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Solar incentives changing, but most businesses still in the sweet spot

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This month's topic is again focused on the new solar incentive program in Massachusetts. As you may know, the initial state incentive program, commonly called SREC I, is now closed, except for certain project sizes which will still be allowed under an interim program. I'm glad to report that the new program, referred to as SREC II, is moving closer and closer to completion! The past month brought some additional updates to the proposed program that bring much-needed simplicity and balance. The end goal remains the same for the Mass. Department of Energy Resources (DOER): develop a program that sustains the strength of the overall Mass. solar market for years to come - which is great news for owners and investors alike!

The state's solar market is strong: the 400 MW (megawatt) goal for projects developed under SREC I was reached four years early, and in May, Mass. governor Deval Patrick set a new target four times larger - 1,600 MW of deployed solar installations in the state by 2020.

The details of this new program - SREC II (Solar Renewable Energy Certificates) - continue to be fleshed out. One thing is becoming more and more apparent: commercial roof-top projects are in the sweet spot for the proposed program. That means many businesses in Mass. are well positioned to gain maximum incentives available, especially if the electricity is all used on site.

The latest iteration of the SREC II proposal creates five market segments that are treated differently depending on how they create and use solar electricity. One of these segments - commercial rooftop systems that use most of their electricity "on site" - receives the most favorable treatment. There are other technical details to the proposal, and the DOER has requested feedback from the marketplace to help create the final version, which will then go through regulatory proceedings and ultimately be offered formally to the market. Their goal is to have the new program in place by January 2014.

An experienced project developer can help you understand the financials surrounding the new SREC II market as the final details are worked out, and also help determine if your project can qualify under the original SREC I program. If you own a commercial roof in Mass., it's a great time to investigate whether solar is the right opportunity for your business.

James Dumas is principal of Solect Energy Development LLC, Hopkinton, Mass. and is a monthly contributing Solar Development author for the New England Real Estate Journal's Green Building section.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540