



101 Tremont St, Suite 611
Boston, MA 02108

June 21, 2013

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

SREC-II Policy Design Comments

Dear Mr. Sylvia:

On behalf of Independence Solar, we would like to thank the Administration and Department of Energy Resources for their leadership in building a vibrant solar market in the Commonwealth and their commitment to the continued growth of the industry for a broad base of stakeholders. We appreciate this opportunity to submit comments on the design of the next program to achieve the Governor's goal of reaching 1,600 MW of solar by 2020.

Independence Solar believes that DOER's creation of an SREC-II program with separate and distinct compliance obligations is the correct approach for maintaining a healthy yet thriving solar market. We would like to submit the following comments on the initial proposal for the design of that program:

- 1) The proposed SREC Factor adds significant complexity that will keep many potential customers out of the market.
 - Projects would generate credits in two separate REC markets (SREC-II and Class I) making it confusing and difficult to value future project revenue.
 - If a project's factor cannot be determined with reasonable certainty during the planning stage it will prevent customers and financing parties from moving forward with development.
- 2) The declining SREC Factor over time will incent projects to attempt to qualify as early as possible creating a "land grab" for queue position.
 - Proper steps should be taken to ensure only "shovel ready" projects are able to receive qualifications for SREC-II.
 - Rather than a system that relies on the queue position of a project, the program could have a pre-determined SREC Factor that relies on date of completion.
- 3) The program's integrity should be protected by closing any loopholes to circumvent the size classifications for projects.
 - If the intent is for projects < 200 kW to be unregulated, then the rules should ensure that large projects are not artificially broken into 200 kW blocks to circumvent the process.
 - This loophole in SREC-I was a major cause of the recent breakdown of that program.



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Independence Solar would like to thanks the Department for its consideration of our comments.

Sincerely,

James Schwartz
Vice President
Independence Solar, LLC