

October 31, 2025

VIA EMAIL DOER.SMART@mass.gov

Massachusetts Department of Energy Resources
100 Cambridge St., 9th Floor
Boston, MA 02114
ATTN: Grace Fletcher – SMART Program Manager

RE: Solar Collective Agrivoltaics; PY26 Annual Report Public Comment

Dear Ms. Fletcher:

On August 28th, 2025, the Massachusetts Department of Energy Resources (“DOER”) filed final regulations for the SMART 3.0 Program with the Secretary of State's Office -- 225 CMR 28.00 (“SMART 3.0 Regulations”).¹

On October 1, 2025, DOER issued a draft SMART Annual Program Year Report for Program Year 2026 (“Draft Report”) in accordance with 225 CMR 28.05. After reviewing public comments, DOER will publish the final version of the Program Year 2026 Report on December 1, 2025, establishing the SMART 3.0 components for 2026. On behalf of Solar Collective, LLC d/b/a Solar Collective Agrivoltaics (“SC Agrivoltaics”), please see the following comments.

I. BACKGROUND

SC Agrivoltaics appreciates the opportunity to submit comments on the Draft Report and thanks DOER Staff for the hard work and thought that has informed the Draft Report.

SC Agrivoltaics originates, develops, and owns/operates dual-use solar projects on farmland in Massachusetts and other states. SC Agrivoltaics caps its project size at 500 kW AC on 3.5 acres to preserve the natural landscape while maximizing income for the farmer. SC Agrivoltaics’ Massachusetts portfolio includes more than 50 projects in active development -- from cranberry bogs in Southeastern Massachusetts to dairy operations in the Berkshires.

II. COMMENTS

“Governor Healey to Solar Industry: Massachusetts is Open for Business”²

¹ The SMART 3.0 Regulations became effective upon publication in the Massachusetts Register on September 12, 2025.

² Press Release, Governor Maura Healey and Lt. Governor Kim Driscoll and Executive Office of Energy and Environmental Affairs, Governor Healey to Solar Industry: Massachusetts is Open for Business (September 29,

The above is the title of a recent press release issued by Governor Maura Healey, Lieutenant Governor Kim Driscoll and the Executive Office of Energy and Environmental Affairs describing the “Solar Summit” the Healey Administration recently hosted. The Governor convened the summit to hear how the Commonwealth “*can continue to harness the potential of solar to lower costs and attract investment to Massachusetts*” and to “*discuss possible state actions to support the solar industry.*”³ At the Solar Summit, Governor Healey emphasized that “*solar is the cheapest and fastest way we can bring more energy into Massachusetts right now.*”⁴ Similarly, Energy and Environmental Affairs Secretary Rebecca Tepper stated that “[s]olar is a lynchpin of Massachusetts’ all of the above approach to energy.”^{5,6} Secretary Tepper has also stated, in response to the federal government’s withdrawal of support for renewable energy, that “[w]e need all the megawatt hours that we can get from solar and wind,” as “[s]olar is the cheapest and fastest way for us to bring energy into the state.”⁷

However, as described below, certain of the Draft Report’s components do not align with the clear policy priorities articulated by Governor Healey and Secretary Tepper. While the Governor and Secretary have repeatedly emphasized the urgent need to accelerate solar deployment as the “cheapest and fastest” means of meeting Massachusetts’ energy needs, the Draft Report imposes certain limitations that risk impeding solar growth in Massachusetts at this critical time.

A. Base Compensation Rates Should Remain Unchanged for Program Year 2026

The Draft Report reduces Base Compensation Rates across the board from Program Year 2025. In the >250 and ≤500 kW STGU category -- which includes nearly all of SC Agrivoltaics projects -- the Base Compensation Rate drops from 0.2482 in Program Year 2025 to 0.2234, a reduction of \$0.0248/kWh, or approximately 10%.⁸ By comparison, the annual reduction in compensation rate

2025), <https://www.mass.gov/news/governor-healey-to-solar-industry-massachusetts-is-open-for-business> (“September 29 Press Release”). (last visited October 27, 2025)

³ September 29 Press Release.

⁴ September 29 Press Release.

⁵ September 29 Press Release.

