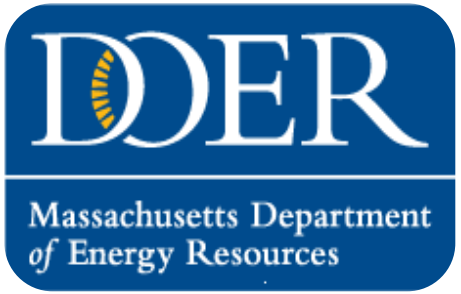
Creating A Clean, Affordable, Equitable and Resilient Energy Future For the Commonwealth



COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES
Elizabeth Mahony, Commissioner

Solar Massachusetts Renewable Target (SMART) Straw Proposal

July 29, 2024

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Overview

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Input to Date

- ~200 public responses to crafted questions
- 9 topic-specific stakeholder working sessions
- Independent economic analysis, including a survey of local developers
  - Conducted by Sustainable Energy Advantage
- Targeted stakeholder consultations, including with partner agencies and other states
- Straw proposal

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Guiding Principles

Equity	Prioritizing historically underserved populations and those disproportionally affected by climate change.
Consumer Protection	Ensuring the value and benefits of the SMART program are being passed onto program participants.
Transparency	Creating accessibility to program data to ensure implementation is consistent and just.
Coordination	Ensuring the SMART program is in harmony with existing policy.
Simplicity	Reducing burdensome requirements to participate.

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NOTE: ALL PROGRAM DESIGN DETAILS SUBJECT TO CHANGE

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Structure

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Block Structure

- The program will transition from its current structure of pre-determined capacity blocks with declining base compensation rates to an **annual adjustable block and rate structure.**
  - Base compensation rates and capacity blocks will be adjusted **annually** based on a pre-determined cost model customized for Massachusetts' solar economics.
    - Annual rates and capacity may be adjusted up or down depending on market conditions and progress toward solar targets.
    - Incentive rate adders will be subject to adjustment as part of annual review.
  - DOER will contract with a consultant to re-evaluate solar costs on an annual basis.
    - DOER/consultant will request cost data from industry stakeholders to ensure cost inputs are accurate and representative.

Unlimited Capacity for Small (≤25 kW) Projects

- Small projects (≤25 kW) will **no longer be subject to capacity allocations** and DOER **will not limit the amount of capacity that can be qualified by ≤25 kW projects annually**.
  - **Clarification**: all solar capacity values throughout this proposal are in alternating current (AC).
  - **Clarification**: There is no capacity set-aside for small behind-the-meter projects; instead, there will be unlimited capacity (separate from the proposed 300 MW for large projects) for small BTMs.
- Small projects will reserve capacity on a rolling basis and will no longer be required to submit a Preliminary Statement of Qualification (PSQ).
  - Applicants will receive a Statement of Qualification in a one-step process at the time of Authorization to Interconnect.

Annual Block Capacity – Large (>25 kW) Projects

- **Block capacity for large projects (>25 kW) will be determined annually** based on progress towards solar deployment targets and real-time solar costs.
  - To create certainty during the initial program transition, DOER will establish the following annual capacity blocks for large projects for the 2025-2026 and 2026-2027 program years:

Program Year	Large Project (>25 kW) Capacity Available (MW)
2025*	300 MW
2026*	300 MW

  - Capacity will be allocated across service areas proportional to load.
    - **Clarification**: capacity will continue to be allocated across the following service areas proportional to load: Eversource East, Eversource West, National Grid (Mass Electric), National Grid (Nantucket), and Unitil.

– In subsequent years following the 2025 and 2026 program years, DOER will announce the following year's capacity allocation and base compensation rates no later than August 31st (*Dates may vary in 2025 and 2026 program years)

Large Project Capacity Allocations

- Large projects will have an initial open application period of 10 business days to apply for a capacity allocation, beginning on January 15th of each program year.
  - DOER will sequence all applications received in the first 10 business days by ISA execution date and allocate capacity accordingly (pending application review and approval).
  - If there is remaining capacity at the end of the initial 10 business days, it will be allocated on a rolling basis until annual capacity is exhausted.
  - If all annual capacity is allocated, applications that do not receive a capacity allocation will be added to a waitlist.
    - Waitlisted projects that do not receive a capacity allocation within the program year will receive priority for a capacity allocation in the following program year.

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Capacity Set-Asides

DOER proposes to update the capacity set-asides for each annual block as shown below.

Set-Aside Category	Current Percentage	Proposed Percentage	Proposed Capacity (MW AC) [2]
≤25 kW AC	20% - 35%	n/a	unlimited
>25 kW – 500 kW AC	20%	30%	90
Low Income Property (LIP)	5%[1]	20%	60
Community Shared Solar (CSS)	n/a	20%	60
Remainder	35% - 55%	30+%	90+

If one or more capacity set-aside categories are not filled, the Department reserves the right to qualify less than the maximum total capacity in that year's annual block. The Department will not reallocate capacity from one set-aside category to another.

- **Clarification**: "Remainder" refers to capacity that is not subject to a particular carve-out or set-aside.

[1] Current set aside is for Low Income Property and Low-Income Community Shared Solar STGUs. See slide 48 for updates to LICSS STGUs.
[2] Based on 300 MW.

