

Commonwealth of Massachusetts
Executive Office of Energy and Environmental Affairs
DEPARTMENT OF ENERGY RESOURCES

**SOLAR MASSACHUSETTS RENEWABLE TARGET PROGRAM
(225 CMR 20.00)**

GUIDELINE

**Guideline Regarding Alternative Programs for Community Shared Solar Tariff
Generation Units and Low Income Community Shared Solar Tariff Generation
Units**

Effective Date: May 18, 2020

Revised: October 8, 2020

Revised: September 22, 2021

1) Purpose:

This Guideline of the Department of Energy Resources (“Department”) provides the eligibility criteria, processes, and procedures for Solar Tariff Generation Units (STGUs) to qualify as Community Shared Solar Tariff Generation Units (CSS) and Low Income Community Shared Solar Tariff Generation Units (LICSS) by participating in a program through which electricity or bill credits are allocated through a municipal load aggregation program established pursuant to M.G.L. c. 164, § 134, or through a low income community shared solar program established and administered by a Distribution Company (EDC), pursuant to 225 C.M.R. 20.06(1)(f)4 (collectively “Alternative CSS/LICSS Program”).¹ A Solar Tariff Generation Unit (STGU) seeking to qualify as a CSS or LICSS using an Alternative CSS/LICSS Program must meet the requirements within this guideline and all other applicable regulatory requirements.² Unless noted otherwise, all capitalized terms are defined in 225 C.M.R 20.00.

2) Eligibility Requirements for Participation in an Alternative CSS/LICSS Program Established Through A Municipal Aggregation:

¹ Alternative CSS/LICSS is not a term defined in 220 CMR 20.00 et al.

² DOER **will not issue** pre-determination decisions on alternative programs as described in (1) and (2) below, until the Department of Public Utilities issues a determination in SMART Tariff proceeding (DPU 20-145) on alternative CSS/LICSS programs established through a municipal aggregation and alternative CSS/LICSS programs established by a distribution company. (See DPU 20-145-A *INTERLOCUTORY ORDER ON SCOPE OF PROCEEDING* at 14). Please note this suspension on reviews is not applicable to existing qualified capacity (or existing low income program(s)).

This Guideline provides information to interested applicants on how to qualify a STGU as an eligible CSS or LICSS using the structure of a municipal aggregation. This Guideline is not meant to replace or supersede any statutory or regulatory requirements established for the creation and operation of any municipal load aggregation.

a) Pre-Determination Letter

The final determination of a STGU's eligibility to qualify for the CSS or LICSS adder by participating in an Alternative CSS/LICSS Program as a CSS or LICSS is contained in a Statement of Qualification. In order for the applicant to demonstrate that the Department has reviewed and approved an Alternative CSS/LICSS Program, a pre-determination letter will need to be included with a Statement of Qualification Application. Applicants seeking to obtain a pre-determination letter from the Department should submit their request to DOER.SMART@mass.gov with information showing how they will satisfy the requirements outlined in this Guideline.

b) Enrollment Process

The Alternative CSS/LICSS Program must use an enrollment process consistent with M.G.L. c. 164, § 134 and any requirements established by the Department of Public Utilities. During the enrollment process, customers must be provided with the following information regarding participation in a CSS/LICSS program:

- i. An example of potential savings that will be delivered to the customer through their participation in the program consistent with the *Guideline Regarding Consumer Protection*, and the *Guideline Regarding Low Income Generation Units*;
- ii. Clear and understandable information regarding the electricity rate or value of anticipated credits associated with participation in the LICSS or CSS system;
- iii. A statement explaining the claims participating customers may make, primarily that they will: (1) support solar development through enrollment in the program, and (2) increase the amount of solar energy consumed by all electric ratepayers in the Commonwealth. This statement should also explain the settling of Renewable Energy Credits ("RECs"), and how REC ownership impacts the ability to make any claims to using solar energy.

c) Off-taker Information Requirements

The applicant must provide the following off-taker information to the Department:

- i. A list of customers and the amount of electricity or bill credits being allocated to each customer;
- ii. Demonstration that the electricity or bill credits are allocated to each customer on a monthly basis based on STGU production;
- iii. Identify which customers are eligible Low Income Customers, if applicable.; and.
- iv. Demonstration that no individual Low Income Customer is receiving a benefit from more than one of an applicant's alternative CSS/LICSS STGU at one time.

