

**If you are looking to install Solar Panels at your home or business the following rebates and incentives are available to you:**

**Federal Energy Tax Credits.**

The government is enticing you to make your home's energy footprint smaller next year. In 2009 (they skipped over 2008, says Luscombe) you can qualify for a credit of up to \$500 for qualified improvements to make your home more energy efficient. These include adding insulation, replacing windows or buying an energy-efficient water heater.

You may also be eligible for a credit on any expenditures for solar or wind power for your home. There's a catch: if you previously took the \$500 energy home credit, you're out of luck. It's a one time thing.

**State of Massachusetts -Mass Technology Collaborative**

**Commonwealth Solar Rebates 07/03/2008**

**Incentive Type:** State Rebate Program

**Eligible** Photovoltaics

**Renewable/Other**

**Technologies:**

**Applicable Sectors:** Commercial, Industrial, Residential, Schools, Local Government, State Government, Agricultural, Institutional

**Incentive Amount:** \$2.00 - \$5.50/W DC (varies by capacity, applicant type and rebate "adders")

**Maximum** \$1.6 million per calendar year for non-residential

**Incentive:** applicants

**Eligible System** Minimum system size is 1 kW DC. No maximum system

**Size:** size limit, but the maximum incentive is based on 5 kW for

residential systems and 500 kW DC for non-residential systems.

**Equipment Requirements:** All equipment must be new, UL-listed and compliant with IEEE standards. Inverters must be certified to IEEE 929 and UL 1741 standards. All modules, inverters, and production meters must be on the California Energy Commission's list of eligible equipment. Automated reporting required for systems over 10 kW. Minimum manufacturer warranties required: 5 years product and 20 years performance for modules; 10 years for inverters; 2 years for revenue grade production meters; and 5 years for mounting equipment.

**Installation Requirements:** Projects must be installed in compliance with all local, state, and/or federal building and electrical laws, codes and practices. Electrical work must be performed by a Massachusetts licensed electrician. NABCEP certification recommended. Projects must have a minimum 5-year warranty provided by the installer against defective workmanship, project or component breakdown, or degradation in electrical output of more than 15% from original rated electrical output during the warranty period. Projects generally must be grid-tied and "behind the meter."

**Program Budget:** \$68 million (1/23/2008 - 12/31/2011)

**Ownership of Renewable Energy**

**Credits:** Remains with project owner

**Funding Source:** Massachusetts Renewable Energy Trust (\$40 million), Alternative Compliance Payment funds collected under the state's RPS (\$28 million)

**Expiration Date** 12/31/2011

**Project Review/Certification:** MTC reserves the right to conduct post-installation inspections of PV projects prior to approval for payments.

**Website:** <http://www.masstech.org/solar>

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## Summary:

Commonwealth Solar, a program launched in January 2008 by the Massachusetts Technology Collaborative (MTC), provides rebates for the installation of grid-tied photovoltaic (PV) systems at residential, commercial, industrial, institutional and public facilities.\* Commonwealth Solar 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. Non-residential projects are eligible for rebates for PV projects up to 500 kilowatts (kW) in capacity, and residential projects are eligible for incentives for systems up to 5 kW. Larger PV systems are eligible for rebates, but only for the first 500 kW (DC) for non-residential systems and for the first 5 kW (DC) for residential systems. The minimum project size is 1 kW-DC (STC).

Rebate amounts are based on the PV system size and certain other characteristics of the project. Residential rebates are capped at the lesser of 100% of total installed costs, or a rebate based on a maximum size of 5 kW (DC) -- even if the system is larger. The current rebate levels for residential PV systems are:

- Base incentive: \$2.00/watt
- Adder for Massachusetts company components: \$0.25/watt
- Adder for moderate home value: \$1.25/watt
- Adder for moderate income: \$1.00/watt or \$2.00/watt, depending on income level

Non-residential rebates are capped at the lesser of 100% of total installed costs, or a rebate based on a maximum system size of 500 kW (DC) -- even if the system is larger. A single non-residential applicant is generally limited to \$1.6 million in total Commonwealth Solar rebates per calendar year. The current rebate levels for non-residential PV systems are:

- \$3.25/watt for the first 25 kW of system capacity
- \$3.00/watt for the next 75 kW of system capacity
- \$2.00/watt for the next 100 kW of system capacity
- \$1.50/watt for the next 300 kW of system capacity
- Adder for Massachusetts company components: \$0.25/watt

- Adder for public buildings: \$1.00/watt

The applicant must be the future owner of the PV project and consumer of the electricity generated by the proposed PV project, and must demonstrate that 50% or more of the electricity generated by the PV system will be used behind-the-meter, based on annual production and usage estimates. Commonwealth Solar allows for third-party ownership of PV projects. In addition, all PV projects receiving a rebate based on a project size of greater than 10 kW must demonstrate that they are set up for automated reporting. Renewable-energy credits (RECs) associated with system generation belong to the system owner. MTC reserves the right to conduct post-installation inspections of PV projects prior to approval for payments. Recipients of awards through other MTC programs for a proposed project may still be eligible for a Commonwealth Solar rebate.

System installers are responsible for walking applicants through the rebate process and securing necessary permits. An energy-efficiency audit is generally required. Required documentation generally includes electric utility interconnection approval, an energy-efficiency audit, paid invoices or equivalent, and, if applicable, evidence that automated reporting is functional. All installers must comply with the minimum insurance requirements established by the MTC. It is recommended, but not required, that installers or their subcontractors obtain or seek to obtain North American Board of Certified Energy Practitioners (NABCEP) PV installer certification.

A production tracking system (PTS) is used to support the market for renewable energy certificates (RECs) and to help MTC monitor PV project performance. PV project owners may participate in the green power markets by selling the RECs produced by their PV project and accounted for in PTS. MTC recommends that PV projects less than or equal to 10 kW (DC) report to the PTS. For PV projects larger than 10 kW (DC), MTC requires that PV projects automatically report to the PTS for five years.

Commonwealth Solar is a \$68 million, four-year program designed to promote the deployment of PV installations in Massachusetts. The effort combines \$40 million from the Massachusetts Renewable Energy Trust

(Trust) and \$28 million from the Alternative Compliance Payment funds that the Massachusetts Department of Energy Resources has collected under the state's Renewable Portfolio Standard (RPS) program. Of the total \$68 million, at least \$16 million will be reserved for PV projects on Massachusetts public buildings, and at least \$8 million will be reserved for PV projects on homes. The state estimates that Commonwealth Solar will result in 27 megawatts (MW) of PV projects during the four-year program.

## **State of Massachusetts Tax Credits**

### **Massachusetts state income tax credit for renewable energy**

When you install a renewable energy system at your home in Massachusetts, including solar photovoltaic, solar space heating, solar water heating, or wind, you can claim a credit on your personal [Massachusetts](#) state income tax return. The credit is 15% of the cost of purchasing and installing the system, up to a maximum credit of \$1,000. The renewable energy system must be installed at your principal residence, and the credit is available to an owner or tenant of residential property.

The credit is claimed on Schedule EC, Solar and Wind Energy Credit. You can download the schedule from the [Massachusetts](#) Department of Revenue website at [www.mass.gov](http://www.mass.gov) under Personal Income Tax - Forms and Publications. If the amount of the credit exceeds your tax liability for the year, you can carry forward the unused portion of the credit for three years.