

## CY 2011 Alternative Compliance Payments - Spending Plan

ACP Receipts	Total
Compliance Year 2011 (received 7/12)	\$78,488,558

tally as of 11/14/2012

CY 2011 ACP Spending Plan		Short Description
<b>Program/Market Outreach</b>		
MassDEP Clean Energy Results Program	\$2,000,000	These funds will extend the program of the MassDEP from March 2013-June 2014. Through CERP, MassDEP provides strategic technical outreach and support for renewable and alternative energy project development, in coordination with DOER and MassCEC. The funds will support staff resources at MassDEP and build on their core competencies to work with public and private constituents to address environmental issues and encourage adoption of appropriately sited wind, anaerobic digesters, combined heat and power, and other clean technologies.
<b>Green Communities and State LBE Support</b>		
Designation and Competitive Green Communities Grants	\$5,000,000	Funds will be dedicated to future year Green Communities program spending on designation and competitive grants.
Reduce Fuel Oil and Electric Heating in State and Municipal Facilities	\$2,500,000	Funds will be used to meet a goal of substantially reducing the use of fuel oil and electric heating in state and Green Communities municipal facilities by 2017. Funds will be used, in coordination with all other available support, to leverage investments in energy efficiency, natural gas CHP, high efficiency heat pumps, and renewable energy systems for public facilities that currently remain dependent of fuel oil.
REC Financing for State Electricity Procurement	\$2,000,000	In association with state procurement for electricity, create financing mechanism to support financing of RECs necessary for the state load's RPS compliance. RECs purchased for state load obligation would be resold to the electricity supplier to return ACP funds.
Pilot PV Deployment over Parking Lots or Agricultural Lands at State Facilities	\$1,500,000	As PV deployment accelerates in MA, the opportunity for large deployment over parking lots and agricultural lands will reduce pressures on other open space for deployment. In coordination with LBE and state colleges and other facilities, funds will be used to support incremental costs of solar PV over commuter parking lots and over agricultural lands. The pilots will demonstrate available array support technologies and benefits/costs of shading, snow management, and dual use of agricultural lands.
Reduce Solar Soft Costs - Solarize, Solar Garden, Model Permit Adoption	\$1,000,000	Extend Solarize and SunShot efforts to reduce solar soft costs. Expand/enhance Solarize program, create start-up funds for community solar gardens, and incentivize Green Communities and other towns to adopt model permits and other uniform documents/procedures.
Tree Planting - Asian Longhorn Beetle (Worcester and surrounding region)	\$1,000,000	Extensive tree removal from Worcester and surrounding communities was necessary due to the infestation of the Asian Longhorn Beetle. Replanting of trees in the affected communities will provide energy efficiency gains in buildings, reduce the urban heat island effect, and sequester carbon.
<b>Technology/Market Development</b>		
Solar PV - Small System Subsidized Loan or SREC Pre-Buy	\$15,000,000	Funds will be used to stimulate the market growth of small PV systems owned by the site owner (residential or business). The funds will be divided into three programs: 1) a subsidized loan program in coordination with the current Heat Loan program banks; 2) an SREC Pre-Buy program in which funds will be used to Pre-Buy SRECs or to incent compliance entities to Pre-Buy SRECs; 3) a competitive solicitation to consider external ideas for financial incentives for this sector of the solar market. Target 10-20 MW.
REC/AEC Pre-Buy Program for DG Renewables	\$13,000,000	This program will target MA Class I and APS renewables that are unable to secure long-term contracts for RECs. The program will offer a REC/AEC Pre-Buy. DOER can resell the RECs/AECs to return funds for additional use. Possible tranches for wind, AD/WWTP projects. Target 20 MW of Class I or APS projects.
Organics-to-Energy / Water Treatment Initiatives	\$2,000,000	Combined with \$2,000,000 from CY2009 ACP Spending Plan, the \$4,000,000 will support MassDEP led efforts to establish Organics-to-Energy anaerobic digesters through a revolving loan program and direct grants. Targets are AD facilities located at state facilities and opportunities at municipal water treatment plants.
Hydropower Design and Construction Improvement Grants	\$10,765,855	As provided in 2012 Affordable Energy Act, program will fund upgrades and improvements necessary for hydroelectric facilities to qualify as a Class I or Class II renewable energy generating source. Grants are to be limited to existing hydroelectric generation facilities located in the Commonwealth that have incrementally increased generating capacity since December 31, 1997, and shall be no more than 50% of total actual cost of upgrade.

