



101 Tremont St., Suite 611
Boston, MA 02108

January 28, 2014

Mark Sylvia, Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

SREC-II Final Proposal Design Comments

Dear Commissioner Sylvia,

Independence Solar appreciates the opportunity to submit the following comments on the design of the SREC-II program.

1. The process for obtaining a Statement of Qualifications should be clarified and amended.
 - 225 CMR 14.06(3)(f) states: *Statements of Qualifications for Solar Carve-Out II Renewable Generations Units shall only be granted to those Units that have been provided an Assurance of Qualification under 225 CMR 14.05 (9)(o) **or** can demonstrate that they have been granted the approval to interconnect by the local distribution company.*

We believe that it should be rewritten to say that Units will be granted Statements of Qualifications once they have been provided an Assurance of Qualification **AND** can demonstrate their interconnection approval **OR**, if the project elects not to apply for an Assurance of Qualification, they will be granted a Statement of Qualification once they can demonstrate their interconnection approval, provided there is available capacity in the project's Market Sector at that time.
2. Assurance of Qualification ("AOQ") time limit and initial allocation of AOQs.
 - As the Department develops the guidelines in CMR 14.05(9)(n), the AOQ should have a 9-month time limit to prevent projects that aren't fully developed from tying up space in the program without moving forward. Nine months is adequate time for a project with an executed ISA and all permits in hand to be constructed and interconnected. DOER should grant 3-month extensions only to projects due to delays solely outside of their control, such as utility delays.
 - Since it is unknown whether there will be an oversupply of applicants at the initiation of the SREC-II program, DOER should not base their system of granting AOQs on a "first-come, first-serve" model as described in CMR 14.05(9)(m) 2. Instead applicants should be granted Assurance of Qualifications based on the date of the project's executed Interconnection Service Agreement.
3. Market sectors defined in 225 CMR 14.04(9)(l) 3 should be further clarified.
 - The definition of Market Sector A and C's single parcel of land limitation should be in accordance to DOER's definition of a Solar Carve-Out Renewable Generation Units stated in 225 CMR 14.04(4)(a):

"...shall be determined based on the total capacity located on a single parcel of land. For any parcel of land for which a Solar Carve-Out Generation Unit has submitted a Statement of Qualification Application, if its current boundaries are the result of subdivision recorded after January 1, 2010, the Owner or Operator shall make a demonstration to the Department that the subdivision was not for the purpose of eligibility in the Solar Carve-Out Program.
 - DOER's requirements for having at least 50% of equipment used to generate power installed on top of Solar Parking Canopies, Eligible Landfills and Brownfields, and Building Mounted Solar Generation Units to qualify for their respective Market Sector is too ambiguous and could be subject to circumventing the intent of the program if not properly defined in the regulations. It is not clear whether the 50% definition is tied to cost, size or total capacity of the equipment. We



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recommend that the definition be tied to 50% of the total capacity of the generating equipment measured on a nameplate capacity basis in Watts direct current (W-DC).

- DOER should issue further guidance for how capacity for market sectors A, B and C will be allocated. Only the Managed Growth Sector is explained in the current regulations while the other sectors are uncertain.

4. Raise ACP Rates.

- In order to maintain a strong incentive for buyers to complete transactions with sellers via either bilateral agreements or the auction clearinghouse mechanism, the ACP rate proposed in 225 CMR 14.08(3)(c) 2 should be increased to create a larger delta between the auction prices and the ACP.

Independence Solar would like to thank the Department once again for its consideration of our comments.

Sincerely,

James Schwartz
Vice President
Independence Solar, LLC