⁶ See also, Press Release, Executive Office of Energy and Environmental Affairs, Healey-Driscoll Administration Appoints New DPU Commissioners Focused on Lowering Costs and Increasing Energy Supply (August 26, 2025) (“*As the federal government tries to take energy sources off the table and hikes up customer bills, Massachusetts needs to focus on two things: more supply and lower costs,*” said Governor Maura Healey.”), <https://www.mass.gov/news/healey-driscoll-administration-appoints-new-dpu-commissioners-focused-on-lowering-costs-and-increasing-energy-supply> (last visited October 27, 2025)

⁷ See Yoge Toby, Massachusetts Braces for Clean Energy Layoffs Amid Trump’s Cuts, BOSTON GLOBE (July 20, 2025) https://www.bostonglobe.com/2025/07/20/business/trump-inflation-reduction-act-wind-solar-massachusetts-new-leaf/?p1=BGSearch_Advanced_Results (last visited October 27, 2025)

⁸ This results in a 30% lease rate reduction (on a per acre basis) to SC Agrivoltaics farmers for a 500kW AC/700kW DC/3.5 acre project, inclusive of the Dual-use Agricultural adder, all else held equal.

under SMART 2.0 was approximately 4%. In fact, SC Agrivoltaics used a 4% annual reduction rate in its ran sensitivity analyses during SMART 2.0. The proposed 10% reduction in the Base compensation Rate from Program Year 2025 is therefore 2.5 times higher than the annual reduction rate in SMART 2.0.

This is significant because SMART 3.0 was specifically designed to be more responsive and flexible to solar market conditions than the static declining block approach of SMART 2.0, with its yearly setting of a Program Year's components. Simply put, during the SMART 3.0 programmatic review, stakeholders did not anticipate that Base Compensation Rates in the first full year of SMART 3.0 would be reduced by a greater percentage than under SMART 2.0 -- especially since, as discussed below, these reductions are not justified by current market conditions.

The Draft Report states that the proposed Base Compensation Rates are based on a survey of solar installers and developers in Massachusetts. However, recent market factors --including higher interest rates, increased prices due to tariffs, the expiration of the ITC, and general economic uncertainty -- have significantly raised the cost of developing solar projects in Massachusetts. Most of these challenges have emerged within the past year and are expected to have the greatest impact on upcoming projects. Because cost surveys rely on historical data, they do not reflect these recent changes, which may result in compensation rates lagging behind actual development expenses and jeopardizing program sustainability. Given the rapid shifts in market conditions and federal policy, DOER should not rely on outdated benchmarks when setting Program Year 2026 Base Compensation Rates.

Finally, the proposed Base Compensation Rate reduction so soon after the launch of SMART 3.0 is entirely inconsistent with the Healey administration's strong commitment to increasing solar deployment in the Commonwealth and supporting solar developers in response to the federal government's recent actions against solar energy, as described at the beginning of Section II. DOER Commissioner Elizabeth Mahony has specifically stated that state "policymakers had taken the federal government's hostile approach to clean energy into account" in creating the SMART 3.0 Program.⁹ Acknowledging the "hard times" currently facing the solar industry, Commissioner Mahony emphasized that "[w]e want to do everything we can for the next couple of years to be there for them."¹⁰

For the reasons set forth above, SC Agrivoltaics respectfully submits that in order to "be there" for the solar industry amid rapidly changing market conditions and a hostile federal environment, Base Compensation Rates should not be reduced so soon after the commencement of SMART 3.0 (the truncated 2025 Program Year did not provide projects with enough time to be in development position

⁹ Yoge Toby, Massachusetts Braces for Clean Energy Layoffs Amid Trump's Cuts, BOSTON GLOBE (July 20, 2025) https://www.bostonglobe.com/2025/07/20/business/trump-inflation-reduction-act-wind-solar-massachusetts-new-leaf/?p1=BGSearch_Advanced_Results (last visited October 27, 2025)

¹⁰ Yoge Toby, Massachusetts Braces for Clean Energy Layoffs Amid Trump's Cuts, BOSTON GLOBE (July 20, 2025) https://www.bostonglobe.com/2025/07/20/business/trump-inflation-reduction-act-wind-solar-massachusetts-new-leaf/?p1=BGSearch_Advanced_Results (last visited October 27, 2025)

to take advantage of the rates in that Program Year). Instead, DOER should maintain the Program Year 2025 Base Compensation Rates for Program Year 2026.

