

Michael,

Here are my comments regarding community solar in the new SREC 2 proposed regulations:

Community Shared Solar Generation Unit

Community Shared Solar presents an exciting opportunity for those with limited solar aperture, limited access to capital, or other physical barriers to installation of PV. We expect the markets definition of Community Shared Solar will continue to develop as projects are qualifying for SREC II, and therefore believe it is important that the MA DOER definition allows for that development. We believe the intent of the draft language is to align SREC factors for Community Shared Solar participants with the rest of Market Sector A, and exclude projects with the characteristics and attributes that place them in Market Sectors B & C, or the Managed Growth Sector. The current draft definition is provided below for reference:

“Community Shared Solar Generation Unit. A solar photovoltaic Generation Unit that provides net metering credits to two or more utility accounts, whose owners have a formal ownership stake in the Generation Unit or the entity that owns the Generation Unit, and for which the net metering credits provided to each account do not exceed a value in excess of the equivalent of 30 MWh of generation on an annual basis.”

While direct participant ownership should be encouraged, broadening the definition to encompass arrangements in which project participants have contracts with the Generating Unit owner to obtain the net metering credits associated with a share of the Generating Unit is required to avoid SEC restrictions regarding the sale of investment instruments and conform to requirements for ITC use. Community Shared Solar models have been developed and implemented in Colorado, Minnesota, Vermont and New Mexico and, in each case, participation has been defined by having a beneficial ownership stake in the production of the project, rather than direct ownership of the Generating Unit.

The concept of beneficial ownership will enable these projects to take advantage of the economies of scale associated with higher installed capacity and allow developers to serve all segments of the market including consumers, non-profits, government entities and commercial customers. Leasing or beneficial ownership models will facilitate the development of Community Shared Solar projects by allowing entities such as municipalities and non-profit organizations to participate. Currently these entities are restricted from having direct ownership stakes in projects that utilize federal solar tax credits and in many cases lack the physical space for onsite solar. Furthermore, these arrangements could facilitate the development of community shared solar as a partnership between homeowners, municipalities and or local businesses.

Suggested Revision

Community Shared Solar Generation Unit. A solar photovoltaic Generation Unit that provides net metering credits to **ten** or more utility accounts, whose **participants** have a **beneficial** ownership **interest** in the **production of** the Generation Unit or the entity that owns the Generation Unit. **Each participant is known as a Subscriber and there are no limits as to the number of Subscribers per project. A single Subscriber’s beneficial ownership interest may not be greater than 40% of the projects total capacity.**

The suggested revision above follows standards implemented in Colorado, Minnesota, Vermont and various other states and has been successful in broadening participation in Community Shared Solar, ensuring projects are not built for the benefit of a single subscriber, but rather to serve the broader market.

Best regards, Ron

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