

Solar PV Financing Bankers Project Checklist

Community Bank Solar PV Financing Workshop

The list below is intended to give bankers an idea of the permitting and other measures required for solar projects. Most of the items listed below apply to large stand-alone projects. The items applicable for small on-site residential or commercial solar installations are starred *.

☐ **Site Control: A borrower should have site control and be able to produce documents demonstrating site control and ability to develop the project as proposed.** ^{1 2}

- Project should be consistent with local land use zoning ordinances. Developer should be able to discuss how site control is exercised and be able to describe plans to obtain project support from local land use authorities.

☐ ***Interconnection: Has developer received approval to interconnect once the project is built from the utility or electricity provider that services electric grid at system location?** ^{3 4}

- Developer should contact utility prior to design phase to ensure that their proposed system location is suitable and check for special considerations or permits. They should apply for interconnection once system has been designed. *Note: Interconnection may be a lengthy process, and may require fees including paying for a system impact study conducted by the utility. The developer will not know the costs for interconnection if the utility study is incomplete.*

☐ ***Permitting: Has developer obtained necessary permits?** ^{5*}

- Developer should be able to document that building and electrical permits, minimally have been obtained. Each local government will have their own processes and fees. For ground mounted systems, the project may require environmental permits (i.e. wetlands or endangered species) and projects in historic districts may require approval.

☐ ***Net-metering: Has developer applied for net-metering with utility or electric distributor and received approval?** ⁶

- Customers apply for net metering by completing the utility's accompanying net metering tariff (known as the "Schedule Z" in the model net metering tariff). For utility grade projects, the developer should have an off-taker for the net-metering credits.

☐ ***If Solar Renewable Energy Credits (SRECs) are an important part of the collateral and cost analysis, has borrower incorporated realistic assumptions on SREC prices?** ⁷

- DOER must qualify the project for the RPS Solar Carve-Out by submitting Statement of Qualification Application available here: <http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/solar/rps-solar-carve-out/statement-of-qualification-application.html> once the project is completed. Developer should be able to discuss how they plan to sell SRECs and at what price. Approval from DOER does not guarantee that the system owner will be able to sell RECs.

☐ **Does the third-party owner/developer have off-takers with good financial credit?**

- For utility grade projects, the borrower should be able to provide an off-take agreement (e.g. power purchase agreement) for the lifetime of the contract for either the electricity or the net-metering credits. A bank may want proof of the purchaser's financial credit standing.

¹ PG&E's Appendix C - Site Control Questionnaire and Attestation could provide a guide for questions and materials to request. <http://www.pge.com/b2b/energysupply/wholesaleelectricssolicitation/PVRFO/>

² The Guide to Developing Solar PV at Massachusetts Landfills has useful project planning information <http://www.mass.gov/eea/docs/doer/green-communities/pubs-reports/pvlandfillguide.pdf>

³ Interconnection Guide for Distributed Energy, MassCEC, 2010. This document is appropriate for bankers to provide to end-users as an overview. Some contacts may be outdated. http://www.masscec.com/masscec/file/InterconnectionGuidetoMA_Final.pdf

⁴ Mass DOER Distributed generation webpage has sample tariffs and a robust overview. <https://sites.google.com/site/massdgc/>

⁵ Boston Solar Permitting Guide is useful if one lives in the Boston Area:

http://www.cityofboston.gov/Images/Documents/Solar%20Boston%20Permitting%20Guide%20NEW%20Sept%202011_tcm3-27989.pdf

⁶ DOER Net Metering Basics and Rules website: <https://sites.google.com/site/massdgc/Home/net-metering-in-ma>

⁷ Current Status of the Solar Carve-Out Program: Webpage describes the Standard for Compliance Year 2013, clearing house auction, alternative compliance rates, and current number of SRECs minted and reported, updated monthly.

<http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/solar/rps-solar-carve-out/current-status-of-the-rps-solar-carve-out-program.html>