

# Resonant Energy SMART 3 Program Year 2026 Report

## Public Comments

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### EXPRESSION OF SUPPORT

1. **Low Income Property Offtake Adder:** We appreciate and support the increase to the Low-Income Property Owner Base Compensation Rate Adder from \$0.04/kWh to \$0.05/kWh, as it strengthens the financial feasibility of projects serving low-income properties and directly incentivizes partnerships with property owners who can deliver long-term community benefits. However, we believe this Adder should be increased further to offset the reduction in Base Compensation rates in the 25-250 kW size range as detailed in Section 2 below.
2. **Community Solar Offtaker Adder.** We commend the option to qualify for the Community Shared Offtaker Adder by allocating 15% of output to LI Customers at no cost. This will improve market efficiency.

### PROPOSED MODIFICATIONS

1. **Base Compensation Rates.** The proposed 8–10% reduction to the 2025 SMART 3.0 Base Compensation Rates for 2026 should be reconsidered. The 2025 rates have only been in effect for about 2.5 months since the program opened on October 16, 2025, giving customers little time to use them. Solar development across the country is facing challenges as project financing conditions have tightened in recent years due to rising interest rates, increased volatility in supply chain and equipment costs. Most importantly, the federal tax credit is becoming more difficult to access and will be eliminated for new projects in July, 2026. The end of the 30% - 70% federal solar tax credit for solar is creating an enormous financial challenge that threatens continued solar development throughout the country, including in Massachusetts. Maintaining 2025 rate levels for 2026 would provide the predictability needed to sustain Massachusetts's clean energy

growth and protect the many projects already in development under current assumptions.

STGU Capacity	2025 Base Compensation Rate (\$ per kWh)	2026 Draft Report Base Compensation Rate (\$ per kWh)	Annual change
>25 and ≤250 kW AC	\$0.2821	\$0.2539	10.0%
>250 and ≤500 kW AC	\$0.2482	\$0.2234	10.0%
>500 and ≤1,000 kW AC	\$0.2113	\$0.1931	8.6%
>1,000 and ≤5,000 kW AC	\$0.1729	\$0.1556	10.0%

2. **Low Income Property Offtaker Adder Increase.** To the extent that Base Compensation rates in the 25-250 kW size range are reduced in 2026 by any amount, we recommend that this amount be made up in full for affordable housing through a proportionate increase to the Low-Income Property Owner adder. For example, from the values above, this adder should be increased by \$0.03/kWh instead of \$0.01/kWh. We understand that the DOER's intent is to use 2026 Program Year SMART rates to help offset the loss of federal tax credits; affordable housing providers generally qualified for 50% federal tax credits due to Low Income Communities Bonus Tax Credits, and so are disproportionately affected by the revocation of tax credits compared to customers who received 30% tax credits, hence the need for a proportionate increase to this SMART adder.
  
3. **Minimum SMART Incentive > 25 kW-DC.** Even at the 2025 SMART incentive Base Compensation Rates, rooftop 25-250 kW-DC projects on a non-demand (e.g. G1) rate class without offtaker adders, e.g., for a church or community center, are already in 2025 close to the point where SMART participation doesn't make sense when the incentive drops below ~\$0.03/kWh. With the 2026 proposed Base Compensation Rate drop and the anticipated continued upward trend for VoE, all of these projects would be incentivized to not participate in SMART and instead sell RECs. To ensure that all projects are reasonably incentivized to participate in SMART over RECs, we strongly suggest adopting a minimum of \$0.03/kWh for the incentive value, at least for projects 25-250 kW-DC, if not simply for all projects > 25 kW-AC.

4. **Raised Racking Adder.** The cost of raised racking equipment and associated labor remains high; increasing the adder to \$0.07/kWh would significantly improve project feasibility and help accelerate adoption of this installation method. To justify this higher incentive, we recommend including more specific guidance about the height of the racking, e.g., stating that the minimum height of all solar panels must be at least 3' above the surface of the roof.

2025 Base Compensation Rate (\$ per kWh)	2026 <i>Proposed</i> Base Compensation Rate (\$ per kWh)
\$0.04	\$0.07

Additionally, the DOER should specify that the \$0.08/kWh Canopy Adder applies to taller canopy systems mounted on buildings that preserve the use of the roof space beneath the canopy. Absent these changes, we doubt that the Raised Racking Adder or Canopy Adder will meaningfully drive adoption of systems that are elevated to avoid roof obstructions, and the incentives will fail to resolve their intended market barriers.

5. **Community Shared STGUs.** The current bill credit restriction for anchor offtakers on community shared solar projects above 100 kW AC creates structural challenges that complicate project financing across both program pathways. Whether 40% of project output is sold to Low Income Customers or 15% is donated to them at no cost, the 50% cap on anchor allocations leaves an inefficient remainder that must be directed to market-rate participants — 10% in the first pathway and 35% in the second. Allowing anchors to receive the full remaining project capacity — up to 60% in the 40% low-income sales pathway, or 85% of the remaining output in the donation pathway — would create a more financially tenable structure while maintaining the program's commitment to equitable access and meaningful low-income participation. In order to encourage participation in the 40% low-income sales pathway and expand the number of low-income households able to benefit from CSS, we recommend reducing the required discount from 40% to 30%. Without this change, we expect most or all developers to opt for the easier 15% donation pathway instead, which would create deeper benefits, but for fewer LI Customers.