

Steps to Creating and Selling RECs in Massachusetts

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With so many solar energy systems coming on line in Massachusetts, the process of creating and selling Renewable Energy Certificates (RECs) or Solar Renewable Energy Certificates (SRECs) can be confusing. This is a basic overview of the steps involved.

There are different kinds of RECs and SRECs, and which one your system is eligible to produce depends on state regulations. For more information about the Massachusetts regulations, go to www.mass.gov/doer. **Important note: if you don't own the solar system, but instead have a Power Purchase Agreement (PPA) to buy the power output from one, then you probably DON'T own the RECs from the system – the system's owner usually owns them.**

Steps to Creating and Selling RECs in MA:	Entity you're working with (see below for more information):
1. Create a Customer account (one-time for each owner) and asset ID (one-time for each system) – you can have multiple systems in each customer account.	NEPOOL www.nepoolgis.com
2. Qualify to produce RECs (one-time for each system)	MA DOER www.mass.gov/doer for details. SREC qualification is handled through the MassCEC-pts.com site.
3. Collect meter data and report to Independent Verifier (monthly)	DAS provider (such as AlsoEnergy, PowerDash, Solrenview, Aurora)
4. Verify that production reported is correct, and report to NEPOOL (quarterly)	Independent Verifier (in the case of SRECs, this is always MassCEC's PTS www.masscec-pts.com)
5. Create RECs and deposit in Customer Account (quarterly)	NEPOOL www.nepoolgis.com
6. Find buyer for RECs and transfer to buyer's NEPOOL account	System owner, broker, or aggregator www.mass.gov/doer for a list

What is NEPOOL?

NEPOOL is the organization that, among other things, creates RECs for the New England states. You, your contractor, or your aggregator can set up a customer account and create an asset ID for each solar system in your account. There is currently no charge for this from NEPOOL. Once your asset account is created in a NEPOOL account and you've applied with the Commonwealth's Department of Energy Resources (DOER) for qualification of your system, DOER will let NEPOOL know what kind of RECs it's ok to give your system. NEPOOL is NOT a service provider – you will need someone else to report your production, verify it, and sell your RECs for you. (see below) Check first to make sure someone (e.g. your installer) hasn't done this already for your system.

What is DOER?

The Massachusetts Department of Energy Resources (DOER) is responsible for overseeing state regulations that create the market for RECs and dictate what type of RECs each system is eligible for.

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You, your contractor, or your aggregator will file a Statement of Qualification Application at the time the system is complete. There is currently no charge for this.

What is a Data Acquisition Service (DAS) provider?:

DAS is a service that is offered by a variety of vendors – they read your revenue meter and put the data on their server. You use this to: 1) make sure your system is operating! And 2) report production data to the Independent Verifier for your system, so that NEPOOL will create RECs for you. There is usually a charge for both services. To find out who your DAS provider is, look at the web site that shows your system's power production information.

What is an Independent Verifier?

An Independent Third-Party Verifier is required to verify that your system's power production is correct. This usually consists of checking your power production every month to make sure it's within the expected range for a system like yours.

- For all SREC systems, the Independent Verifier is MassCEC's PTS (www.masscec-pts.com). Your data acquisition service (DAS) provider reports production to the PTS and the PTS verifies it and reports to NEPOOL. PTS currently doesn't charge for this, but your DAS provider probably charges you for reporting every month.
- For non-SREC systems, the Independent Verifier is usually the DAS provider, and they verify directly to NEPOOL, which is the entity that creates the RECS and SRECs. They will usually charge an extra fee for this service. Some aggregators will also act as the Independent Verifier (see below)

You can find a list of Independent Verifiers, and the regulations for them, at www.mass.gov/doer

What is an aggregator?:

An aggregator is a service provider who will manage:

1. The process of qualifying your system to produce RECs (a one-time piece of paperwork that doesn't cost anything). Sometimes they will put your solar asset in their Customer account at NEPOOL for administrative ease, or if yours already exists they will give you a form so they can move it.
2. Selling your RECs.

They usually charge a percentage of the proceeds from the REC sales, or a fixed fee. Some aggregators also will serve as the Independent Verifier. If they are getting a percentage of the REC proceeds, then they are not allowed to also be a verifier, and you will need a separate vendor. You can find a list of Aggregators on the www.mass.gov/doer web page.

Carter Wall is Managing Director of Franklin Beach Energy, and has advised on a number of transactions involving operating assets. Franklin Beach Energy specializes in solar asset management services for solar owners, and is available to advise on all business aspects of solar sales transactions.