

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

**SOLAR MASSACHUSETTS RENEWABLE TARGET PROGRAM
(225 CMR 28.00)
GUIDELINE**

Guideline Regarding Community Shared Solar Tariff Generation Units

1) Background and 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 (CSS) Tariff Generation Units under 225 CMR 28.00, including the requirements of 225 CMR 28.07(5)(c)1. It also outlines procedures for projects seeking to qualify through Alternative CSS Programs, including those established through municipal load aggregation or administered by Electric Distribution Companies (EDCs).

All capitalized terms used in this Guideline are defined in 225 CMR 28.02.

2) General Eligibility Requirements for CSS STGUs:

a) Low-Income Customer Participation Requirements

To qualify as a CSS STGU, a system shall:

- i. allocate at least 40% of the total electricity or Bill Credits it produces to Low Income Customers OR
- ii. allocate at least 15% of the total electricity or Bill Credits it produces to Low Income Customers at no cost to the Low Income Customers.

See Section 3) for further information on low-income participation requirements through Alternative CSS Programs.

b) Guaranteed Discount Requirements

All participating customers on a residential rate class shall receive guaranteed discounts through their enrollment. For STGUs qualifying through the eligibility pathway outlined in Section 2)a)i.:

- i. Low Income Customers shall receive at least a 40% discount on the value of allocated Bill Credits, and
- ii. All other customers on a residential rate class shall receive at least a 20% discount on the value of allocated Bill Credits.

For STGUs qualifying through the eligibility pathway outlined in Section 2)a)ii.:

- i. Low Income Customers shall receive a 100% discount on the value of allocated Bill Credits, and
- ii. All other customers on a residential rate class shall receive at least a 20% discount

on the value of allocated Bill Credits.

The Department may review individual customer contracts to ensure compliance with these requirements. See Section 3) for further information on discount provisions through Alternative CSS Programs.

c) Customer Disclosure Form Requirements

The Owner or Authorized Agent of a CSS STGU shall submit a completed customer disclosure form for each Customer of Record, pursuant to 225 CMR 28.12(4). These forms shall be submitted as part of the Statement of Qualification Application and shall be signed either via wet signature or using an approved electronic signature method. For any new Customers of Record who begin participation after the initial application, updated disclosure forms shall be submitted by December 31 of the year in which the forms are signed.

Certain exemptions to the disclosure form requirement apply. Participants who receive Bill Credits in excess of those associated with the annual production of 25 kW (“anchor off-takers”) are not subject to the disclosure form requirement. See Section 3) for further information on exceptions under Alternative CSS Programs.

In addition, the Owner or Authorized Agent of a CSS STGU shall submit an updated customer disclosure form to the Department for any increase or decrease in size of more than 25% for a Customer of Record.

d) Bill Credit Allocation Requirements

All CSS STGUs shall assign at least 90% of electricity or Bill Credits or in the case of an Alternative Community Shared Solar Program, energy cost savings to valid and active utility accounts by the Incentive Payment Effective Date. For STGUs with a capacity of 100 kW or greater, no more than two participants may receive Bill Credits corresponding to production above 25 kW of nameplate capacity each. The combined capacity allocated to such participants shall not exceed 50% of the total capacity of the STGU.

3) Additional Eligibility Requirements for Participation in an Alternative CSS Program

Alternative CSS Programs include both municipal aggregation programs and programs established and administered by Electric Distribution Companies. These programs are subject to unique provisions that differ from the general requirements applicable to traditional CSS projects.

a) Low-Income Customer Participation Requirements

STGUs qualifying through an Alternative CSS Program shall allocate 100% of electricity, energy cost savings, or Bill Credits to Low Income Customers. Allocation may be made directly to customer accounts or through a mechanism that guarantees the full value reaches eligible customers.

b) Guaranteed Discount Requirements

STGUs qualifying through an Alternative CSS Program shall allocate to the Low Income Customers an aggregate annual value equal to:

(30 percent of the average annual AOBC value of the STGU) X (total annual kWh generated by the STGU)

The *average annual AOBC value of the STGU* shall be equal to the average of (a) the 6-month basic service fixed-rate kWh charge at the date of the STGU's Statement of Qualification Application for the rate class and Distribution Company of the STGU and (b) the basic service fixed-rate kWh charge in the previous 6-month term prior to the date of the STGU's Statement of Qualification Application for the rate class and Distribution Company of the STGU.

