

# **M**assachusetts Financial Incentives for Clean Energy and Energy Efficiency: An overview of resources for Municipal Officials/Volunteers (summarized January 2011)

(Separate handouts for commercial and residential property owners available at [www.pvpc.org](http://www.pvpc.org))

## **Local Option - Energy Revolving Loan Fund**

Property-Assessed Clean Energy (PACE) financing effectively allows property owners to borrow money to pay for energy improvements. The amount borrowed is typically repaid via a special assessment on the property over a period of years. Massachusetts has authorized local governments to establish such programs, but none have been created due to the FHFA's concern about lien status. The city of Northampton is researching PACE financing.

Note: The Federal Housing Financing Agency (FHFA) issued a [statement](#) in July 2010 concerning the senior lien status associated with most PACE programs. In response to the FHFA statement, most local PACE programs have been suspended until further clarification is provided.

## **MA DOER solar renewable energy credits (SREC)**

The Commonwealth of Massachusetts has committed to facilitating development of clean renewable energy in the state. One way DOER does this is by valuing solar energy more than energy generated by fossil fuels. Solar renewable energy credits are an add-on to the sale price of solar energy.

## **DOER - Green Communities Grant Program**

In 2008, Massachusetts enacted the Green Communities Act ([S.B. 2768](#)) and created the Green Communities Division within the Department of Energy Resources (DOER) to support Massachusetts communities towards a sustainable future, specifically in terms of energy use. The Green Communities Division offers educational, technical, and networking support to the states' communities. In addition, they provide financial incentives. Currently, the Green Communities Grant Program offers funding for communities investing in energy efficiency upgrades and policies, renewable energy technologies, energy management systems and services, and demand side reduction programs. To be eligible, communities must apply for and achieve official designation as a "Green Community." The basic steps required for this designation include:

- Via ordinance, stipulate "as-of-right" siting for renewable energy (or alternative energy) generation, **or** manufacturing, **or** research and development
- Provide for expedited application and permitting processes for those facilities sited in "as-of-right" designated locations
- Inventory municipal energy use and develop a plan to reduce municipal energy use by 20% in 5 years
- Adopt a policy and procure only fuel-efficient vehicles
- Establish requirements to minimize life-cycle energy costs for new construction (suggested route for achieving this step is via adoption of "Stretch Code," optional amendment to building code.

## **Mass CEC Commonwealth solar II rebates**

Commonwealth Solar II, offered by the Massachusetts Clean Energy Center (MassCEC) provides rebates for the installation of grid-tied photovoltaic (PV) systems at residential, commercial, industrial, institutional and public facilities.\* Commonwealth Solar II rebates are available to electricity customers served by the following Massachusetts investor-owned electric utilities: Fitchburg Gas and Electric Light (Unitil), National Grid, NSTAR Electric and Western Massachusetts Electric.

Note: federal, state and utility incentive programs change over time. Information in this handout may have changed—but this material gives users a sense of the range of assistance available in Massachusetts. For up to the minute information, go to [www.dsire.org](http://www.dsire.org) and click on Massachusetts. This handout was developed by the Pioneer Valley Planning Commission ([www.pvpc.org](http://www.pvpc.org)) with funding provided by the Western Massachusetts Electric Company ([www.wmeco.com](http://www.wmeco.com))

### **MassCEC Commonwealth wind incentive program**

Through the Commonwealth Wind Incentive Program – Micro Wind Initiative the Massachusetts Clean Energy Center (MassCEC) offers rebates of up to \$4/W with a maximum of \$130,000 for design and construction of customer-sited small wind public projects and rebates of up to \$5.20/W with a maximum of \$100,000 for non-public projects. The rebates are available for projects 1 to 99 kilowatts (kW) nameplate capacity. Projects must be located at residential, commercial, industrial or public institutional facilities ("host sites") served by one of the investor-owned electric distribution utilities in Massachusetts -- Fitchburg Gas and Electric Light (Unitil), Massachusetts Electric (National Grid), Nantucket Electric (National Grid), NSTAR Electric, or Western Massachusetts Electric. In addition, certain Municipal Light Plant (MLP) Departments have opted to pay into the Renewable Energy Trust and their customers are now eligible for rebates (see the information about [MLPs here](#)).

### **Net metering**

The Massachusetts Department of Public Utilities adopted amended net metering rules in 2009 making the value of the Net Metering Credits at the end of a billing period slightly less than the utility's full retail rate for Class I solar and wind facilities, Class II facilities, and Class III facilities used by government customers as they would receive credit for the default service, distribution, transmission, and transition charge (kilowatt hour, kWh).

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