The Portfolio Standard

SREC Program is Part of Mass. Portfolio Standard
The Portfolio Standard

What is it?

- Statutory construct
- Promotes renewable energy
- Supplier purchase requirement
TWO STANDARDS

Renewable Energy Portfolio Standard (RPS) (Class I & II)

Alternative Energy Portfolio Standard (APS)
The Portfolio Standard

* RPS split into two classes:
  * Class I: Post-1997 facilities
  * Class II: Pre-1998 facilities
* Eligible fuel includes solar PV, wind, landfill gas, anaerobic digestion, etc.
* **Note:** Waste Energy included in Class II
The Portfolio Standard

What does this all mean?

- Suppliers must purchase electricity from energy sources in each standard/class—RPS I, RPS II, APS. . . .
“Solar Carve Out” (2008)

RPS Class I: Includes Solar Carve Out

RPS Class I

Solar Carve Out

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Complying with RPS

* How do utilities/suppliers comply?
  * Own eligible generator,
  * Buy from eligible generator, or
  * Buy RECs/SRECs/WECs/AECs

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What this Means for You?

Why should you care about SRECs?
What this Means for You?

* Project viability
* Three legged revenue stool:
  * SRECs
  * Net Metering Credits
  * Federal benefits
What this Means for You?

Will SREC II adversely affect project economics and potential for municipal (NMC) savings?
What this Means for You?

- It depends:
  - SREC II = fewer SRECs/MWh
  - Will demand exceed supply?
  - State massages supply/demand
  - SREC incentive intended to decline
Net Metering Credits:
- NMC caps being met
- Will they be increased?

Federal tax credits set to expire
Any savings is good?
  * Maybe not
  * Look at risk as well as savings
  * Less savings = less value for risk:
    * Less margin for fluctuating NMC
  * 20 year contract
Procurement Refresher
(Third-Party Owned Facilities)

* On municipal (open) land:
  * G.L. c. 30B, s. 16 (RFP), or
  * G.L. c. 25A, ss. 11C (RFP)/11I (RFQ)

* On municipal building:
  * G.L. c. 25A, ss. 11C/11I

* NMCPA: 30B-exempt energy contract
Contracting Traps for the Unwary

- Understand NMC value.
- Will facility qualify as NMF of Muni?
- Will you need to remove panels?
- What if facility is not finished/removed?
- Understand assignment to SPE.
- Understand liquidated damages.
- Can you terminate early?
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