



Massachusetts Taxpayers Foundation



November 18, 2015

Dear Senators:

We are writing regarding your deliberations today on legislation addressing solar energy incentives. Collectively, we support solar development to broaden our energy portfolio while helping the state achieve the emission targets under the Massachusetts Global Warming Solutions Act. However, the employer members of our organizations, which collectively employ more than 750,000 people across the state in a wide variety of industry sectors, have identified the cost of energy as a significant competitive disadvantage and an inhibitor of growth, innovation and investment. In fact, a recent report prepared by the Massachusetts Taxpayers Foundation highlights that the electricity costs for industrial and commercial customers are the third and sixth highest in the United States respectively, exceeding even our neighboring states. Much of those increased costs are related to the support provided to energy policies tied to strict environmental goals.

The current solar subsidy program is unfair, unaffordable, and unsustainable. It is among the most generous in the country, which has been successful in creating a vibrant market for solar energy development, but is no longer necessary now that the industry in Massachusetts is mature and prepared to stand on its own in a competitive environment. The subsidies no longer reflect the cost of installing solar, instead they are exceeding them and these excess costs amount to hundreds of millions of dollars per year paid by the 99% of ratepayers without solar. These additional costs are regressive and disproportionately impact small business employers, rural and low-income ratepayers, and others across the Commonwealth who cannot afford it.

We have been advocating for a solar program that both supports solar development to broaden our energy portfolio and creates an incentive structure that mitigates the uncompetitive, unfair and unsustainable costs being born by the vast majority of ratepayers without solar installations. We support a legislative solution that strikes the appropriate balance and we urge you to resist efforts that would add costs to ratepayers in an already lopsided incentive structure.

Solar subsidies should be based on competition, more aligned with the true costs, transparent, and guarantee that the most solar will be constructed at the lowest possible prices. We respectfully urge the Senate to carefully consider these principles and maintain the important balance between promoting renewable energy and creating a cost structure that promotes economic investment, development and job creation and retention across the Commonwealth.

Sincerely,



Eileen McAnney, President
Massachusetts Taxpayers
Foundation



Richard C. Lord, President &
CEO
Associated Industries of
Massachusetts



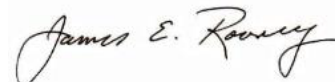
JD Chesloff, Executive
Director
Massachusetts Business
Roundtable



Jon B. Hurst, President
Retailers Association of
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Jeffrey Ciuffreda, President
Springfield Regional
Chamber of Commerce



James E. Rooney, President
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