Large (>25 kW) Project Compensation

- The calculation of incentive payments (including the value of energy) for large projects remains unchanged.
  - $Standalone\ Solar\ Incentive\ Payment$ = ($Base\ Compensation\ Rate$ + $Compensation\ Rate\ Adders$ – $Greenfield\ Subtractor$) ∗ $total\ kWh\ generated$ – $value\ of\ energy\ generated$
  - $Behind-the-Meter\ Solar\ Incentive\ Payment$ = [($Base\ Compensation\ Rate$ + $Compensation\ Rate\ Adders$ – $Greenfield\ Subtractor$) – $value\ of\ energy$] ∗ $total\ kWh\ generated$

➢ **Clarification**: Consistent with the current program, *base compensation rates and adder rates* will be fixed when a project is qualified under the program.
  - For behind-the-meter systems, the value of energy is also fixed at the statement of qualification, therefore the SMART incentive payment rate ($/kWh) is fixed over the term.
  - For standalone systems, the value of energy fluctuates each utility billing period, therefore while the total compensation rate ($/kWh) is fixed, the SMART incentive payment rate ($/kWh) will fluctuate over the term.

Large (>25 kW) Project Compensation

- Large project Base Compensation Rates are based on Sustainable Energy Advantage, LLC's (SEA) analysis of the levelized base revenue requirements for various project size categories in 2025 utilizing the CREST model:

Generation Unit Capacity	Estimated 2025 Base Compensation Rate ($/kWh)
Greater than 25 kW AC to 250 kW AC	0.2821
Greater than 250 kW AC to 500 kW AC	0.2482
Greater than 500 kW AC to 1,000 kW AC	0.2113
Greater than 1,000 kW AC to 5,000 kW AC	0.1729

- **Clarification**: The methodology and inputs used to determine the 2025 base compensation rates in this proposal can be reviewed in Sustainable Energy Advantage's "Evaluation of Solar Costs and Needed Incentive Levels across Sectors from 2025-2030", available on DOER's website.
  - DOER anticipates establishing a fixed methodology for annual reviews, with specific cost inputs being updated annually based on actual cost data to determine needed incentive levels. DOER intends coordinating with stakeholders and DPU to establish the parameters of this methodology.
- **Clarification**: Large project base compensation rates shown are the same across all EDC territories. A project's value of energy will be based on basic service rates in the applicable service territory.

Small (≤25 kW) Project Compensation

- ≤25 kW projects will receive a fixed SMART Incentive Payment (SIP) over their SMART tariff term.
  - The ≤25 kW SIP will be set annually as part of the annual cost analysis.
    - Based on the difference between the Levelized Revenue Requirement for ≤25 kW projects and the average residential net metering credit value for the previous calendar year.
  - The residential incentive payment rate will never be set below a **floor of $.01/kWh**.
  - Low-Income projects will receive an adder on the annual fixed residential incentive payment rate, to be set annually as part of the cost analysis.
  - Estimated ≤25 kW SIPs are based on Sustainable Energy Advantage, LLC's (SEA) analysis of the levelized base revenue requirements for ≤25 kW projects in 2025 utilizing the CREST model:
  - ➢ **Clarification**: DOER is not proposing to increase the length of the SMART term for small projects.

Project Type	2025 SIP ($/kWh)
≤25 kW AC	0.03
Low-Income Solar Tariff Generation Unit	0.06

Additional Clarifications

- The ability for AOBC credit transfers across utility territories was addressed in D.P.U. 20-145-D, Order on Phase II Revisions to the Model SMART Provision. DOER will continue to work through this process based on the guidance from the DPU.

- SMART will continue to be available only to projects sited in and connected to the electric grid in Massachusetts.

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Process

Reservation Periods

- Current reservation period extensions from June 2023 will remain in effect.
  - Projects ≤1 MW receive an initial 12-month reservation period.
  - Projects >1 MW receive an initial 24-month reservation period.
  - The fee-based extension will continue to provide a 12-month extended reservation period.
- Extended reservation periods for Interconnection Studies and Capital Investment Projects (CIPs).
  - Interconnection Studies
    - Projects that provide documentation from an Electric Distribution Company (EDC) that the project is included in an interconnection study (Group Study or ASO Study) will receive an indefinite extension until the completion of the study then the standard reservation period will resume.
    - DOER will coordinate with EDCs to receive regular updates on the status of group studies.
  - CIPs
    - Projects that provide documentation from an EDC or Department of Public Utilities (DPU) that the project is part of an approved CIP at the time of Preliminary Statement of Qualification application will receive a 48-month reservation period.

Program Transition

- Projects with an Interconnection Service Agreement (ISA) Date **after the Effective Date of the modified SMART regulations** that have not previously received a SMART Preliminary Statement of Qualification or a RPS Statement of Qualification will be eligible to apply under the updated program structure.
  - Any project with a pending or approved application in the queue will be subject to the predecessor regulations.
    - **Clarification**: "queue" in the above sentence refers to the SMART application queue.
    - **Clarification**: projects with an existing SMART SOQ will be subject to the predecessor regulations and rates.
  - **Clarification**: Regarding interconnection costs and timelines, DOER does not oversee the interconnection process. Questions regarding changes to the interconnection process should be directed to DPU and/or the relevant EDC.
  - **Clarification**: DOER is exploring a potential process to allow projects with an ISA date before the Effective Date to qualify for the new program.
- DOER will provide regular website and email updates to ensure stakeholders are aware of the filing status and other key dates.