Off-taker lists must be provided to demonstrate that the number of participants is consistent with the definition of Low Income Community Shared Solar Generation Unit or Community Share Solar Generation Unit established in 225 CMR 20.02, as well as the requirement for serving distinct legal entities in 225 CMR 20.06(1)(f)3 and 225 CMR 20.06(1)(h)3. Pursuant to the requirements in 225 CMR 20.06(1)(f)2, the applicant must provide an updated list of off-takers to the Department by December 31st of each year.

d) Municipal Load Aggregation Plan

Applicants must demonstrate to the Department that the proposed CSS/LICSS program is consistent with the CSS/LICSS program included in a municipality's or municipal aggregator's municipal load aggregation plan approved by the Department of Public Utilities.³ Further, the CSS/LICSS program must comply with any relevant Department and Department of Public Utilities directives related to CSS/LICSS and municipal aggregation programs.

e) Solar Tariff Generation Unit Eligibility

Applicants must provide the Department documentation demonstrating how the STGU will remain eligible for the 20-year tariff term. Documentation could include, but is not limited to, the following:

- i. A contract between the municipality or municipal aggregator and the Owner of an STGU, including the municipality's or municipal aggregator's commitment to provide the CSS/LICSS rate; or
- ii. A contract between the municipality or aggregator and the Owner of an STGU, outlining how a portion of incentive payments made to the STGU will be passed onto participating municipal aggregation customers. If the documentation provided does not cover the complete 20-year tariff term, the applicant will be required to update DOER at least six months prior to the end of the current contract term on renewal plans, in order to remain eligible.

3) Eligibility Requirements for Participation in an Alternative CSS/LICSS Program Established by A Distribution Company

This Guideline is meant to provide information on how a STGU may qualify as a CSS or LICSS through a program established by a participating EDC. This Guideline is not meant to replace or supersede any other regulatory requirements for the establishment of such a program.

a) Pre-Determination Letter

The final determination of a STGU's eligibility to qualify for the CSS or LICSS adder by participating in an Alternative CSS/LICSS Program is contained in a Statement of

³ Pursuant to M.G.L. c. 164, § 134.

Qualification. The Department will review proposed program designs submitted by applicants and provide approval of a program in a pre-determination letter. Applicants seeking to obtain a pre-determination letter from the Department should submit their request to DOER.SMART@mass.gov, with information showing how they will satisfy the requirements outlined in this Guideline.

b) Enrollment Process

The Alternative CSS/LICSS Program must use an enrollment process consistent with requirements established by the Department of Public Utilities. In addition to the information about the enrollment process, customers must be provided with the following information regarding participation in a CSS/LICSS program:

- i. An example of potential savings that will be delivered to the customer through their participation in the program consistent with the *Guideline Regarding Consumer Protection*, and the *Guideline Regarding Low Income Generation Units*;
- ii. Clear and understandable information regarding the electricity rate or value of anticipated credits associated with the LICSS or CSS system; and
- iii. A statement indicating the participating customer will: (1) support solar development through its enrollment in the program; (2) increase the amount of solar energy consumed by all electric ratepayers in the Commonwealth through its participation in the program; and (3) not use solar power as a result of its participation in the program to include an explanatory statement of the CSS or LICSS transaction and the settling of renewable energy credits (“RECs”).

c) Off-taker Information Requirements

The applicant must provide the following off-taker information to the Department:

- i. A list of customers and the amount of electricity or bill credits being allocated to each customer;
- ii. Demonstration that the electricity or bill credits are allocated to each customer on a monthly basis based on STGU production;
- iii. Identify which customers are eligible Low Income Customers, if applicable; and
- iv. Demonstration that no individual Low Income Customer is receiving a benefit from more than one of an applicant’s alternative CSS/LICSS STGU at one time.

Off-taker lists must be provided to demonstrate that the number of participants is consistent with the definition of Low Income Community Shared Solar Generation Unit or Community Shared Solar Generation Unit established in in 225 CMR 20.02, as well as the requirement for serving distinct legal entities in 225 CMR 20.06(1)(f)3 and 225 CMR 20.06(1)(h)3. Pursuant to the requirements in 225 C.M.R. 20.06(1)(f)2, the applicant must provide an updated list of off-takers to the Department by December 31st of each year.

d) Eligibility

Applicants must provide the Department documentation demonstrating how the system will remain eligible for the 20-year tariff term. Documentation could include, but is not limited to, an award for an EDC's run RFP. If the documentation provided does not cover the complete 20-year tariff term, the applicant will be required to update DOER at least six months prior to the end of the current contract term on renewal plans, in order to remain eligible.