

Editorial: Compromise solar bill a necessary first step

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The compromise solar legislation signed this week by Gov. Charlie Baker is a needed first step to get the state's solar industry back on track.

While we would have preferred the Senate bill that was friendlier to solar developers, the competing special-interest groups around energy issues meant that compromise was inevitable to get stalled solar projects moving forward.

We agree with the assessment by state Sen. Benjamin Downing, D-Pittsfield, who filed the original Senate legislation and was that branch's chairman of the conference committee which produced the compromise bill. Downing, whose district includes nine Hampshire County Hilltowns, described negotiations as "insanely frustrating, to put it mildly. "It's a compromise. It's not the bill that I would have written. Given where the bill was that the governor filed, and what the governor was willing to accept ... and given what the House passed in November, it's a significant improvement from both of those."

After the legislation was signed, Downing added, "We all knew we had to give some to get to the resolution and I think we got to a place where we can say to all of our constituents that solar will continue to grow and play a vital role here in Massachusetts and it's going to do so in a cost-effective way."

However, Downing warned that a key provision – raising caps on the amount of excess power that can be sold back to the grid – is good for only nine months to a year until they are again reached.

At issue is the state's net-metering program, which allows electricity generated by solar panels to be sold by homeowners, solar developers and municipal governments back to the electrical grid in exchange for credit. Because the state's net-metering caps had been reached in many utility territories, solar developments had been stalled without access to that revenue. The cap had been 4 percent of a utility's peak electric load for privately installed projects, and 5 percent for those which are publicly owned. The new legislation raises those limits to 7 percent and 8 percent, respectively.

The compromise reduces by 40 percent the value of credits for power sold to the grid by privately owned solar developers. However, municipal projects and small solar panels such as those placed on a home's roof, will continue to qualify for the existing, higher rate of reimbursement.

The legislation allows electric companies to petition the state Department of Public Utilities seeking a minimum monthly charge on the bills of solar-producing customers who use net metering. The utilities say that is needed to help pay for maintaining electricity transmission and distribution infrastructure.

Finally, the bill requires the Baker administration to create a solar incentive program to replace the expired Solar Renewable Energy Credit II, which granted tax credits to subsidize the cost of installing solar arrays. The compromise did not wholly satisfy any group with an interest in the issues. The Associated Industries of Massachusetts claimed it would cost electricity customers billions over the next decade to pay for the solar incentives, and blasted the law as "poorly conceived."

Clean-energy advocates were split, with the Massachusetts Sierra Club urging defeat of the legislation, saying, “While appreciative of all the time and effort put into crafting this bill, we think the negatives clearly outweigh the positives, particularly in terms of who wins and who loses.”

However, the Northeast Clean Energy Council, based in Boston, termed the compromise “a positive development for the Commonwealth’s solar industry which will enable it to move forward with near term solar projects that will preserve local jobs and provide economic, energy and environmental benefits to Massachusetts residents, businesses and communities.”

However, the council cautions, “While the much needed cap increase will allow hundreds of stalled projects to move forward, this increase provides only an interim solution as the caps are likely to be hit again in the next year.” We agree and urge Downing, in his final year as a senator, to continue taking a lead role seeking a more permanent solution to support a long-term sustainable solar industry in Massachusetts.