Additional Clarifications

- Stakeholders will have additional opportunities to comment on the draft regulations during the rulemaking process, including a public comment period and a public hearing.
- DOER is actively engaged with DPU to determine which elements of the proposed regulations will require DPU approval and will provide information as it becomes available.

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Adders

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Estimated Adder Values

Adder Type	Project Type	Current Adder Value ($kWh)	Estimated 2025 Adder Value ($/kWh) [1]
Location Based	Building Mounted	0.02	0.03
	Raised Racking[2]	**N/A**	**0.04**
	Brownfield	0.03	0.03
	Landfill	0.04	0.06
	Canopy[3]	0.06	0.08
	Agricultural	0.06	0.08
	Floating	0.03	0.03
Off- taker Based	**Community Shared[4]**	**0.05**	**0.07**
	Low Income Property	**0.03**	**0.04**
	Public Entity	0.04	0.04
Others	**Community Benefits[5]**	**N/A**	**0.06**
	Energy Storage	Variable	Variable
	Solar Tracking	0.01	0.01
	Pollinator	0.0025	0.0025

- **Clarification**: The floating solar adder is currently $0.03/kWh and is not proposed to change.
- **Clarification**: The proposed Community Shared Solar adder is flat and will not vary with the percent of low-income customers served.
- **Clarification**: The canopy adder is the only adder proposed to be made available to small (≤25 kW) systems.
- **Clarification**: There are currently no proposed changes to the formula for calculating the energy storage adder.

[1] Estimated Adder Values are based on SEA's analysis of the levelized incremental base revenue requirements for projects in the Community Shared Solar, Low-Income Community Shared Solar, Low-Income Property Solar, Landfill, Brownfield, Solar Canopy, Rooftop Solar, Dual Use Agricultural, and Solar + Storage market segments.
[2] DOER proposes creating a new adder category for systems installed on raised racking on rooftops that maintain the use of the area beneath the panels, such as housing HVAC equipment.
[3] DOER proposes expanding eligibility for the Canopy adder to systems ≤25 kW.
[4] DOER proposes combining Community Shared and Low-Income Community Shared STGU definitions into one STGU type and requiring ALL Community Shared STGUs to allocate a minimum of 40% of output to Low Income Customers to receive the CSS adder.
[5] More information on slide 41.

Raised Racking Adder

- A solar racking or mounted system that is used to support a solar array on a roof.
- These canopy racking configurations may be placed above current HVAC equipment on buildings or may be removed easier down the line for roof replacements.

Image: Urban Energy LLC

Canopies

- To support stakeholder feedback for more flexibility, wider adoption, and with the Administration's goals for solar to be in the built environment.
- DOER is proposing updating the canopy solar definition and use of land beneath panels.
  - *225 CMR 20.02* Canopy Solar Tariff Generating Unit: A Solar Tariff Generating Unit with ~~100% of the nameplate capacity of the solar photovoltaic modules used for generating power installed on top of a parking surface, pedestrian walkway, or canal in a~~ the majority of the solar capacity installed on a raised structure elevated high enough to maintain the function of the area beneath the canopy.
- Cannot be applied to projects on Important Agricultural Farmland.
- Expand eligibility requirements for Canopy STGUs to:
  - allow systems ≤25 kW to receive canopy adder.

Public Entities

- Revising eligibility requirements for projects qualifying for the Public Entity (PE) adder to include a Right to Construct.
  - *225 CMR 20.06(1)(l)* Special Provisions for Public Entity Solar Tariff Generation Units: A Public Entity Solar Tariff Generation Unit may apply for a Statement of Qualification pursuant to 225 CMR 20.06(1)(c) by providing satisfactory evidence to the Department that a Municipality or Other Governmental Entity has awarded a ~~contract~~ contractual right to construct to the Applicant to develop a Solar Tariff Generation Unit.

Energy Storage Systems

- Small projects (≤25 kW) will no longer be eligible to receive the Energy Storage adder.
  - Small projects may still install energy storage; however, they will not be compensated through the SMART program.

- Increasing the project size required to construct an Energy Storage System from 500 kW to 1 MW.
  - *225 CRM 20. 20.05(5)(k)* Energy Storage Requirement: Solar Tariff Generation Units greater than ~~500 kW~~ 1 MW applying for a Statement of Qualification for any available capacity in any capacity block available after the Publication Date must be co-located with an Energy Storage System that meets the eligibility requirements for an Energy Storage Adder pursuant to 225 CMR 20.06(1)(e).

