



VIA ELECTRONIC FILING

October 31, 2025

Commissioner Elizabeth Mahony
Massachusetts Department of Energy Resources
100 Cambridge St., 9th Floor
Boston, MA 02114

SMART 3 Draft Program Year 2026 Annual Report – BlueWave Comments

Dear Commissioner Mahony:

BlueWave appreciates the opportunity to provide these comments to the Department of Energy Resources (“DOER”) in response to the SMART 3 draft Annual Report for Program Year 2026.

BlueWave's mission is to protect our planet by transforming access to renewable energy. BlueWave has been developing solar projects in Massachusetts for over a decade. We are proud to be a certified B Corp, scoring in the top 5% of companies assessed towards certification in Governance, and named Best for the World for Governance.

BlueWave supports the comments filed by the Clean Energy Group regarding the draft 2026 rates. We recognize that this is the first instance of using the modeling framework to set the annual SMART rates and we hope that, in future years, the modeling framework will incorporate this feedback to become more streamlined. For 2026, we urge DOER to carefully consider the modeling results presented in the Clean Energy Group’s comments to ensure that there are not dramatic swings in Base Compensation Rates between when SMART 3 opened in October 2025 and the first full program year beginning in January 2026. This is a critical time in the implementation of the SMART 3 Program and program participants need to have confidence that the program rates will remain relatively stable and will only be modified based on market changes; there have not been the types of market changes in recent months that would result in significant Base Compensation Rate decreases. The analysis conducted by SEA and presented by the Clean Energy Group is based on cost inputs that were collected in the last several months and accurately captures the impacts of federal changes and supply chain impacts that have occurred this year. Due to the meaningful discrepancies between the modeling results used to set the proposed Program Year 2026 Base Compensation Rates in the draft Annual Report and the results of the SEA analysis, along with the reality that there have not been significant market changes between Program Years 2025 and 2026, we urge DOER to hold 2026 Base Compensation Rates at or above 2025 levels.

BlueWave is also concerned that the energy storage adder is not sufficient to overcome the significant headwinds being imposed by the federal government. Tariffs, and their inconsistent application, have challenged project development. Perhaps more importantly, Foreign Entity of Concern (“FEOC”) restrictions may apply to projects participating in SMART Program Year 2026, even if the solar portion of the project has been safe harbored. This could significantly limit the universe of eligible energy storage suppliers for SMART projects, driving up costs for FEOC compliance or rendering developers unable to secure FEOC-compliant supply, risking ITC eligibility or driving up procurement costs. A constantly shifting federal policy environment makes it challenging to appropriately set an energy storage adder and, as such, we encourage DOER to keep an open line of

communication with developers regarding FEOC challenges to inform adder amounts and to address potential market-wide challenges procuring energy storage. In the short term, we support the Clean Energy Group's recommendation to set the energy storage adder at SMART 2.0 Tranche 1 levels.

Thank you for the opportunity to provide these comments. BlueWave looks forward to continuing our engagement in this process. Please contact me if you have any questions.

Sincerely,

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