

# CITY OF PEABODY

24 LOWELL STREET  
PEABODY, MA 01960



P. 978-538-5700  
F. 978-538-5980

## OFFICE OF THE MAYOR EDWARD A. BETTENCOURT, JR.

### CONTACT:

Edward A. Bettencourt, Jr.  
Mayor, City of Peabody  
&  
Kimberley Driscoll  
Mayor, City of Salem

### FOR IMMEDIATE RELEASE:

March 22, 2016

## **32 Mayors and Town Managers Urge State Legislators to Protect Financial Incentives for Municipal Solar Development Projects**

*Proposed legislation is potentially devastating to city and town solar projects*

**Peabody** – Peabody Mayor Ted Bettencourt and Salem Mayor Kimberley Driscoll last week joined Newton Mayor Setti Warren and sent a letter to key state legislators, urging them to reject legislative proposals to reduce the value of net metering credits associated with municipal solar projects. Such reductions, Bettencourt and Driscoll said, “could halt the development of projects now underway, and drastically curtail future solar development in the Commonwealth’s cities and towns.”

The letter was co-signed by 32 Mayors and Town Managers from municipalities throughout Massachusetts (see attached letter). It was directed to six members of a Legislative conference committee that is considering the proposals, with copies going to the Speaker of the House, the Senate President and the Governor.

Net metering enables those that host solar panels to sell excess power back to the energy grid, usually for credit on their electricity bills. Under current law, electric companies pay for net metering at the retail rate - the same rate they charge customers for electricity. The proposals would reduce the price of net metering credits by as much as 75%, permitting utilities to purchase the power at the wholesale rate- the cost of production - thus making solar power development financially challenging for municipal hosts and solar developers.

[Type text]

“Peabody is exploring a number of solar projects this year, including the utilization of school and municipal buildings. These projects are expected to generate significant savings for Peabody residents. The proposed rate reductions, however, would wipe out most, if not all, of these savings,” said Bettencourt.

“If net metering credits are set at the wholesale rate, projects like these simply won’t make financial sense for Peabody, Salem, or for any other city or town in Massachusetts. This legislation will make it very hard for any Mayor or Town Manager to propose solar projects in the future.”

“Reducing the value of net metering credits would not only have a substantially negative impact on our efforts to increase solar on City buildings here in Salem, it will also negatively impact additional residential and commercial solar growth in Salem ” said Mayor Driscoll. “I hope the legislature will oppose this change and maintain their support for Massachusetts cities and towns that wish to pursue this alternative, renewable energy option for both the economic and environmental benefits it will provide. At a time when we are looking at as many innovative ways to bring down the cost of energy to our taxpayers as we can, this change would be a move in the wrong direction. ”

Massachusetts has brought online 985 megawatts of solar since 2009, enough to power 150,000 homes. Current solar policies are estimated to have created over 15,000 jobs in Massachusetts and resulted in \$791 million in investment in 2014. The state has made a commitment to reduce carbon emissions by 80% by 2050.

“We thank Mayor Warren and cities and towns around the Commonwealth for standing up for solar development in our state,” said George Bachrach, President of the Environmental League of Massachusetts (ELM). “The legislature must now do its part and move forward with solar legislation that lifts the cap on metering and preserves fair compensation for solar through net metering to continue solar development in our cities and towns.”

The proposals to reduce the value of net metering credits is opposed by the Massachusetts Municipal Association, the Environmental League of Massachusetts, Environment Massachusetts, the Massachusetts chapter of the Sierra Club, Clean Water Action, and other environmental advocates.

###