Energy Storage Systems

- Separating operational and functional requirements to better align with other state incentive programs, providing more value to the grid, and optimal operation.
  - *225 CMR 20.06(1)(e)5*. Operational Requirements: The Energy Storage System ~~must discharge at least 52 complete cycle equivalents per year~~ must be online and able to discharge 85% of the time during Summer months (from May 15th through September 14th) and in the Winter months (from December 1st through February 28th); and adjusted by leap years or must participate in a demand response program for the Solar Tariff Generation Unit to continue to be eligible for the energy storage adder.
  - Functional Requirements: ~~If~~ The Energy Storage System ~~is decommissioned or non-functional for more than 15% of any 12-month period, the Department may disqualify the Solar Tariff Generation Unit from continuing to receive the Energy Storage Adder.~~ must reach, at a minimum, 156 cycles annually for the Solar Tariff Generation Unit to continue to be eligible for the energy storage adder.
  - ➢ **Clarification**: These requirements will only apply to systems qualified under the new program, not existing systems.

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Environmental Protection

Land Use and Siting

- Strong stakeholder support for incentivizing solar development on the built environment and taking a strategic approach to solar on undeveloped land.
- Need for alignment with Administration's policies and goals on land protection and climate resiliency.
  - Executive Order on Biodiversity Conservation.
  - Clean Energy and Climate Plan.
  - Resilient Lands Initiative.

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Land Use Eligibility

Eliminate existing land use categories and simplify eligibility criteria.

Ineligible[1]	Greenfield Subtractor (>250 kW AC)	No Greenfield Subtractor
Project footprint overlaps with BioMap Core Habitat and Critical Natural Landscapes[2]	Footprint overlaps with Important Agricultural Farmland **or** undeveloped land[3] **and** project does **not** qualify for a locational adder	Footprint overlaps with Important Agricultural Farmland **or** undeveloped land **and** project qualifies for a locational adder
		Footprint overlaps with Important Agricultural Farmland **or** undeveloped land **and** project is ≤250 kW AC

[1] Projects that are sited adjacent to BioMap shall maintain a minimum 100-foot buffer between the project footprint and BioMap area.
[2]Unless project is sited on an existing structure or within already lawn, landscaped, or developed area.
[3]Land shall be considered undeveloped if it does not meet the definition of previously developed in *225 CMR 20.00*.

Clarification – Land Use Loophole

- Currently, the SMART regulations do not allow for the construction of STGUs on land designated as BioMap, unless the project meets an exemption via Category 1.
- DOER is aware that the provision below, included in Category 1, has allowed for a loophole in DOER's land use regulation resulting in ground mounted STGUs being constructed on BioMap.
  - viii. Solar Tariff Generation Units that are ground-mounted with a capacity greater than 500 kW and less than or equal to 5,000 kW that are sited within a solar overlay district or that comply with established local zoning that explicitly addresses solar or power generation.
- DOER intends to close this loophole by updating the land use regulations to allow for no siting on BioMap, with the only exception being if a project is eligible for a locational adder. DOER is interested in feedback from stakeholders on which adders should be exempt from the BioMap restriction.

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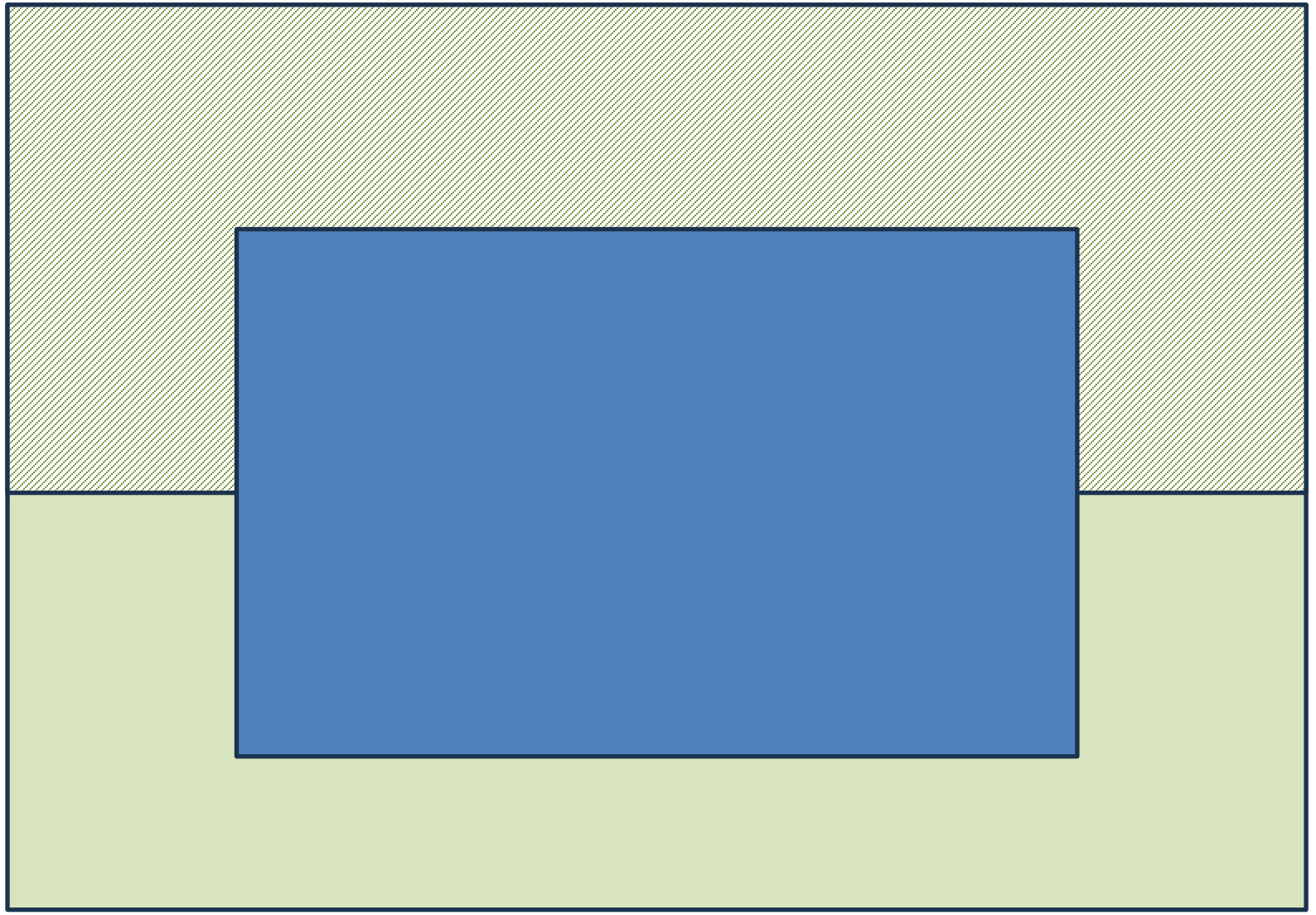
Previously Eligible

