

## Overview of State and Local Green Building Incentives – Massachusetts

By Goulston & Storrs

States, local governments and utility companies offer various incentives to promote “green building,” including the use on site of renewable energy and improved energy efficiency. Financial incentives can include rebates, grants, tax deductions and credits, and loans. Non-financial incentives for green buildings usually come in the form of preferential zoning or technical assistance. Goulston & Storrs closely monitors the available green building incentives in several U.S. regions. The following chart summarizes the major incentives available in Massachusetts.

State and Local Green Building Incentives – Massachusetts		
<b>Solar</b>	Corporate Excise Tax	A corporation, in calculating its state excise tax, may deduct from its net income its expenditures on the installation of any solar energy system, including costs of labor. The installation must be located in Massachusetts and used exclusively in the trade or business of the corporation. A corporation may exempt any solar energy system that qualifies for this excise tax deduction from the tangible property measure of the state's corporate excise tax.
	Property Tax	Up to 100% of the value added by solar energy systems is exempted from local property taxes for a 20-year period.
	Rebates	<p>The Commonwealth Solar Program of the Massachusetts Renewable Energy Trust (MRET) offers customers of certain investor-owned utilities (Fitchburg Gas and Electric Light, National Grid, NSTAR Electric and Western Massachusetts Electric) rebates for the installation of grid-tied photovoltaic (PV) systems at residential, commercial, industrial, institutional and public facilities. A single non-residential applicant can receive as much as \$1.6 million in solar rebates per calendar year. <i>Note: Current funds have been completely allocated, and the Commonwealth Solar rebate program is no longer accepting additional applications. New funding may become available in 2010.</i></p> <p>The Massachusetts New Homes with ENERGY STAR Program provides rebates to homebuilders for PV systems of between 3.6 kW and 10 kW servicing residential projects that meet affordable housing criteria and ENERGY STAR requirements. The rebates are calculated according to a schedule that outlines a per-watt base incentive that increases as the percentage of affordable units increases.</p>
	Grants	The Massachusetts Green Communities program of the Massachusetts Housing Finance Agency (MassHousing) offers funding for feasibility studies, renewable energy system design, and renewable energy system installation of eligible PV systems servicing proposed residential projects that meet affordable housing criteria and ENERGY STAR requirements.
<b>Wind</b>	Corporate Excise Tax	A corporation, in calculating its state excise tax, may deduct from its net income its expenditures on the installation of any wind energy system, including costs of labor. The installation must be located in Massachusetts and used exclusively in the trade or business of the corporation. A corporation may exempt any wind energy system that qualifies for this excise tax deduction from the tangible property measure of the state's corporate excise tax.
	Property Tax	Up to 100% of the value added by wind energy systems is exempted from local property taxes for a 20-year period.
	Rebates	MRET'S Commonwealth Wind Incentive Program offers customers of certain investor-owned utilities ( Fitchburg Gas and Electric, Massachusetts Electric, Nantucket Electric, NSTAR Electric and Western Massachusetts Electric) rebates for the installation of community-scale wind projects that are up to 99 kW and located at residential, commercial, industrial, institutional, and public facilities. Rebates are capped at \$4.00/watt.

	Grants	<p>MRET'S Commonwealth Wind Incentive Program also includes a Community-Scale Wind initiative that provides grants for qualifying wind projects with a nameplate capacity greater than or equal to 100 kW. MRET will provide financial and technical support to wind projects through three stages: (1) services for high-level site screening for public projects; (2) grant support for in-depth technical and economic feasibility analysis; and (3) grants for design and construction support.</p> <p>The Massachusetts Green Communities program offers funding for feasibility studies, renewable energy system design, and renewable energy system installation of eligible wind power systems servicing proposed residential projects that meet affordable housing criteria and ENERGY STAR requirements.</p>
Hydro	Grants	<p>The Massachusetts Green Communities program offers funding for feasibility studies, renewable energy system design, and renewable energy system installation of eligible hydroelectric systems servicing proposed residential projects that meet affordable housing criteria and ENERGY STAR requirements.</p> <p>The Renewable Energy Trust has approximately \$1.2 million available to fund hydropower generation projects through its Commonwealth Hydropower Initiative (CHI). The solicitation closes December 17, 2009.</p>
Fuel Cells	Grants	<p>The Massachusetts Green Communities program offers funding for feasibility studies, renewable energy system design, and renewable energy system installation of fuel cell systems servicing proposed residential projects that meet affordable housing criteria and ENERGY STAR requirements.</p>
Biomass, Biofuel	Grants	<p>The Massachusetts Green Communities program offers funding for feasibility studies, renewable energy system design, and renewable energy system installation of eligible bioenergy technologies servicing proposed residential projects that meet affordable housing criteria and ENERGY STAR requirements.</p>
CHP	Technical Assistance	<p>The Massachusetts Department of Energy Resources (DOER) and the U.S. Department of Energy (US DOE) sponsor the Northeast Combined Heat and Power Application Center to help end-users determine if their site is a good candidate for combined heat and power (CHP).</p>
Industrial Uses	Technical Assistance	<p>The Massachusetts Office of Technical Assistance provides services for manufacturing companies, including compliance assistance and on-site technical support to reduce toxics use, improve energy efficiency and conserve water and other resources.</p> <p>Under a program sponsored by DOER and US DOE, the Industrial Assessment Center (IAC) at the University of Massachusetts – Amherst, provides free energy audits for certain industrial and commercial customers.</p>
Energy Efficiency	Rebates	<p>A number of retail utilities operating in Massachusetts offer limited rebates to their commercial customers for energy-efficiency improvements to their facilities.</p>
	Technical Assistance	<p>The Massachusetts Energy Efficiency Partnership program leverages resources from US DOE, the University of Massachusetts – Amherst and three Massachusetts electric utilities to support the deployment of energy efficient technology and tools to the industrial, commercial, and institutional sectors.</p>
Green Buildings Generally	Zoning	<p>A few cities and towns in Massachusetts offer zoning based incentives to encourage the development of green buildings.</p> <p>Municipalities designated as “Green Communities” under the Green Communities Act of 2008 are eligible for grants from DOER for municipal energy efficiency and renewable power projects. To receive this designation, cities and towns must have zoning that allows as-of-right, expedited siting of renewable energy projects. 103 communities are competing during the fall of 2009 for these grants.</p>
	Fast Track Permitting	<p>Massachusetts Department of Environmental Protection (MassDEP) offers expedited, “Fast Track Permitting” for approved clean and renewable energy project proposals.</p>

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