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## **Solar outlook: Conditions for "going solar" in 2015 are potentially the best they're going to be**

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Massachusetts has become a national leader in solar energy, and 2014 was another successful year for solar installations. The state now has more than 580 MW of solar installed-the fifth largest in the country-and we're well on our way to exceeding outgoing governor Deval Patrick's goal of 1,600 MW of solar installed by 2020. In Q3 2014 alone, the state installed more than 83 MW of solar capacity, most of it through commercial installations, according to the Solar Energy Industry Association (SEIA). The growth in solar has helped spur the state's recovery through increased economic activity and the addition of skilled labor to the workforce.

As we enter 2015, it's important to understand how some of the events of 2014-and some changes scheduled for 2016-will impact the solar industry going forward. Based on what we're seeing in Massachusetts and in other states, the conditions for "going solar" in 2015 are potentially the best they're going to be. Here's why:

- \* SREC II - The introduction of the Solar Renewable Energy Certificate II (SREC II) program in Massachusetts in April 2014 quadrupled the "solar" goal for the state - from 400 MW to 1600 MW by 2020. The state reconfirmed its commitment to the industry and adoption on rooftops by commercial business. There are specific incentives that favor these types of installations.
- \* Federal Investment Tax Credit (ITC) - The current federal investment tax credit (ITC) is scheduled to expire on Dec, 31, 2016. The 30 percent tax incentive has been a huge boon to businesses and has led to rapid growth of solar across the country, especially in Massachusetts when combined with the strength of the SREC market. While it's unlikely the ITC will disappear, a change in terms could impact businesses that wait.
- \* Net Metering - The state has a favorable policy which allows for flexibility in how electric rates are "credited" to various accounts. However, there are potential changes to the net metering policies in several states, including Massachusetts. For businesses that generate more electricity than they consume, this "credit" could be negatively impacted if customer wait too long to enter the program.
- \* Financing - The solar financing market in Massachusetts has become incredibly creative and strong, with banks and third-party financiers realizing the bankability of solar. For commercial property owners interested in exploring the benefits of solar, there is a financing solution that will work for you.
- \* Value - Solar technology has become more efficient and more cost effective. New companies and existing manufacturers are making panels more efficient, but we're also seeing big strides forward in making inverters and storage solutions more efficient and cost effective as well. According to the SEIA, year-over-year, the national average PV installed system price declined by 11 percent from Q3 2013 to Q3 2014. Since the third quarter of 2010, the average price of a PV panel has dropped by 63 percent.

We've seen huge growth in solar in the past several years, and 2014 was a hallmark year in Massachusetts. Looking ahead for 2015 we expect solar's upward trend will continue with more widespread adoption across the state. An experienced solar project developer can walk you through the upcoming changes, discuss the benefits of installing solar as well as help find you the best financing partner to meet your needs.

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