

**Commonwealth of Massachusetts  
Executive Office of Energy & Environmental Affairs  
DEPARTMENT OF ENERGY RESOURCES**

**RENEWABLE ENERGY PORTFOLIO STANDARD  
(225 CMR 14.00)**

**GUIDELINE**

**RPS Solar Carve-Out Construction Timeline Extensions**

**November 14, 2013**

**I. Purpose**

This Guideline provides guidance for Solar Carve-Out Generation Units that have not received the authorization to interconnect or permission to operate from their local distribution company by December 31, 2013. If a qualified Generation Unit establishes to the Department that it has incurred 50% of its construction costs as required in 225 CMR 14.05(4)(k)4.b and pursuant to the provisions of this Guideline, the Department will grant an extension, until June 30, 2014, to secure an authorization to interconnect or permission to operate from their local distribution company. A qualified Generation Unit that qualifies for such an extension is eligible to be considered for an additional extension as provided in 225 CMR 14.05(4)(k)4.c and pursuant to the provisions of this Guideline.

**II. Scope**

This Guideline applies to all Solar Carve-Out Generation Units larger than 100 kW that have received a Statement of Qualification and have not received the authorization to interconnect or permission to operate by December 31, 2013, but can prove that 50% of construction costs have been incurred by December 31, 2013 in developing the Generation Unit.

**III. Definitions**

Refer to 225 CMR 14.02 for definitions of terms used in this Guideline.

**IV. Meeting 50% Construction Costs Incurred for December 31, 2013 Extension**

**1. Eligibility of Applicants that Can Qualify for an Extension**

Applicants will qualify for an extension under 225 CMR 14.05(4)(k)4.b if 50% of a Generation Unit's construction costs have been incurred, but the project has not received authorization to interconnect or permission to operate by December 31, 2013.

**2. Construction Costs**

Construction costs will be defined as any costs associated with building the Generation Unit, excluding legal fees, permitting, and financing costs.

### 3. Calculating Total Construction Costs

The total construction costs of a Generation Unit will be either 1) the product of its total capacity as measured in direct current multiplied by the corresponding dollar per watt cost as set forth below in Section IV.3(a-d), or 2) by the Authorized Agent of the Generation Unit Owner or Operator providing the Department with actual demonstrated costs in the Detailed Construction Costs Form described in Section IV.5.a of this Guideline and appropriate documentation of such costs.

#### a. Presumptive Total Cost for Mid-Sized Roof Mounted Generation Units

A Mid-Sized Roof Mounted Generation Unit is defined for the purposes of this Guideline as having a rated capacity larger than 100kW and equal to or less than 500kW as measured in direct current that is primarily mounted on the roof of a building. Its presumptive total construction costs will be set as \$2.50 per watt.

#### b. Presumptive Total Cost for Large Roof Mounted Generation Units

A Large Roof Mounted Generation Unit is defined for the purposes of this Guideline as having a rated capacity larger than 500kW as measured in direct current that is primarily mounted on the roof of a building. Its presumptive total construction costs will be set as \$2.25 per watt.

#### c. Presumptive Total Cost for Mid-Sized Ground Mounted Generation Units

A Mid-Sized Ground Mounted Generation Unit is defined for the purposes of this Guideline as having a rated capacity larger than 100kW and equal to or less than 500kW as measured in direct current that is primarily mounted on the ground. Its presumptive total construction costs will be set as \$2.45 per watt.

#### d. Presumptive Total Cost for Large Ground Mounted Generation Units

A Large Ground Mounted Generation Unit is defined for the purposes of this Guideline as having a rated capacity larger than 500kW as measured in direct current that is primarily mounted on the ground. Its presumptive total construction costs will be set as \$2.25 per watt.

### 4. Incurred Costs

Costs will be considered to have been incurred by the developer for actual disbursement of funds or upon entering into a binding legal obligation for goods and services. Costs must be incurred no later than December 31, 2013.

Goods and services procured internally shall be demonstrated, at the request of the Department, by providing a Purchase Order or equivalent documentation specifically assigning such goods or services to the Generating Unit.

## 5. Documentation Requirements

The following documentation must be provided to the Department by no later than January 13, 2014 for all Generation Units seeking an extension under 225 14.05(4)(k)4.b:

### a. Detailed Construction Costs Form

DOER provides as part of this Guideline a Detailed Construction Costs Form for all developers to use in order to categorize the different components of construction costs and require Generation Units to document how much each component represents of the total project costs.

### b. Signed Affidavit

The Authorized Agent of each Generation Unit that submits an application for an extension to the Department will be required to certify via an affidavit under penalty of perjury that all information provided to the Department in the Detailed Construction Costs Form is accurate and reflects actual costs incurred per the definition in Section IV.4 of this Guideline.

### c. Additional Documentation Requirements

The Department reserves the right to require that additional documentation be provided by representatives of the Generation Unit to substantiate the claims made in the Detailed Construction Costs Form. This information must be provided to the Department within 10 business days of the request being made.

## 6. Power to Audit

The Department reserves the right to request and audit additional information used to support a Generation Unit's cost expenditure claims. The Department will exercise this right and audit a random 10% sample of the applications for extension that are received by the Department.

## V. Additional Extension under 225 CMR 14.05(4)(k)4.c

1. A Unit that has received an extension to June 30, 2014 under 225 CMR 14.05(4)(k)4.b will be deemed eligible for such further extension under 225 CMR 14.05(4)(k)4.c if it can be demonstrated to the Department's satisfaction (including but not limited to an Affidavit from the Engineer of record that the system is mechanically complete) that substantially all of the solar equipment on the End-Use Customer's side of the local distribution company's meter, including panels, inverters, ballasts, or other mounting equipment, has been physically constructed and all payments due to the local distribution company under the interconnection service agreement prior to June 30, 2014 have been paid as and when due. All documentation from projects requesting this extension must be submitted to the Department by no later than June 30, 2014.
2. Force Majeure. To the extent an End-Use Customer is prevented by Force Majeure from receiving its authorization to interconnect or permission to operate by June 30, 2014 and

gives the Department notice and details of the Force Majeure as soon as practicable, then the End-Use Customer will be given a further extension, the length of which to be determined by the Department. The affected End-Use Customer will use reasonable efforts to resume its performance as soon as possible. For purposes of this guideline, “Force Majeure” shall include an event or circumstance which (a) is not within the reasonable control, and is not the result of the negligence of the End-Use Customer, and (b) that the End-Use Customer is unable to prevent or provide against by exercising commercially reasonable efforts, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war or terrorism, public disorder, insurrection, or rebellion; floods hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fire; strikes, work stoppages or labor disputes; embargoes; and sabotage.

#### VI. Advisory Letter Process

The Department may clarify how any of the provisions of this Guideline will be enforced through the issuance of advisory letters at the request of stakeholders.

#### VII. Correspondence

The Department will notify applicants seeking extensions under Sections IV and V of this Guideline of whether or not they will receive an extension within 21 days of submission by the applicant. This notification will be provided by the Department in writing.