Example

- STGU generates 5,000,000 kWh per year
- STGU is on a G-1 rate class as of 10/15/25 in the National Grid service territory with a current fixed-rate basic service kWh charge of \$0.14411 and a previous fixed-rate basic service kWh charge of \$0.13409
- The STGU's average annual AOBC value is \$0.13910
- 30% of AOBC value of \$0.13910 = \$0.041730
- Value to be allocated = \$0.041730 X 5,000,000 kWh = **\$208,650**

c) Customer Disclosure and Education Requirements for Municipal Load Aggregation Programs

For STGUs qualifying through a Municipal Load Aggregation Program, the Owner or Authorized Agent may be exempt from the standard customer disclosure form requirements. However, the applicant must demonstrate that customers receive clear and understandable materials explaining:

- The rate or value of anticipated savings,
- A description of the solar benefits offered,
- That participation supports new solar development in Massachusetts,
- That participants do not own RECs and therefore may not claim direct use of solar energy.

These materials must be shared in advance of participation. The Department reserves the right to request such materials during review or post-approval monitoring.

d) Predetermination Requirement for Municipal Load Aggregation Programs

All STGUs qualifying through a Municipal Load Aggregation Program shall obtain a Predetermination Letter from the Department prior to submitting a Statement of Qualification Application. The request should be submitted to DOER.SMART@mass.gov and shall include:

- A narrative explaining the program structure,
- Customer-facing materials and draft disclosures,

- Proposed off-taker structure and allocation method,
- Any relevant contracts or support documents showing compliance with 225 CMR 28.07(5)(c)1.

The Department will review submitted materials and may issue an approval letter of eligibility or a conditional letter identifying required changes.

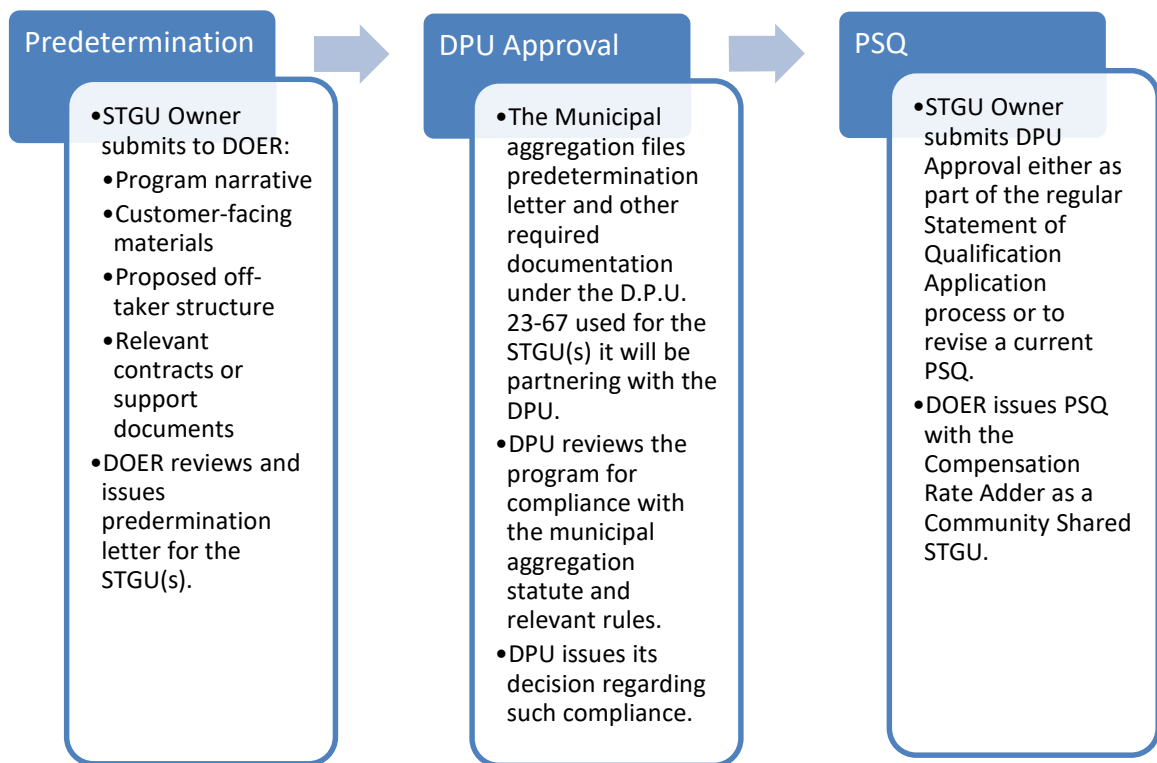
e) Documentation Requirements for Municipal Load Aggregation Programs

