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Boston, MA 02108

August 26, 2013

Mr. 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 be able to submit comments on the design of the SREC-II program. We ask DOER to take into account the following comments as you refine and improve the design of SREC-II:

1. DOER should not adjust SREC-II factors after the program is finalized.
 - A >250 kW project takes 12-18 months to develop and build, due in large part to the lengthy interconnection review and approval process in MA.
 - If SREC factors are subject to change during that development cycle it will add significant risk and costs for commercial projects.
 - If the DOER does retain the ability to adjust the SREC factor, then we suggest that any change to the SREC factor should not take effect for at least 15 months so as not to unduly effect projects that are already underway in the development process.
 - The cost of the program is already capped based on its design, so adjusting the SREC factor is necessary for that objective.
2. Forward Minting ("FM") should be removed from the program.
 - FM has the potential to overwhelm and paralyze the entire SREC market by throwing the market out of balance with a rush of SREC supply. This would be detrimental to all sectors of the market, including residential.
 - DOER is underestimating the residential sector's growth potential; especially with FM. Residential installations make up about 1/3 of CA's total market (in MW's). If MA gets even close to that level, FM would seriously distort the SREC-II market dynamics.
 - If FM is included in SREC-II then it should only be available to direct ownership of the system by the homeowner, restricting 3rd party owners from participating. Otherwise, residential will almost certainly flood the SREC-II market with FM certificates.
3. Remove the non-price component of the managed growth selection process.
 - DOER and other government agencies should not take on the task of passing judgment on the merits of specific projects.
 - The evaluation process would create significant administrative burden for the DOER.
 - The "transparent process" is threatened.
4. A significant deposit should be required for any project to secure an SQ for SREC-II.
 - Only projects with a high likelihood of success would reserve the limited available capacity in SREC-II.
 - Deposit would be refunded upon receipt of ATI from the local utility company.

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

Sincerely,

James Schwartz
Vice President
Independence Solar, LLC