Interagency Data Management/IT Unification of RPS SQA, Net Metering, Interconnection, PTS	\$1,000,000	Improvement in data management across MA state agencies (DOER, DPU, DEP, CEC) will increase program efficiencies and reduce costs to applicants and customers. Funds will be used to procure IT services to create seamless interfaces between NM, DG Interconnection, RPS SQA, PTS systems to minimize manual data transfers, multiple input needs by applications, and provide data checking and analyses.
CHP Technical Assistance - UMass CHP Application Center	\$2,000,000	CERP, DOER, and OTA will proactively identify and outreach CHP opportunities to targeted C&I industries in MA. These funds provided to the UMass CHP Application Center will enable a substantial expansion of resources to execute feasibility studies and technical review of CHP vendor proposals to businesses. A small amount of these funds will be reserved to establish a Strategic Plan for CHP expansion.
UMass Amherst - RE/CHP Project/Market Development Extension Initiative	\$4,000,000	UMass Amherst offers a strong platform to expand into an regional engine for renewable/CHP project development and business/market development. The likes of the IAC, RERL, the Northeast CHP Application Center, TIMBR, and the Engineering and Isenberg Schools (with state Small Business Development Center) and the Donahue Institute are all present to collaborate on an Extension Service (similar to agricultural model) to pro-actively work on CHP/Renewable project development, market studies, and business creation. These funds establish a program at UMass and enable 3 years of start-up operations.
Rural Utility Upgrades for Strategic RE Development	\$3,000,000	Opportunities for renewable energy projects in parts of rural MA with only single phase distribution lines have been blocked due to substantial line upgrade costs to 3-phase power. ACP funds will be used to target strategic opportunities to help support power line upgrades for rural renewable projects.
Wastewater Heat Recovery	\$1,000,000	Wastewater heat pump technology uses a heat pump to transfer thermal energy from sewage pipes, cooling water discharges of power plants, WWTP intake pipes for thermal loads including organic digesters. The technology is applied in several other US states and countries. These funds will be used to identify high potential sites in the state, perform feasibility studies and support project development, in conjunction with existing applicable financing instruments.
Solar Water Heating and Wood Pellet Stoves for LIHEAP Households	\$1,000,000	Target installation of solar water heating and wood pellet stoves for LIHEAP eligible households.
Renewable Thermal Market Investment Support	\$3,000,000	Funding will be offered on a competitive basis for MA business investments in renewable thermal infrastructure. Examples include, solar thermal panel manufacturing/fabrication, wood pellet boiler ASME certification and local distribution, wood pellet manufacturing, oil business expansion to renewable thermal, etc. Funds will be added to \$3,000,000 from 2010 ACP budget item.
<b>Administrative Support and Reserved Funds</b>		
IT Support for RPS/APS, DOER	\$500,000	Support (3-yr FTE plus misc expenses) for IT staff person at DOER/EEA-IT to execute RPS SQA revisions and maintenance. Person will also engage with efforts within DOER/EEA or externally to unify solar, net metering, and interconnection application and tracking procedures. Person will also provide other IT services to DOER as necessary.
DOER ACP Program Administrative Support	\$400,000	Support (4-yr FTE) for temporary DOER staff resources to provide program administration services for the 2010 and 2011 ACP Spending Plans. Staff will provide funding program documents, contract administration, financial tracking, and project reporting. Staff will work in the Renewable and Alternative Energy Division in close coordination with fiscal and legal teams.
DOER Studies as directed by Legislature	\$1,000,000	Support for consulting services necessary to complete studies pertaining to renewable/alternative energy markets and impacts, including LTK, Central Procurement, Class II Minimum Standard, Hydro Retrofits, etc.
Reserved Funds (to be determined)	\$3,000,000	These funds are reserved for project opportunities that are under consideration but not yet fully specified at the release of the Spending Plan.
Renewable Outreach and Small Project Support	\$2,822,703	These limited funds will provide DOER with the ability to support small administrative projects to support the implementation of the RPS program, expand policy development, acquire analytical support, and strategic travel to outreach program activities within the state and nationally including outreach and training on new biomass regulation to forestry/biomass community.
<b>Total</b>	<b>\$78,488,558</b>	