

Massachusetts Programs and Incentives

*Wind Energy in New England Island and
Coastal Communities*

UMass Boston

November 5, 2002

Nils Bolgen

Massachusetts Technology Collaborative

Categories

- I. Financial incentives
- II. Market facilitators
- III. Project development assistance

I. Financial Incentives

- *Reduce project costs to developer*
- *Enhance the value of project output*

On-Site Use of Electricity

- Increases value of the electricity
 - Offset transmission, distribution and other charges
- Mass. net metering regulation
 - Systems up to 60 kW

State Tax Incentives

- Residential tax credit
 - 15% of system cost
 - \$1,000 maximum credit
- Corporate tax deduction
 - Applies to any costs incurred for installation of a wind turbine
 - 100% deduction from net income
- Property tax exemption
 - System at residence or business is exempt from local property tax for 20 years

Renewable Portfolio Standard (RPS)

- State law requires minimum percentage of electricity sales to come from “new renewable sources”
- Creates additional revenue stream for wind projects
 - But difficult to predict value
 - Effective cap = \$.05/kWh
- Begins 2003

(see www.state.ma.us/doer/rps)

Green Power Market

- Competitive retail electricity sales in Mass.
 - Consumers free to choose their electricity provider and “product”
 - Surveys say customers willing to pay a premium for renewables
 - Alternative to RPS revenue stream for generator
- Status
 - Limited actual experience
 - Few products available to consumers today
 - Signs that retail providers may offer products soon

II. Market Facilitators

*Programs and infrastructure designed to help
move renewable energy into the
retail marketplace*

Generation Information System (GIS)

- Attributes of an electric generator
 - Technology, fuel source, emissions
- GIS is an “accounting system” for attributes
 - Allows attributes to be unbundled from electricity
 - Each “certificate” represents attributes of the generator that produced one MWh of electricity
 - Certificates are the vehicle (currency) for sale or trade of attributes
- Status: operational July 2002
(see: www.nepoolgis.com)

MTC Consumer Aggregation

- Surveys: Some consumers are willing to pay a premium for “green power”
- MTC supporting development of buying groups
 - Consumers pool purchasing power
 - Reduces transaction costs for green electricity providers
- Grantees are . . .
 - Identifying customer base
 - Evaluating customer preferences
 - Locating renewable supply
 - Developing business models
- Prospects: Watch for announcements soon

III. Project Development Assistance

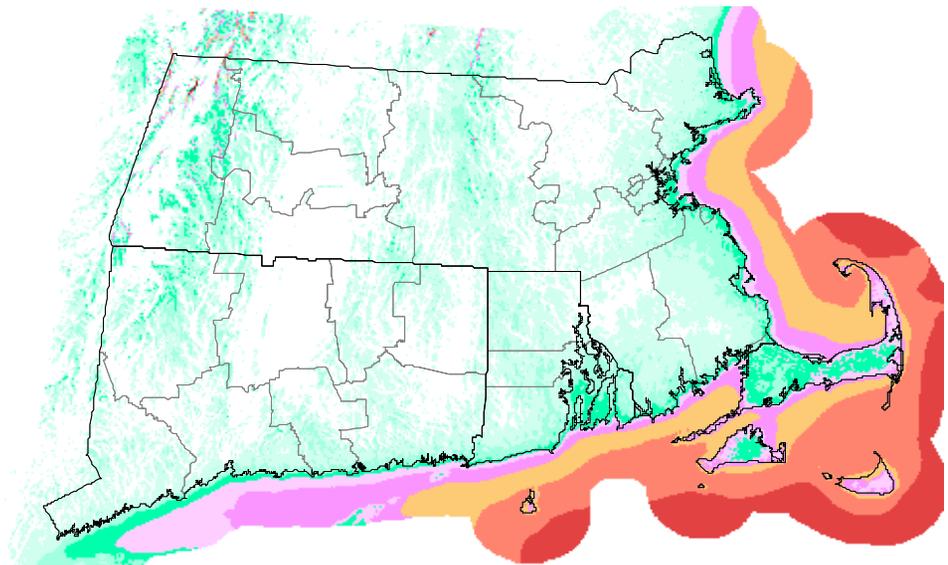
Programs to help you . . .