Solar Overlay District

BioMap

Ground Mounted STGU



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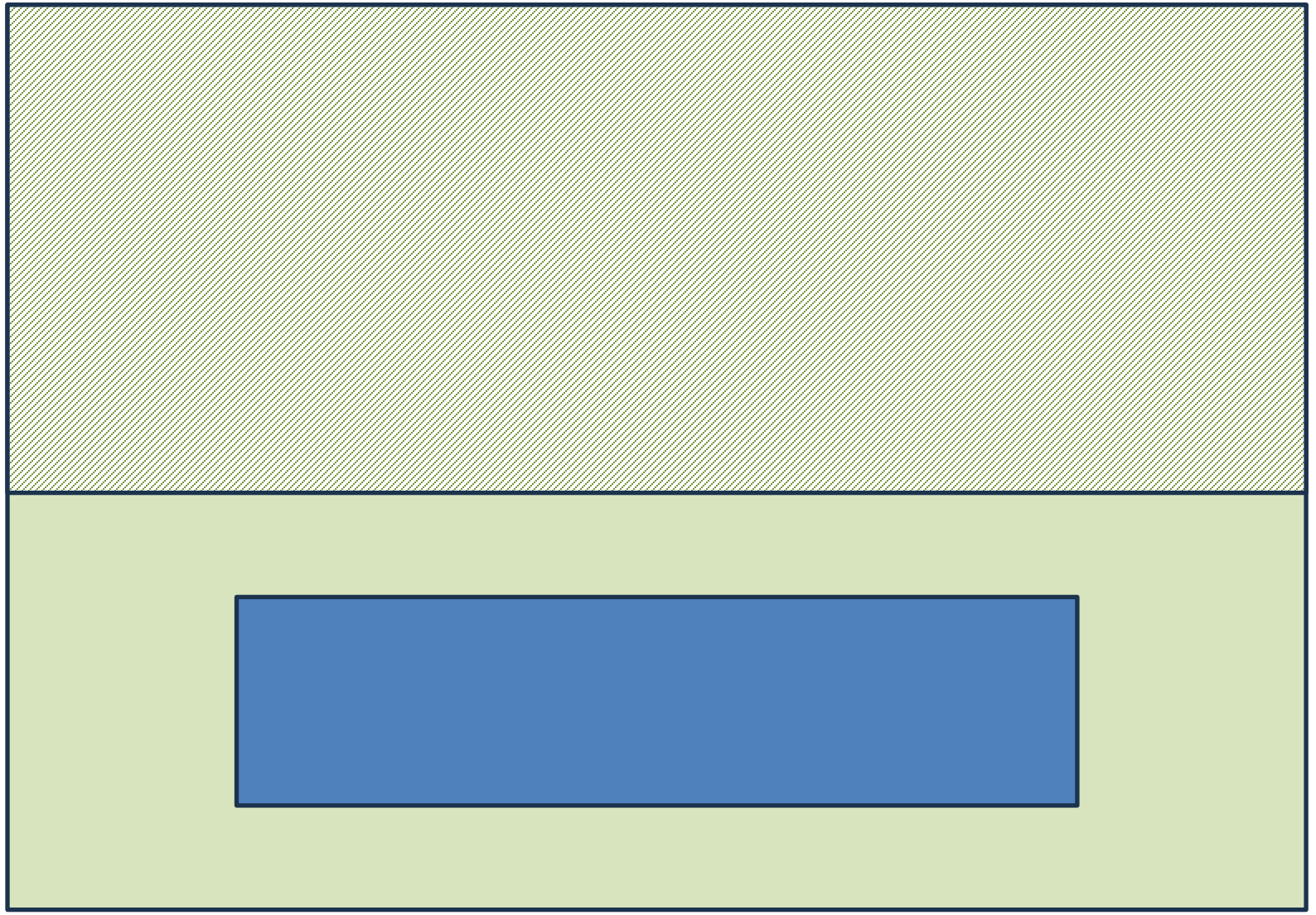
Proposed Eligibility

