

130 industrial park road
plymouth, massachusetts 02360
508 746 0777 F)508 746 0477
www.aecenter.com



Michael Pleasant

Mass DOER

Stakeholder Comments Regarding Proposed Solar REC's

Based on my 35 years in the renewable energy industry, I am recommending the following measures to improve the investment value of renewable energy in the Commonwealth:

1. **Enact significant State income tax credit for not only PV, but solar thermal and wind as well. There should be a balance of installation and production tax credits.** We should not be concerned with "burdening the taxpayer" with renewable tax incentives, any more than we should be concerned that taxpayers are "burdened" with incentives for non-renewable (nuclear, coal, oil, etc) sources. Well-planned energy subsidies stabilize the energy market, adding to our prosperity, freedom and quality of life in America.
2. **Solar REC's which are funded by Federal Stimulus monies (from Federal tax-payers, present and future) should be available to all Massachusetts energy consumers,** not just those of the investor-owned utilities. This should take the form of tax credits. Tax credits as a percentage-of-installation subsidy, addresses declining installation costs through market competition.
3. **Solar REC's which are funded by Federal Stimulus monies should be available with as simple a process as possible, with as few "middlemen" as possible.** Generators should be able to sell their RECs directly to the SRECs clearing house (using MTC & MTC Production Tracking system or equivalent).
4. **Solar REC's/incentives should include storage technologies** (KW during peak demand hours) to truly address grid congestion.
5. **We need to address and allow plug and play technologies** and their role to reduce the cost and complexity of interconnection. An example of this would be a plug-in hybrid vehicle, with an IP address, which could generate/sell power from any location and provide revenue for its owner, automatically as the grid needs it from wherever it is plugged in.
6. **There should be a minimum of influence from special interests who add to the cost of renewable energy without necessarily adding to public safety.** Renewable energy general contractors provide opportunity and jobs for electricians and plumbers; they do not take jobs away, just as general contractors provide jobs for sub-trades. No one from the sub-trades is complaining that GC's take away jobs! The recent regulation allowing only electricians to install PV systems is protectionist in nature and only serves to curtail industry growth by raising costs. This regulation should be repealed.
7. **We should adopt the Connecticut model of a Solar Installer's license, which would allow a licensee to fully install a solar electric or solar hot water system.** This will increase the labor supply and reduce the cost of renewables.

130 industrial park road
plymouth, massachusetts 02360
508 746 0777 F)508 746 0477
www.aecenter.com



8. **We should restore the solar codes, found in earlier versions of the State Building Code.** When the solar code was removed, many building inspectors started requiring a structural engineer, which has added a minimum of \$300 to the cost of a solar installation. In my 35 years in the business, I know of no instance where solar caused the collapse of structure!!
9. In the interest of stability and lowest cost:
 - a. RECs or installation incentives should be tied to the lowest wholesale cost of equipment at the time of installation, adjusted monthly for a very predictable return on investment.
 - b. The incentives should achieve and maintain grid parity. As equipment pricing drops, the need for government incentives diminishes as well.
 - c. Regulatory barriers, and personnel licensing should be reduced and simplified to lower the labor cost per watt.

A lesson learned from Commonwealth Solar is that the funding levels lagged behind the declining cost of equipment, resulting in excessively rich grants (relative to costs) which accelerated installations and rapidly consumed the funding into Oct 2009. In the final 6 months of the program, the Commonwealth Solar Grant (\$3.30 per watt) more than paid for equipment costs (wholesale modules at <\$2.50/watt and inverters for < \$.50 per watt). Moreover, the cumulative effect of various MTC grants and policies to date has benefited out-of-state companies and allowed significant revenue to leave the state.

Sincerely,

Steve Pitney,

Founder & Manager