Applicants seeking to qualify through a municipal load aggregation shall demonstrate that the CSS offering is included in a Department of Public Utilities-approved municipal aggregation plan pursuant to M.G.L. c. 164, § 134. The program shall comply with applicable enrollment requirements and shall provide documentation to demonstrate that each participating Low Income Customer will receive information on participation terms, including the amount of annual anticipated savings and how it will be provided to participating Low Income Customers.

Applicants shall further provide:

- A list of participating customers,
- Documentation of monthly allocation amounts based on actual STGU production,
- An annual off-taker update submitted to the Department by December 31,

Applicants shall also demonstrate how the STGU will remain eligible over the full 20-year tariff term. Acceptable documentation may include a contract between the STGU Owner and the municipality and/or municipal aggregator describing the structure of benefits. If the contract does not span the full term, an update shall be submitted at least six months prior to expiration.



f) Documentation Requirements for Distribution Company-Administered Alternative CSS Programs

Applicants seeking to qualify through a Distribution Company-administered Alternative CSS Program shall comply with enrollment and informational requirements established by the DPU. Additionally, Applicants and Distribution Companies shall comply with the below requirements as applicable.

i. Customer Facing Documentation for Distribution Company-Administered Alternative CSS Programs

Distribution Companies shall share all customer facing documentation concerning Distribution Company-Administered Programs under 225 CMR 28.00 for Department review prior to sharing with customers. All customer facing documentation shall comply with all applicable consumer protection requirements under 225 CMR 28.12(1), (2), and (7)(iii.)-(ix.)

ii. Final Statement of Qualification Documentation Requirements

In addition to all required documentation under 225 CMR 28.07, Applicants seeking a Final Statement of Qualification to qualify under a Distribution Company-Administered Alternative CSS Program shall provide proof of the Applicant's enrollment in the Distribution Company-administered Alternative CSS Program.

Prior to the issuance of a Final Statement of Qualification for a Distribution Company-Administered Alternative CSS STGU, the applicable Distribution Company shall provide the following documentation to DOER:

- All customer-facing documentation;
- A list of off-takers and their allocation amounts for the STGU; and
- Applicable Renewable Energy Certificate terms.

iii. Annual Reporting Requirements for Distribution Company-Administered Programs

Annually by December 31, Distribution Companies will be responsible for providing the following information to the Department:

- Number of low-income customers enrolled in a participating STGU facility at the time of filing;
- Annual historical usage of participating low-income customers, in kWh;
- Estimated cents-per-kWh reduction on bills of participating low-income customers resulting from passthrough of SMART funds;
- Monthly bill savings for participating low-income customers;
- SMART funds retained by the Distribution Company, in cents-per-kWh and projected total dollars, to cover the costs it incurs to administer its program; and
- if the Company is not meeting its annual target for participating customers, a supporting explanation by the Company.