Solar Overlay District

BioMap

Ground Mounted STGU



Greenfield Subtractor

- Ground-mounted projects >250 kW AC on **Important Agricultural Farmland or undeveloped land** that do **not** qualify for a locational adder will receive the Greenfield Subtractor.
- All projects will receive a flat subtractor of $0.06/kWh plus an acreage-based subtractor of $0.004/acre impacted by the footprint of the project.
  - The acreage calculation will include the footprint of the solar panels and the footprint of land impacted by associated construction activities, such as clearing, grading, and shading prevention

$$Greenfield\ Subtractor = \left(\$0.06 + (\$0.004 * impacted\ acres)\right) * kWh$$

Greenfield Subtractor Clarifications

- The project footprint will include the footprint of the array and the acreage impacted by project construction (clearing, grading, etc.).
- Example Greenfield Subtractor affecting 10 acres:

Current*	Proposed	
	w/ Community Benefits	w/out Community Benefits
- $0.025 / kWh	- $0.04 /kWh	- $0.10 /kWh

*Category 3 Land

- With or without the Community Benefits Adder, projects still receive a meaningful greenfield subtractor.

Environmental Monitor

- Any ground-mounted project subject to the **greenfield subtractor** or qualifying for the **agricultural adder** will pay an additional one-time application fee.
  - The fees will be collected and used by DOER to retain a third-party Environmental Monitor.
- Applicants will work with the Environmental Monitor throughout the construction process to ensure compliance with the **Performance Standards** in *225 CMR 20.05(5)(e)6*.
- The Environmental Monitor will conduct a **minimum of two scheduled site visits**, pre- and post-construction, and may conduct additional unscheduled site visits during construction.
  - Monitor will provide certification at preliminary and final application stages that the applicant complied with Performance Standards and followed recommendations to minimize environmental impacts.

Performance Standards

- Compliance with Performance Standards in *225 CMR 20.05(5)(e)6*. will be required for all ground-mounted systems with a capacity **greater than 250 kW AC** that are subject to the greenfield subtractor and all systems qualifying as Agricultural Solar Tariff Generation Units.
- When maintaining vegetative cover to prevent soil erosion, applicants must use plantings of native species appropriate to the geographical area, consistent with the County Checklist provided by the Massachusetts Natural Heritage and Endangered Species Program.

Community Benefits Adder

- Establish a new $0.06/kWh adder for applicants that conduct **proactive community engagement** throughout the project development process.
  - Only available to ground-mounted projects that are receiving the greenfield subtractor.
- DOER will evaluate documentation submitted by the applicant before or during the preliminary application stage.
  - Proof of **active partnership with community-based organizations** and local stakeholders on siting, construction, and project benefits.
    - Examples: Letter, email, MOU outlining timeline of involvement and activities.
  - Proof of **active partnership with municipal officials** on siting, construction, decommissioning plans, and project benefits.
    - Examples: Letter, email, MOU outlining engagement process and agreements reached.
  - Strategy for **community outreach and education** on the project.
    - Examples: Marketing materials, informational sessions.

Community Benefits Clarifications

- DOER will review all documentation submitted by applicants and have final discretion on eligibility for the adder based on evaluation of ***meaningful*** community involvement and may choose not to grant the adder to projects that have not demonstrated adequate community engagement and benefits.
- DOER is aware of the recommendations of the Clean Energy Infrastructure Siting and Permitting Commission and plans to coordinate with any siting policy established by the Administration.

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Agrivoltaics

Agricultural Solar Tariff Generation Units

- DOER received stakeholder feedback on the challenges of developing dual-use solar systems on farmland and the need for clarifications on certain eligibility criteria and additional flexibilities in project designs.
- DOER is proposing the following additions and changes to the *Guideline Regarding the Definition of Agricultural Solar Tariff Generation Units.*

Newly Created Farmland

- Expand eligibility for newly created farmlands, particularly to support access to Historically Underserved Farmers.
  - Guideline Section 4)ii: All land intended to be newly created farmland shall be deemed eligible farmland if ~~it~~ the Applicant has demonstrated the pre-existence or viability of ~~established~~ agricultural production ~~prior to the date~~ when an application is submitted to the SMART program.
- Applicants will submit a farm business plan as part of the Pre-Determination Application to demonstrate agricultural viability.
  - Other factors that may be considered include soil analyses, water availability, and/or site history.

Newly Created Farmland

- Clarify tree clearance limitations to allow for routine agricultural activities.
  - *Guideline Section 4)ii.(2):* No newly created farmland footprint shall be a result of the clearing or conversion of forest land. Permissible tree clearing may include routine maintenance of existing field boundaries or roads, removing isolated trees in an existing cleared space, or other instances of routine agricultural activity as determined by the Department and MDAR.

