICY 101

**Net metering** ensures that customers who install on-site energy like solar are compensated for excess energy they deliver back to the electrical grid. At the end of each month, the customer credited for the excess energy sent back to the grid which can be used to offset their electricity bill. **Virtual net metering** allows net metering credits to be shared with other customers, distributing the benefits of solar to a broader range of energy users. Virtual net metering is commonly used for community shared solar arrays, which allows customers to offset part of their electricity bill with the electricity produced by a shared solar project. Net and virtual net metering foster the growth of solar in the Commonwealth, creating jobs and encouraging private sector investment in the process.

BREAKING THE ‘CAP-AND-RAISE CYCLE’

Massachusetts caps the amount of solar that is eligible for net metering. **Capping any industry results in market uncertainty that doesn’t allow the industry to grow to its full potential.** As caps are hit, new solar projects cannot earn credit for excess power contributed to the grid. In the last legislative session, Massachusetts policymakers raised the net metering cap by 3% for private and public entities, respectively, and reduced the remuneration rate for some projects by 40%, including community share solar users (for example, small business energy users who rent office space).

Half of Massachusetts communities have already reached the new caps set in 2016. The caps have been raised three times since 2008, when the Green Communities Act set the cap for all net metering systems at 1%. These stopgap policy decisions are hurting our local economy and the solar industry. Net metering makes up less than half of the support Massachusetts provides solar projects and is already an efficient and effective means of fairly compensating solar customers for the benefits provided to the grid. **By uncapping net metering we can continue to see solar growth while promoting market certainty and reducing costs for all ratepayers.**
MOVING FORWARD ON SOLAR

INCREASING FAIR ACCESS TO SOLAR

As small businesses owners in Massachusetts, we are dedicated to the transition of our economy towards a more sustainable future.

We believe that **there should be no caps on solar net metering** in order to promote the reasonable adoption of solar installations by small businesses. Caps on net metering limit new solar projects as well as customer choice for energy supply, local jobs, and electric supply diversification. Of the 44 states that use net metering, 17 have no cap.

We support expanding access to solar power to make it easier for residents and businesses to participate, including increasing support for community solar projects. Policies that promote community shared solar should be valued for their ability to **increase access to energy for all**, reduce energy costs for consumers, and increase deployment of clean, local energy. Community solar provides **efficient and flexible options for businesses** who either rent property or do not have roofs fit for solar panels, but still want to benefit from going solar.

ACCELERATING THE DEVELOPMENT OF RENEWABLE ENERGY

The Renewable Portfolio Standard (RPS) is also an important tool for increasing solar development in Massachusetts. The RPS requires our energy utilities to purchase a specific percentage of renewable energy each year. The RPS is set at 12% for 2017 and increases 1% each year. With other states, like Hawaii and California, setting ambitious renewable energy targets, our current rate will cause us to fall behind other states. We support increasing the RPS to drive demand for renewable energy and growing our local clean energy economy.
2017-18 PRIORITY SOLAR LEGISLATION

**An Act relative to solar power and the green economy (SD1632/HD2157)** Sponsor(s): Sen. Eldridge/Rep. Mark
This bill sets a statewide goal to achieve 25% solar energy by 2030, removes the net metering cap, and increases the RPS rate to 2% until 2018, after which it would increase to 3%.

**An Act relative to net metering (SD1365)** Sponsor: Sen. Pacheco
This bill removes the net metering cap, creating greater market certainty for solar energy development in Massachusetts.

**An Act relative to the net metering cap (SD1332)** Sponsor: Sen. Boncore
This bill raises the net metering cap by 5% for public and private entities. While we would rather see the net metering caps removed, an increase would allow stalled projects to continue in the short-term.

This bill also raises the net metering cap by 5% for public and private entities. In addition it would restore the net metering credit rate for low-income and community shared solar (with low-income customers) projects to the full retail rate.

**An Act relative to solar net metering fairness (SD1373)** Sponsor: Sen. Pacheco
This bill exempts community solar customers from a monthly minimum reliability contribution, or a “minimum bill”. This means if the utility companies decide to charge renewable energy customers for interconnecting to the grid, community solar users will be exempt.

For questions about the legislation, please contact Programs Manager Kate Galbo at Kate.Galbo@cabaus.org.

Helping businesses take targeted action on climate change.