

Design With Nature LLC

Consultant Services: Renewable Energy - Energy Efficient Buildings

January 27, 2014

113 Town Farm Road
P.O. Box 451
Barre, MA 01005

Department of Energy Resources
Re: Solar Carve Out II Regulations

My company, Design With Nature LLC installs small to medium sized solar systems for homeowners and businesses. The three things that are of most importance to these sectors is price of the solar system, rebates and a predictable value for the SRECs that they will generate. The state obviously has no control over private company pricing for solar systems, but the market is getting very competitive which is helping to drive costs down for the consumer. Rebates to eligible customers is a determining factor for many potential customers, and MassCEC should continue the rebate program as long as the money is available from the utility bills. SREC value is perhaps the most important factor for small to medium size solar system purchasers.

If we have learned anything from the SREC market in New Jersey and the Solar Carve Out I program in Massachusetts, high SREC values did spur an abundance of solar installation, much of it was done by large venture capital backed companies from outside of each state, who saw the tremendous opportunities for profits. Many would say it was a good thing that so much solar got installed so fast, and from an environmental perspective, I would agree.

We need to evaluate the intent of the Solar Carve Out program and the Green Communities Act of 2008. Was it intended to encourage large scale solar farms for the sole purpose of creating clean energy, with no preference to individual homeowners or small businesses in Massachusetts? If so, it has been tremendously successful. If it was intended to encourage Massachusetts homeowners and small business owners to be able to afford solar so they could benefit from the incentives, it has not been as successful as it could be. It is well documented that most of the solar installed in Massachusetts is not owned by property owners, rather the property owner has leased roof space, land area, or sold their land to large solar farm developers.

Can we learn from what has happened to date? How can the next phase of the Solar Carve Out favor property owners? Instead of the proposed ranking system for SREC value, perhaps a ranking system can be established that provides quotas for each of the sectors, with an SREC value associated with each sector.

For instance, if the next goal is 1,600 MW's of solar, perhaps it should be broken down with timelines and amount of solar to be allowed during each timeframe, with SREC values attributed to each sector.

If we are trying to develop approx. 300 MWs per year, maybe we could allow 200 MWs of residential and small business solar with an SREC value of \$300. We could then allow 100 MWs of solar for installers of large commercial systems and solar farms at an SREC value less than the smaller systems value. This type of tiered approach would help Massachusetts residents to benefit from the incentives which would help to inject more capital into the local economies instead of huge profits going to out of state venture capital backed investors. It is imperative that a system be put in place to prevent over-saturation of the SREC market in order to maintain stable SREC values.

Massachusetts has proven to be a leader in solar development, so let's learn from our past, determine our intent and initiate new regulations that actually favor Massachusetts residents.


In summation, the solar industry in Massachusetts is strong, but it could be even stronger. There is a tremendous opportunity to create good paying jobs in this clean energy sector. Large solar farms usually bring in out of state workers to install their systems, while small rooftop systems typically are installed by local small businesses that employ Massachusetts residents. Stabilizing the SREC market for the residential and commercial sectors and providing predictable revenue from SREC sales will solidify that market which will promote job creation and energy savings to the residents of Massachusetts.

Large scale solar farms, which are actually large power plants, provide substantial clean energy quickly, but Massachusetts will be better served when the residential and commercial sectors are able to predict SREC revenue. They will then be able to finance their investments through conventional financial institutions if the SREC value is predictable and consistent.

Rooftop solar installations for use on site should be the priority of the Solar Carve Out program. These systems should receive significant preferential status going forward.

Thank you for allowing me to comment, and I appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Hannon", written in a cursive style.

Michael J. Hannon
Design With Nature, LLC