

Declining Incentive Rates and Billing/SMART Incentive Payment Effects

Some solar projects that choose to enroll in the SMART program may not receive a monthly incentive payment or may receive a low monthly incentive payment. This is due to the declining incentive rate structure of the SMART program, and the increase in electricity rates over time.¹ This affects all SMART project types.

Small, Behind-the-Meter projects:

If the project is enrolled in a capacity block with a base compensation rate lower than the current year's Value of Energy, the project will not receive a positive incentive rate.

The table below shows the current capacity blocks accepting applications for residential Behind-the-Meter projects and their Solar Incentive Payment based on the [2023 BTM Value of Energy Workbook](#). The current year's Value of Energy can also be found in the 2023 BTM Value of Energy Workbook. Please note this chart is intended for typical Behind-the-Meter Net Metered residential customers, although some low-income customers and commercial customers may also be affected.

Customers that would not receive a Solar Incentive Payment through the SMART program may want to consider options to increase their compensation, including adding energy storage, or participating in Net Metering and the Renewable Portfolio Standard (RPS) program, in lieu of the SMART Program. For more information on Net Metering, please visit <https://www.mass.gov/guides/net-metering-guide>. For more information on the RPS program, please visit <https://www.mass.gov/renewable-energy-portfolio-standard>.

SMART Capacity Blocks with No Solar Incentive Payment* for Typical Residential Customers** based on 2023 VOEs		
	Current Small Capacity Block for Applications Being Submitted	
Electric Distribution Company and Territory	Block	Solar Incentive Payment (\$/kwh)
Eversource - Eastern Mass	8	\$0.00779
Eversource - Western Mass	9	\$0.00000
National Grid - Mass Electric	10	\$0.00000
National Grid - Nantucket	3	\$0.01381
Unitil	5	\$0.00000
*Assumes project does not have energy storage.		
**Assumes project rate class is residential (R-1, RD-1)		

¹ MA SMART Solar Incentive Program regulations govern the calculation of incentive rates for typical residential projects (small Behind-the-Meter). This calculation includes the base compensation rate set by the project's block allocation, adds any project adders, and then subtracts the Value of Energy (distribution kWh charge + transmission kWh charge + transition kWh charge + three-year average of basic service kWh charge). The SMART program is designed so that base compensation rates decline as blocks are filled and retired.

Standalone AOBC Projects:

For Standalone Alternative On-Bill Credit (AOBC) host accounts, the Value of Energy (VOE) is a variable rate that will change along with basic service supply rates. This variability will have a direct effect on the SMART incentive throughout the project's enrollment term.

In some months, when electricity supply prices are high, the VOE may exceed the project's total compensation rate (TCR). In these cases, some monthly statements may display a negative value for the "Calculated SMART Incentive." That does not mean that you now owe the amount shown as the negative value – instead, the "Calculated SMART Incentive" will be deemed \$0.00. Nor will the negative value "carry forward" on your account and bill.

Please refer to the example below, which is specific to National Grid customers.

MA SMART Incentive Program

SMART Compensation

Provided here as information only. This payment will be issued separately to the Solar Facility Owner or designated payee as identified on the Payment Credit Form submitted with SMART project's application. For more information, please call: 1-800-322-3223.

Total Compensation Rate	0.26901	x	9687 kWh	2,605.90
Value of Energy	0.322869	x	-9687 kWh	-3,127.64
Calculated SMART Incentive				•\$ 521.74

In the example above, the VOE rate exceeds the TCR by 0.053859, and because the project generated 9,687 kWh during the billing period, a negative value of \$521.74 is shown. This does not mean that the customer now must pay \$521.87, nor will the \$521.87 "roll forward" to the next billing period. Rather, the Company will deem the monthly incentive payment to be \$0.00. The calculation above is shown only for transparency.

Eversource and Unitil AOBC hosts will not see negative values printed on their monthly statements when this scenario occurs.