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Winners and Honorable Mentions

Overcoming Obstacles

Winner

Cape and Vineyard Electric Cooperative Inc. (CVEC) and Town of Dennis Solar Project

Developer: American Capital Energy Inc. (ACE)

Location: Barnstable, Brewster, Chatham, Dennis, Eastham, Edgartown, Harwich and Tisbury, in Barnstable County; and Edgartown and Tisbury in Dukes County, Mass.

The winner of the 2014 Overcoming Obstacles Award is American Capital Energy Inc. for its development of the Cape and Vineyard Electric Cooperative Inc. (CVEC) and Town of Dennis Solar projects. The fixed-tilt, ground mounted, municipal PV solar generation developments located on nine sites in Massachusetts were financed together as a single portfolio of 22.1MW. The CVEC portion consists of eight sites in seven towns with total solar generation capacity of 16.2 MW. Six of the eight CVEC sites are closed landfills. The Town of Dennis portion consists of a 5.9MWW solar generation facility on the town's closed landfill.

During the development of the CVEC and Town of Dennis Solar projects, American Capital Energy Inc. overcame several construction, procurement and financing obstacles. The number of sites and type of financing parties involved, which consisted of first-time investors financing a large-scale solar project, presented many challenges absent from smaller transactions. For instance, under Massachusetts' procurement rules the financing parties were not permitted to deal directly with the host towns that are the ultimate power purchasers and that own and control each site. As such, the CVEC project involved a complex procurement structure by which CVEC contracted with each project company pursuant to eight separate Energy Management Services Agreements (EMSAs). CVEC then contracted to sell the net metered credits to each host town under eight intergovernmental net metered power sales agreements. American Capital Energy also added extensive amendments to the documents to satisfy the financing parties' needs. The Town of Dennis project was not as complex as the CVEC portion, but still required extensive changes to the original documents.

American Capital Energy Inc. also collaborated with the investors to organize a creative financing structure that would meet the requirements of the Massachusetts Solar Renewable Energy Credit (SREC) market, including contracting the sale of net metering credits and meeting the tax-exempt rules of each community. Because this project was not a Section 1603 cash grant transaction, the developer also used innovative debt structuring that included third party term debt and tax equity.

Congratulations to American Capital Energy Inc. for overcoming several barriers to complete this project.

"[This was a] difficult multi-jurisdictional effort to provide low cost energy to Cape Cod communities," said Howard.



Photo: Courtesy of Global Structured Finance Advisors LLC
The Cape and Vineyard Electric Cooperative Inc. and Town of Dennis Solar projects feature fixed-tilt, ground mounted, municipal PV solar generation on nine sites in Massachusetts.

Honorable Mention

HRI Solar Energy Project

Developer: Historic Restoration Incorporated

Location: New Orleans, La. (Orleans Parish); Houma, La. (Terrebonne Parish); Shreveport, La. (Caddo Parish)

The honorable mention for the 2014 Overcoming Obstacles Award is presented to Historic Restoration Incorporated (HRI) Properties for its development of the HRI Solar Energy Project, which installed solar energy rooftop systems on six mixed-income residential properties in Louisiana.

During the two year development period, the project faced a variety of regulatory, construction and financial challenges. Because the contractor had to build different solar mounting systems for six sites across the state, as well as comply with the permit codes of each municipality and local utility company, finishing within the funding deadline became a major obstacle. In addition, because Louisiana law only allows regulated utilities to sell electricity, typical power purchase agreements could not be used to monetize the solar electricity production. Instead, HRI Properties created a structure to allocate the tax and grant benefits to one partner, HRI Solar Solutions LLC, while transferring the installed equipment to property owners through 10-year operating leases. HRI Properties also used strict cost controlling strategies to finish the project under budget.



Photo: Courtesy of HRI Properties
The HRI Solar Energy Project installed solar energy rooftop systems on six-mixed income residential properties in Louisiana.

“Solar in Louisiana? Wow,” said Feo.

Honorable Mention

Developer: Main Street Power Company Inc. Owner: Main Street Power Company Inc. Location: San Diego, San Diego County, Calif.

San Diego Unified School District

Developer: Main Street Power Company Inc.

Location: San Diego, San Diego County, Calif.

The second honorable mention for the 2014 Overcoming Obstacles Award is presented to Main Street Power Company Inc. for installing solar energy systems on more than 100 rooftops at 29 K-12 public school campuses and two operational facilities throughout the San Diego Unified School district.

According to the Main Street Power Company, because of high electricity costs, California schools typically don't have the capital necessary to invest in solar PV. However, the use of NMTC financing and Section 1603 cash grants enabled Main Street Power Company to offer power purchase agreements to public schools, so that the schools could benefit from on-site solar PV without the up-front cash that is typically required. Main Street Power Company also worked with California's Division of State Architects to develop statewide design criteria and an approval process for rooftop solar PV projects on public school sites.

“[Impressive for involving] many, many locations and having to deal with rules related to schools and the state of California,” said Forrest Milder, a 2014 Renewable Energy Power Awards judge.



Photo: Courtesy of Main Street Power Company Inc.
A solar panel is installed on the roof of a San Diego High School building in San Diego, Calif., one of 100 rooftops on which solar energy systems were installed as part of the San Diego Unified School District project.