Panel Height Requirements

- Expand flexibility of panel height requirements for tracking ASTGUs.
  - *Guideline Section 3)b)i.2:* For tracking ASTGUs, the minimum height of the panel at its horizontal position shall be 10 feet above ground. This minimum height may be reduced to 8 feet if:
    a. the Applicant demonstrates that the Maximum Sunlight Reduction Requirement is still met in all tilt positions and
    b. the tracker control system is within the full operational control of the farm operator and able to implement horizontal stow of modules for rotational grazing of cattle, planting and harvest operations, and similar agricultural activities.
- The Environmental Monitor working with the project will verify at a site visit that the farm operator has been given full operational control of the tracking system and has been trained on its functionality.

Exception to Sunlight Requirements

- Clarify eligibility for requesting an exception to Maximum Sunlight Reduction Requirements.
  - *Guideline Section 3)c)iii.2.b:* Demonstrate how each square foot of land will be used for agricultural production, including at least 51% of the area directly beneath the solar modules.

Newly Proposed Operations

- Add definition of "newly proposed" operations.
  - *Guideline Section 5)ii:* Newly proposed grazing of animals or production of hay is defined as grazing or hay production on a site that has not been used for these agricultural purposes during the five crop years prior to the Pre-Determination Application, when proposed to be performed by a farm operator.
- Specify applicability of requirements for newly proposed grazing or hay production.
  - *Guideline Section 5)ii:* For ASTGUs on land in agricultural production on Important Agricultural Farmland, newly proposed grazing of animals or production of hay projects must submit a plan that meets the following requirements when the acreage proposed to transition exceeds 10 acres.

Comparable Crops

- Add definition of “comparable crops.”
  - *Guideline Section 5)ii:* Comparable crops is defined as crops which by their production and harvesting, on-farm usage or processing, marketing and other factors are comparable in agricultural practice, equipment requirements, economic value, environmental impact, and other factors to the crops previously grown on the site or previously grown by the proposed operator.

Waiver for Decreased Yield

- Clarify flexibility of eligibility for a Waiver for Decreased Yield.
  - *Guideline Section 6)i:* Due to unforeseen circumstances, such as but not limited to weather events, pests, or change in crops, the projected agricultural yield for any given year may be substantially lower than ~~stated~~ anticipated in the agricultural plan ~~or previous year's annual report~~. While no pre-approval of crop changes or production practices is required, continuous, good faith efforts at commercial agricultural or horticultural production is a requirement for continued ASTGU incentive eligibility. In ~~these instances~~ circumstances when production of planned crops falls below 70% of anticipated yields, or below 50% of typical yields for the soils and production practices under open-field conditions in the case of a new agrivoltaic crop, an applicant can request a waiver from the Department for the decreased yields. The applicant must demonstrate to the satisfaction of the Department, and in consultation with MDAR, that a waiver is warranted for good cause.

Photosynthetic Active Radiation

- DOER is considering the use of Photosynthetic Active Radiation (PAR) values instead of sunlight reduction percentages for determining project eligibility.
  - DOER is seeking input on methodologies for calculating and evaluating PAR values.
  - DOER is considering a sliding scale adder, with additional incentive for higher PAR values.

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Equity

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Equity and Accessibility

- Historically low participation rates from low-income communities.
- Strong stakeholder support for increasing accessibility of program benefits for low-income ratepayers and residents living in environmental justice areas.
- Need for alignment with Administration's priorities on advancing environmental justice.

Community Shared Solar

- There will no longer be separate adders and eligibility criteria for Community Shared Solar and Low-Income Community Shared Solar.
  - **ALL** community shared solar projects will receive the $0.07/kWh adder and must enroll a **minimum of 40% Low-Income Customers.**
    - **Clarification**: CSS projects will still be able to have one or two anchor offtakers that may receive up to 50% of its energy output in the form of electricity or bill credits.
- Guarantee meaningful benefits to CSS customers.
  - *Market-rate residential customers:* Require a **minimum 10%** discount for the length of the contract, compared to basic service or municipal aggregation rates, to be applied to community solar bill credits.
  - *Low-income residential customers:* Require **minimum 20%** discount for the length of the contract, compared to basic service or municipal aggregation rate, to be applied to community solar bill credits.
    - **Clarification**: The above discount is proposed to be taken off the generation charge or "basic service rate."

Community Shared Solar (cont.)

- Improve program administration and billing processes to improve customer experience.
  - Require EDCs to process CSS credit transfers within 30 days of the end of the month in which the generation occurred.
    - **Clarification**: The credit transfers proposal would be for CSS projects only that may be either AOBC or net metered.
  - Require EDCs to submit an annual report to DOER by March 31st with number of accounts with credit balances over 25% of annual consumption.

Low Income Property Definition

- Expand Low Income Property definition to include additional types of housing/facilities serving low-income residents.
  - *225 CMR 20.02:* Low Income Property Solar Tariff Generating Unit. A Solar Tariff Generation Unit with a rated capacity greater than 25 kW that provides all of its generation output in the form of electricity or bill credits to one or more of the following:

    (a) low or moderate income housing, as defined under M.G.L. c. 40B;

    (b) condominiums that are deed-restricted to provide low-income home ownership or rental opportunities;

    (c) homeless shelters, as defined in 105 CMR 410.010: Definitions;

    (d) a residential rental building that participates in a covered housing program as defined in section 41411(a) of the Violence Against Women Act of 1994 (34 U.S.C. 12491(a)(3);

    (e) a housing assistance program administered by the Department of Agriculture under title V of the Housing Act of 1949;

    (f) a housing program administered by a Tribally designated housing entity as defined in section 4(22) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(22); or

    (g) other affordable housing programs as determined by DOER.

