



ONLINE RESOURCES FOR CONDOMINIUMS & MULTI-FAMILY HOMES

General Overview

A [Solar Guide](#) for Condominium Owners and Associations in Massachusetts: This is a guide provided by the MA Department of Energy Resources (DOER) for residents interested in installing solar energy on their rooftop. It aims to help the “solar champion” of the condominium to review options for installing a solar photovoltaic (PV) system. The guidebook includes legal aspects, a walkthrough of the decision-making process as well as information about financing and ownership models. Note: This guide does not constitute legal or financial advice.

Solar on Multi-Unit Buildings: This [fact sheet](#) addresses the barriers that slow down the solar installation process for multi-unit buildings or condominiums. For example, splitting financial incentives can cause hesitation between multiple solar PV system owners.

Price Premium Analysis of Solar Homes: This [study](#), *Selling Into the Sun* by Lawrence Berkeley National Laboratory, analyzes the impact of solar PV systems on home values in the United States. In Massachusetts, the value added to your home by a solar PV installation is exempt from local [property tax](#) for a 20-year period.

Solar Electric System Components

Solar Electric System Components: The US [Department of Energy](#) offers a detailed description of the equipment and technology that makes up a solar PV system.

EnergySage [Solar 101](#): Learn more about solar energy equipment and how it works.

EnergySage’s [Top 10](#) Things to Know About Solar

MA Residential Guide to Solar Electricity: In this document, the Massachusetts Clean Energy Center (Mass-CEC) describes [solar electric](#) system components, provides a general overview of regulation, and explains the economic as well as the environmental benefits of solar PV technology.



Financial Incentives

Residential Renewable Energy Federal Tax Credit (ITC): Taxpayer may claim a 30% credit for solar electric systems in service by 12/31/2019. The tax credit is reduced to 26% from 12/31/2019 through 12/31/2021. Then is reduced to 22% from 12/31/2020 through 12/31/2021.

- According to the [Solar Energy Industries Association](#), “each member of [a condominium] association can claim the residential solar tax credits on his or her share of that spending. However, the association must qualify as a ‘homeowners’ association’ under section [528\(c\)\(1\)](#) tax code” (SEIA 22). Note: This situation only applies if the Association owns the solar PV system.

MA Personal Income Tax Credit: Massachusetts offers a personal [income tax credit](#) of 15% of the total solar energy system cost, capped at \$1,000. Note: Speak to your tax professional if multiple unit owners are interested in claiming the state tax credit for a shared system.

Solar Renewable Energy Certificate II Program: Commonly referred to as the SREC II program, the state has a market-based [incentive program](#) for solar PV electricity production. For every 1,000 kWh (1 MWh) of electricity your PV system produces, the system owner(s) will accrue one SREC. You will need to determine if there will be multiple system owners within the condominium or if your association will own the system.

- The market value of SRECs fluctuates, but unsold SRECs can be sold in an auction at the end of each year. The auction price is fixed each year and is \$285/MWh (\$0.285/kWh) in 2016, \$270.75/MWh in 2017 and reduces by approximately 5% each year. It is common for small PV system owners to work with an SREC broker who will handle all of the complexities of the SREC market and auction.
- A project receives SRECs for 10 years. After 10 years, the project receives “Class I” RECs, which are currently worth approximately \$50/MWh (\$0.05 \$/kWh).
- To access a list of SREC Traders/Brokers, view this [spreadsheet](#) provided by the MA DOER.
- The [SREC II program](#) is only available for installations that are online or deemed “mechanically complete” by 1/8/2017. If a project can demonstrate that 50% of construction costs have been expended by 1/8/2017, then it will receive a four month extension to its construction deadline through 5/8/2017. Projects that use this extension will only be qualified at a reduced [SREC Factor](#) of 0.8. The DOER is in the process of designing a [new incentive program](#) that will likely go into effect in 2017.
- The revenue from selling SRECs will be in addition to the energy savings on your electric utility bill.

Net Metering: When your PV system produces more kilowatt hours (kWh) than your building’s energy consumption at any given time, the excess electricity is fed back to the main electric grid. Net metering requires a special retail meter that tracks electricity usage and generation, allowing the utility to compensate you with monetized credit on your electric bill for the excess power that your system contributes to the grid. This net meter will be installed as a part of your solar energy project.

- The DPU provides a list of [Frequently Asked Questions](#) about net metering.
- Interested stakeholders in your solar project will need to decide who will be the Host Customer, the “customer of record” with the utility company, and then determine the best way to handle and divide “any earned compensation for excess generation” (DPU, Section 3, Number 17).
- Net metering credits can be transferred to electricity bills corresponding to other meters in your building or other buildings within the same utility [zone](#). This process is accomplished using a Schedule Z [form](#) and can be changed twice per year.

Massachusetts Financing Options

The [Mass Solar Loan Program](#): Created by the Massachusetts Clean Energy Center (MassCEC) and the Department of Energy Resource (DOER), this program pairs \$30 million in MassCEC and DOER funding with traditional financing from qualified Massachusetts lenders to support loans between \$3,000 and \$60,000 with low, fixed interest rates. This support includes an interest rate buy-down, income-based loan support which contributes funds to the loan principal for moderate and low income-qualified lendees, and a loan loss reserve to decrease the risk of providing loans to residents with lower credit scores. Individual condominiums, townhomes (with HOA approval), or multi-family buildings of 2-4 units are all eligible to participate in this program. Condominiums of 5 or more units may participate if established as a Community Shared Solar (CSS) project (MSL Manual, Version 2, Dated 6/20/2016, Page 14). To learn more, read DSIRE's [program overview](#).

These are the main components of Mass Solar Loan support:

| Program Components | Eligibility | Benefit |
|---------------------------|---|---|
| Interest Rate Buy Down | All Mass Solar Loan participants | MassCEC will buy down the loan interest rate by 1.5%. Therefore, if the loan would normally be at 6.25% interest, the participant would only pay the bank 4.75%. See the Participating Lender List for current interest rates. |
| Income Based Loan Support | Mass Solar Loan participants with household income $\leq 100\%$ of MA Median Household Income (currently \$66,866) | MassCEC will buy down the loan principle by 30% of the system cost. |
| | Mass Solar Loan participants with household income $>100\%$ and $\leq 120\%$ of MA Median Household Income (currently \$80,240) | MassCEC will buy down the loan principle by 20% of the system cost. |
| Loan Loss Reserve | Mass Solar Loan participants with lower credit scores (719 and below) | MassCEC will make a loan loss reserve available to lenders in the event that a participant defaults on their loan. Participating lenders should therefore consider loan applications from Mass Solar Loan participants with all credits scores. |

- Mass Solar Loan applications must be initiated by an eligible solar installer. All Sunny Cambridge installers participate in the Mass Solar Loan program.
- The Sunny Cambridge Multi-Family Solar Advisor can help you determine the best way for multi-family building owners to participate. For example, buildings with four or more units participating must establish a CSS project in order to qualify for the Mass Solar Loan ([MSL Manual](#), Version 2, Dated 6/20/2016, Page 18).
- To learn more about the Mass Solar Loan, download the [Program Manual](#) and informational [flyer](#).

A Massachusetts Homeowner's [Guide to Solar Leases, Loans & PPAs](#): Provides a basic overview of financing options for residential system owners in Massachusetts. Note that some of these options will need to be customized to fit your condominium's needs.