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Solar in Mass. stays strong; expanded incentive program

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The state of Mass. has done a terrific job promoting the growth of solar - some may argue too good a job! Solar installations have spread rapidly in the state over the past two years thanks in large part to state and federal subsidies. In May, governor Deval Patrick announced that the state had surpassed its goal of 400 MW (megawatts) of installed solar capacity four years sooner than was expected. He set a new target four (4) times larger - 1,600 MW of deployed solar installations in the state by 2020.

The intense growth brought challenges on how to "close out" the state's initial program and provide a bridge to the next one. The Mass. Department of Environmental Resources (DOER) is planning to file regulations this month to address these issues. With this filing come some changes in the incentive programs that continue to make it incredibly attractive for businesses to deploy solar renewable energy solutions in Massachusetts.

The DOER plans to raise the existing cap and allow all projects that had submitted applications by the stated deadlines -- which could be up to 550 MW -- to participate in the existing Solar Carve-Out Program provided they meet certain contract and construction deadlines.

A new Solar Carve-Out Program will be created with a 1,600 MW cap - called SREC II (Solar Renewable Energy Certificate). SREC II will govern new projects with separate rules and a separate clearinghouse for unsold SRECs. It has many of the same benefits of the original SREC program, including the 40-quarter (10-year) opt-in term for SRECs. The biggest change in SREC II is the introduction of adjusted SREC factors that allows the state to steer incentives for different types of solar projects, such as landfill or brownfield projects. SRECs are incentives paid to solar system owners based on the amount of electricity their system generates.

There are a few additional changes that impact the overall program. Two changes to note are: 1) the percentage of green energy the utilities are required to buy has increased and 2) the DOER plans to begin buying up to \$11 million of SRECs to help the market progress.

While positive in nature, these regulatory changes can be hard to understand at times. A professional solar project developer can best explain the new incentive plans and how they can benefit your business. The good news is solar is incredibly strong in Mass. and these new rules make solar an attractive investment for years to come!

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