Low-Income Customer Definition

- Allow low-income customers to qualify based on participation in other needs-based programs or through self-attestation of income eligibility.
  - *225 CMR 20.02:* Low Income Customer. An End-use Customer that is a) on a low-income discounted rate of a Distribution Company; b) provides documentation of participation in other needs-based programs, namely those that qualify customers for participation in a low-income discounted rate; c) is a resident in a Low-Income Eligible Area; or d) self-attests to meeting the income requirements.

Low Income Solar Tariff Generation Units

- Expand Low Income Solar Tariff Generation Unit definition to systems that provide 100% of output to qualified affordable housing properties.
  - *225 CMR 20.02:* Low Income Solar Tariff Generation Unit. A Solar Tariff Generation Unit with an AC rated capacity of less than or equal to 25 kW that serves Low Income Customers or allocates 100% of its energy output to a qualified affordable housing property in the form of electricity or bill credits.
- Allow Low Income STGUs to serve up to 3 customers if a single customer uses less than 15% of the output.
  - *Guideline Section 5)b):* at least 15% of the Generation Unit's output is allocated to a Low-Income Customer in the form of electricity or bill credits at no cost to the customer, or up to three Low Income Customers if a single customer's annual usage is less than 15% of the Generation Unit's output.

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Consumer Protection

Residential Direct Ownership

- Customer contracts for all direct owned residential systems must include:
  - Right of recission within 5 or more business days.
  - Estimated first year production and annual degradation.
  - Allocation of maintenance obligations between owner and installer.
  - Owner's remedy for maintenance/service in case of installer bankruptcy.
    - **Clarification**: What happens to the consumer base when there is no longer an installer present to support maintenance or service to the solar installation.
  - Owner's rights and obligations upon selling the property.
  - All possible fees.
  - Summary of benefits
    - **Clarification**: Section of a contract that explains revenue expectations, tax credits, and/or production guarantees.
- Customer contracts may be verified by DOER for compliance at any point during the application process.

Residential Third-Party Ownership

- Customer contracts for all third-party owned residential systems must include the same elements as direct-owned systems, plus:
  - Pricing terms and length of PPA arrangement.
  - Explanation of PPA term renewal.
  - Early termination fee, if any.
  - Terms for system removal upon contract termination.
  - Explanation of purchase option and economic terms for purchase.
  - Allocation of risk of loss in case of damage to system.
- Customer contracts may be verified by DOER for compliance at any point during the application process.

Residential Third-Party Ownership cont'd

- Require third-party owned LISTGUs to provide **minimum annual net savings of 10%** for the length of the contract.
  - Net savings is defined as total savings inclusive of energy savings and any lease, PPA, or other contract payments, guaranteed for the full contract term.
- Eliminate the use of rate escalators.
  - *Guideline Section 2)a):* "The escalator in the solar contract must be ~~not exceed~~ ~~3%~~ 0% per year."

Community Shared Solar

- Customer contracts for community solar subscriptions must include:
  - Terms under which pricing will be calculated over life of contract.
  - Explanation of billing procedures and impacts to utility bill.
  - All possible fees or charges.
  - Terms and conditions for early termination on the part of the customer or the developer.
  - Explanation of contract renewal terms and procedures.
  - Transferability of community solar subscription.
- Customer contracts may be verified by DOER for compliance at any point during the project's tariff term.

Community Shared Solar (cont.)

- Improve consumer protection, education, and transparency.
  - DOER will develop a customer-facing educational brochure on community solar and require it to be provided to customers with the customer disclosure form.
  - New educational information on customer usage and history will be added to the customer disclosure form.
  - Credit checks and early termination fees will be prohibited.
  - Subscription managers must provide an annual opt-out opportunity for subscribers to cancel or revise their subscription.

Contract Requirements Clarification

- DOER is interested in feedback on further guidance needed to clarify requirements for contracts, disclosure forms, etc.

- DOER may publish example contracts as part of the supplementary educational materials.

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Other Initiatives

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Other Changes

- In parallel with SMART programmatic changes, DOER is pursuing additional efforts to improve program implementation.
  - Working with an external vendor to develop educational materials, including:
    - Trainings, toolkits, guides, and/or webinars for municipalities.
    - Informational one pager for residents to be available online and to be distributed with customer disclosure forms.
    - Consumer-oriented website language and materials.
    - Best practices guidance for consumer protection measures.
  - Working with an external vendor to conduct ongoing audits and compliance checks for various program elements, including community solar, energy storage, and low-income customer participation.

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Next Steps

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Next Steps

Date	Task
7/10/2024	Webinar and Release of Straw Proposal
7/22 - 7/23/2024	In-Person Stakeholder Technical Sessions
7/29/2024	Virtual Technical Session
8/2/2024	Deadline for any additional feedback
Fall 2024	File draft regulations

Email doer.smart@mass.gov with questions or feedback.