- *plan, design and build a wind plant, or*
- *incorporate renewable energy into community planning*

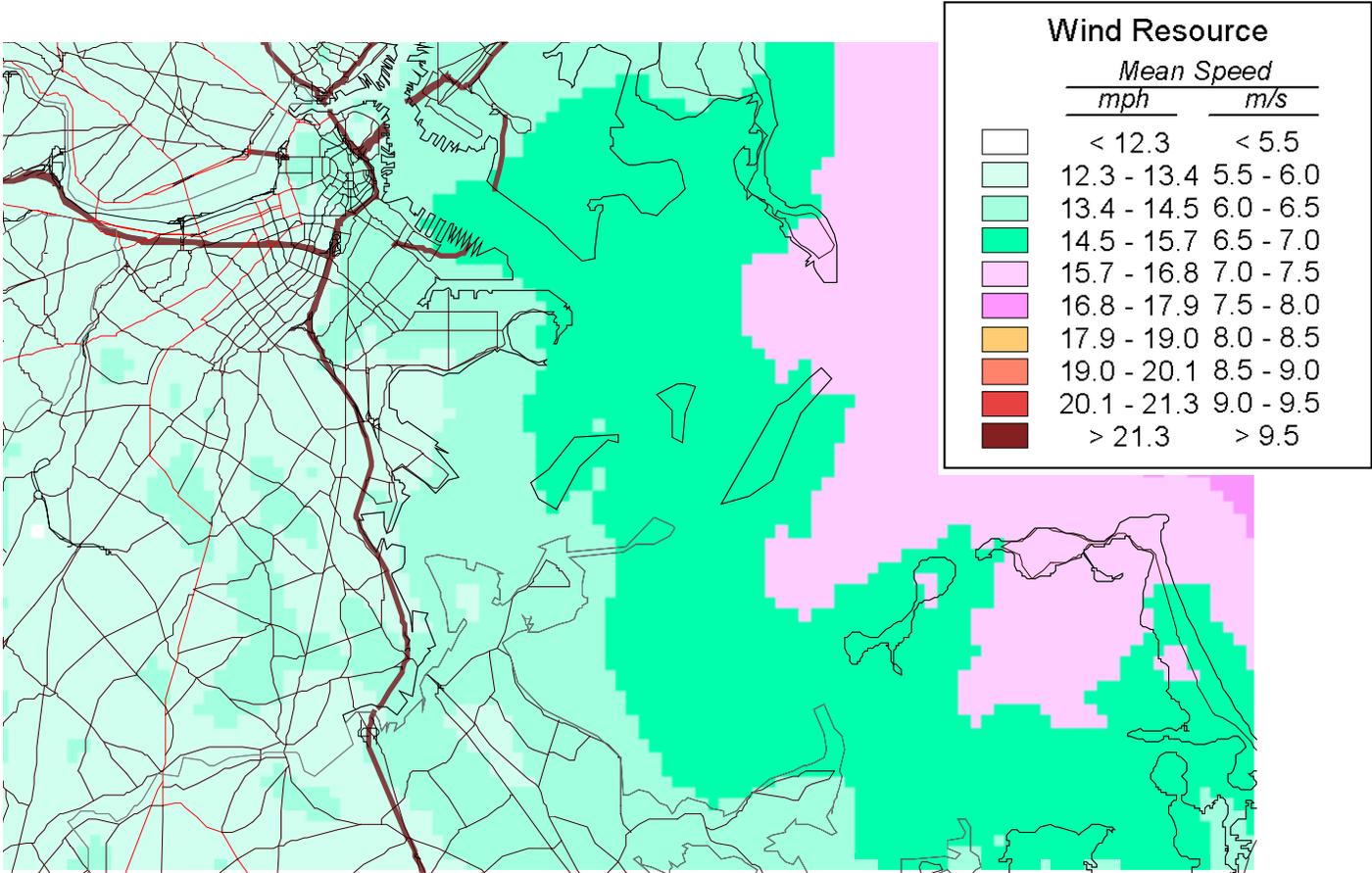
Wind Resource Maps

- A rough estimate of wind resources
- 200 meter resolution
- So. NE available on CD
- Web interactive version for all of NE . . . coming early 2003

*Map by TrueWind Solutions,
Funded by MTC, Connecticut Clean
Energy Fund, Northeast Utilities
Systems*



Boston Harbor Wind Resource



UMass Technical Support

- UMass Renewable Energy Research Lab
 - Funding: DOER - U.S. DOE - MTC
- Anemometer loans – equipment to evaluate the wind resource at your site
- Technical assistance to municipalities
 - Project size and configuration
 - Estimate energy production
 - Develop specifications

(See www.ceere.org/rerl/projects/support)

MTC Predevelopment Financing

- Grant or loan for . . .
 - Feasibility studies (government entities only)
 - Predevelopment activity
 - Outreach and education
 - Permitting
 - Electrical studies
 - Power sales negotiations
- Status: Round 2 solicitation . . . very soon!

MTC Community Planning Grants

- Grants to municipalities or non-profit organizations
- Support municipal and regional planning
 - Incorporate renewable energy into community or regional planning processes
 - Develop by-laws and local ordinances
 - Evaluate renewable resources
- Status: Applications being accepted and reviewed on ongoing basis

MTC Community Wind Initiative

- Consolidate various forms of assistance into a single initiative
- Target: small, distributed wind plants
- Status: conceptual development

Additional Information

MTC

508-870-0312

Nils Bolgen

bolgen@masstech.org

Kristen Burke

burke@masstech.org

Internet

www.masstech.org
(Green Power Program)