B. The Annual Capacity Block Should be Greater Than 450 MW

Under 225 CMR 28.05(3), DOER has discretion to set a Program Year's¹¹ available Annual Capacity Block.¹² On August 29, 2025, DOER set the Capacity Block for Program Year 2025 (October 15 through December 31, 2025) at 900 MW. 225 CMR 28.05(1)(a) states that in setting a Program Year's Capacity Block, DOER must consider, among other factors, "the Commonwealth's progress toward achieving the statewide greenhouse gas emissions limits..." DOER is well aware that the Commonwealth has fallen behind on such progress. The record evidence in the Department of Public Utilities' ("Department") Electric Sector Modernization Plan dockets demonstrate that renewable energy interconnection in the Commonwealth has come to a virtual standstill, as substation hosting capacity has been exhausted, leading to backlogged interconnection queues.¹³ At the same time, the declining block structure of SMART 2.0 resulted in projects losing financial viability.

SMART 3.0 and Program Year 2025's 900 MW Capacity Block and rate structure represents a significant change that has begun to provide a fruitful and highly functional market that has attracted investors/developers and incentives landowners and farmers to actively participate, thereby starting to put the Commonwealth back on course to meet its greenhouse gas reduction mandates. Further, the level of certainty and standardization that was implemented in the Program Year 2025 allows for a scale and an efficiency that is essential for the success of (small scale) solar projects (in particular, agrivoltaic projects) given the headwinds faced by renewable energy from Washington. However, Program Year 2025 is only in effect for a little more than two months¹⁴ -- a time period that is simply too short for many projects to timely take advantage of the 900 MW Capacity Block.

Moreover, the Draft Report states that "it is critical to ensure there is sufficient capacity available under the SMART Program to capture all projects that can meet the federal criteria to retain Investment Tax Credit eligibility..."¹⁵ SC Agrivoltaics agrees with this proposition and shares its sense of urgency. Indeed, DOER cited ITC eligibility as the rationale for establishing the 900 MW Annual Capacity Block for Program Year 2025.¹⁶ However, capping the Program Year 2026 Capacity

¹¹ Capitalized terms not defined herein shall have the same meaning as they do in the SMART 3.0 Regulations.

¹² Under the SMART 3.0 Regulations, the Annual Capacity Block is a quantity of STGU capacity that is entitled to in a given Program Year.

¹³ *Electric Sector Modernization Plans*, D.P.U. 24-10/D.P.U. 24-11/D.P.U. 24-12 (August 29, 2024) ("ESMP Order"). The Department stated that stalled DER development limits the Commonwealth's ability to achieve its decarbonization mandates. ESMP Order at 342. DOER is an intervenor in these proceedings.

¹⁴ While DOER issued a SMART 3.0 Straw Proposal in June of 2024, pursuing development and attracting firm financing in 2024 and 2025 before DOER formally established SMART 3.0 through filed regulations was difficult as the risks were too great.

¹⁵ Draft Report at 5-6.

¹⁶ Annual Program Year Report: Program Year 2025 at 5 ("*The pending phase-out of federal Investment Tax Credits for solar projects that do not reach certain construction or investment milestones prior to July 2026 require adjustments to SMART 3.0. To ensure there is sufficient capacity available under the SMART program to capture all*

Block at 450 MW is inconsistent with such urgency, especially given that the 900 MW cap for Program Year 2025 is not expected to be reached due to the shortened Program Year.

Accordingly, If DOER wishes to ensure that all projects eligible for the investment tax credit (“ITC”) can participate in Program Year 2026, it should set the Capacity Block allocation at a sufficiently high level. This will (i) ensure that no eligible project is excluded from SMART qualification due to the sudden 50% Capacity Block reduction implemented two months after the launch of SMART 3.0, and (ii) support the Commonwealth’s continued progress toward meeting its statewide greenhouse gas emissions limits.

Thank you for your consideration and commitment to expanding solar deployment in the Commonwealth.

SOLAR COLLECTIVE, LLC

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projects that can meet the federal criteria to retain Investment Tax Credit eligibility, thus saving ratepayer dollars, DOER established a 900 MW capacity block for Program Year 2025.”)