

# ACTIONABLE RENEWABLE ENERGY DATA & INTEL

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## INTERVIEW

Chad Farrell  
CEO



## Encore CEO discusses the rise of brownfield development

By Andrew Burnes

As states across the Northeast continue to increase their appetite for renewable energy, brownfield development is becoming an increasingly attractive option, particularly as larger sites like abandoned coal mines and landfills become viable. And perhaps no development firm is better positioned to take advantage of this trend than Encore Renewable Energy.

Land-lease brownfield development has been part of Encore's bread and butter since its founding in 2007. Current CEO Chad Farrell has a background in assessing and organizing cleanups of hazardous waste sites in the Northeast before helping the firm, making the transition to brownfield project development "a natural progression" for him.





“Brownfield development is an integral part of our business,” Farrell said in an interview with NPM. “Given the industrial legacy in the Northeast combined with greater population density, we really need to unlock these pieces of property. That’s something we feel comfortable tackling.”

Encore is in a 10 MW community solar contract with Vermont utility conglomerate VPPSA. As part of this agreement earlier this month, the firm commissioned a 2 MW community solar project at a former auto salvage yard in Morrisville. This is the third of about seven projects that have either been developed or are being developed.

Encore handles all design, development, financing, and construction of these projects while VPPSA manages generation once they are completed. While the current term expires after 10 MW is reached, Farrell seems confident that additional projects could be on the way, calling these first seven projects the “initial batch.”

“VPPSA has asked us to look at a few sites they have identified, but in all of the projects except one we have brought the site to the table because we know the best sites in terms of interconnection and permitting potential,” Farrell said.

### **Brownfield Development Risks and Sector Growth**

There are a lot of inherent challenges associated with brownfield development that have historically held the market segment back from widespread adoption.





“It can definitely be more costly to deliver projects on these types of sites,” Farrell said. “But that goes out the window with scale.”

And, according to Farrell, that scale is on the way. These sites, which are largely abandoned coal mines, carry upwards of thousands of acres. As it sits, the bipartisan infrastructure bill calls for the distribution of USD 11.3bn in general treasury funds for the Interior Department’s abandoned mine land (AML) reclamation program.

“When you’re talking about thousands of acres where you can maximize value, the issues of brownfield development become less pronounced,” Farrell said. “And in many communities, these are the sites they want to see developed.”

This shift in attitude is also being felt at the financing level. While Farrell says that his firm’s focus on brownfield development had an impact on its financing options as recently as five years ago, now the majority of the firm’s financing partners are comfortable with it. So comfortable, in fact, that Farrell says his firm employs a “process” to vet financiers in pursuit of “delivering low-cost PPAs.”

### **Beyond Brownfields**

Despite growing investor interest, Encore’s penchant for brownfield development does add inherent risk to its portfolio, requiring the firm to diversify its interests both geographically and technologically. The company has recently begun developing storage projects with five traditional battery projects under development and an additional two long-duration storage projects being developed in tandem with Highview Power.





Geographically, Encore is active across the Northeast with projects in the ground in Maine, New Hampshire and Pennsylvania. While Farrell says the firm has “a few” proposals in Massachusetts, he describes that state as “a market unto itself with its own set of players, so we’ve focused elsewhere.”

Farrell has become increasingly interested in entering the Virginia market where it is actively pursuing opportunities and bidding on Dominion RFPs.

Encore has also delivered projects in New Hampshire, which Farrell describes as a “slower market than we’d like.” While he calls the state’s recent move to raise its net metering cap from 1 MW to 5 MW for municipalities, he estimates that only a handful of communities will have enough capacity to actually fill that.

“You’ve got to have a pretty large community to have 5 MW of solar worth of offtake,” Farrell said. “My sense is there’s going to be 10, maybe 15 communities in New Hampshire that can really benefit from that. But it’s a step in the right direction and I think that market is going to pop under the right circumstances. The next step needs to allow larger C&I customers to come in and open up cross-jurisdictional projects.”

## **Policy Advocacy**

Farrell’s eye for policy is not limited to New Hampshire. As a member of Vermont Climate Council, Farrell is also involved in policy discussion surrounding renewable development. He is currently pushing for the revival of a state community solar program and a major increase in the state’s renewable energy standard that would push it to 20 percent renewable by 2032 up from 10 percent.





"There's a sense of emergency that we need to increase our deployment level dramatically over the next 10 to 15 years," Farrell said. "We're feeling pretty good that we've got the utilities and the industry collaborating on some new programs with which to deliver renewables at a low-cost point in exchange for increasing the RES. We're particularly targeting generation within our distribution networks for security for situations when transmission gets knocked out, as we saw recently in New Orleans."

Farrell is also encouraged by current national policy discussions, with particular interest in the 10-year ITC extensions and a standalone storage ITC. He's also hopeful that a clean energy payment program that would pay utilities to transition to clean energy, which he predicts would further quicken the pace of widespread renewable adoption, is implemented.

"It's a big month for climate discussion and we're paying really close attention," Farrell said. "Between what we're seeing federally and locally, there's a lot of hope right now."