

July 7, 2025

BY ELECTRONIC MAIL

Grace Fletcher
SMART Program Manager
Department of Energy Resources
100 Cambridge Street, 9th Floor
Boston, MA 02114

Re: SMART 3.0 Public Comment

Dear Grace Fletcher:

Arcadia provides the enclosed recommendations and comments for consideration by DOER Staff as they consider revisions to the emergency rulemaking effective June 20th, 2025 regarding the Solar Massachusetts Renewable Target (SMART) program (225 CMR 28.00) and (225 C.M.R. 20.00).

If you have any questions, please do not hesitate to contact me.

Respectfully submitted on July 7, 2025,

/s/James Feinstein

James Feinstein
Vice President, Policy
Perch Energy/ Arcadia Power, Inc.
867 Boylston St
5th Fl #1597
Boston, MA 02116
james.feinstein@arcadia.com
(202) 999-8916

I. INTRODUCTION

In these comments, Perch Energy/ Arcadia Power¹ (“Arcadia” or the “Company”) commends Department of Energy Resources (the “Department” or “DOER”) staff for their commendable work establishing quality program rules and recommends revisions to further improve the program.

II. BACKGROUND OF ARCADIA

Arcadia is building the software necessary for everyone in Massachusetts to realize the full benefits of clean energy. Today, customers face a bewildering assortment of energy technologies – ranging from energy efficiency and renewable energy offerings to battery storage and electric vehicles – all of which have unique capabilities, costs, and user experiences. Arcadia’s software makes it possible for energy technology providers to delight their customers and move clean energy forward by enabling simple user experiences that save people money. Arcadia’s software has beneficially served the community solar industry since 2018. Arcadia currently manages more than 300,000 subscribers across 3 gigawatts of project capacity in thirteen states and the District of Columbia -- making it the largest manager of community solar subscribers in the United States.

Arcadia is active in Massachusetts, where it currently manages 125 MW across 50 projects and has a robust pipeline of projects in development. The quality and effectiveness of the SMART Program has enabled the deployment of significant community solar assets that are benefiting customers across the Commonwealth.

While the thoughtfulness and quality of the existing program have benefited many customers, Arcadia believes there are opportunities for improvement as the industry has evolved. Arcadia respectfully submits the following recommendations and comments to DOER.

III. COMMENTS

A. As proposed, the Guaranteed Savings Requirements for standard opt-in projects are too high.

The Guaranteed Savings Requirement for standard opt-in projects is too high to ensure robust project development. We recommend DOER continue its current savings rate methodology which sets the savings rate as a percent of the total credits received. Alternatively, the program

¹ In 2025 Arcadia Power, Inc. and Perch Energy launched a joint venture operating under Perch Energy.

would also be successful if DOER were to revert to its initial design from the straw proposal issued on July 10, 2024, and have the savings rate be calculated as a percent of the basic service rate.²

Under the emergency rulemaking scheme, a customer will receive bill credits priced at the project's Alternative On-bill Credit (AOBC) rate. Yet their savings requirement would *not* be tied to the credits they receive or the applicable AOBC rate. Rather, the denominator for calculating the savings rate would be the R-1 rate. There is no precedent for any community solar market using an unassociated denominator for calculating a subscribers' savings rate like this.

This approach is a departure from standard practice in community solar markets across the country, where the savings rate is calculated as a percentage of either the supply portion of the bill or the value of the credits applied to the customer's bill. Likewise, the Inflation Reduction Act's Low-Income Communities Bonus Credit (LICBC) has a "net energy savings" requirement that is also tied to the value that is accrued to the subscriber.³

Lastly, this represents an unexpected shift from DOER's straw proposal, and Arcadia is not aware of any entity proposing this new alternative or any analysis to justify such a complicated, untested change. Arcadia fears this change will set the rate unobtainably high given the proposed incentives. Arcadia recommends that DOER revert to a more workable methodology, using either the supply rate or the total credit value applied as the savings rate denominator.

B. Municipal Aggregation opt-out provides few benefits to participants and the commonwealth and should therefore have an increased guaranteed savings requirement, reduced compensation, or both.

Should DOER choose to retain a savings rate tied to the R-1 rate, we strongly recommend applying it only to opt-out municipal aggregation projects, which have materially lower customer acquisition costs and should be expected to deliver higher subscriber savings.

It is more important now than ever before to ensure that customer value is protected and the market remains balanced. DOER has a clear opportunity to make targeted adjustments to support both. Opt-out models, by design, have lower customer acquisition and engagement costs. As a result, they are structurally different from opt-in offerings and do not provide the same level of education or choice.

² Department of Energy Resources. Solar Massachusetts Renewable Target (SMART) Straw Proposal. Slide 44. <https://www.mass.gov/doc/2024-smart-straw-proposal/download>

³ Internal Revenue Service. Additional Guidance on Low-Income Communities Bonus Credit Program, Page 20. August 15, 2023. <https://public-inspection.federalregister.gov/2023-17078.pdf>

To maintain a fair market structure that encourages continued investment in opt-in as well as opt-out projects, we recommend two changes to how opt-out projects are treated under SMART.

First, DOER should apply a higher savings requirement to opt-out projects, recognizing that these models can deliver greater customer savings without jeopardizing project economics. Second, we recommend that opt-out projects receive lower compensation than opt-in projects, to ensure the incentive structure continues to reward direct customer engagement and intentional enrollment, while also being a pragmatic steward of ratepayer funds.

The SMART program's success to date has been driven exclusively by an opt-in model that emphasizes customer education, affirmative enrollment, and meaningful engagement with clean energy. Opt-out enrollment, by contrast, is untested and bypasses these features and could unintentionally create imbalances by providing the same level of compensation to projects that forego the high level of customer education and meaningful engagement which have material costs. Therefore these projects will receive the same compensation but have lower operating costs, resulting not in customer savings but in developer windfall profits.

In addition, this structure will allow a small number of large municipalities, such as the City of Boston, to quickly subscribe large populations and consume a disproportionate share of program capacity, limiting access for other communities and households. Other jurisdictions have evaluated similar models and ultimately declined to implement them. The New York Public Service Commission, for example, considered municipal opt-out community solar enrollment in extraordinary detail and chose not to proceed.⁴

We respectfully suggest that DOER prioritize models that preserve the program's identity, maintain customer choice, ensure statewide equity, and build on the strengths of the existing program design.

C. Low income customer definition expansion will increase program participation, though further changes are necessary for the program to flourish.

1. Initial changes will make a material difference for interested households.

Arcadia applauds DOER staff's leadership in expanding the low income customer definition to diversify the means by which legitimately low income customers may qualify as such for the purposes of the SMART program. Naturally this will make it easier for more people to qualify and participate in the program.

⁴ New York State Public Service Commission. Matter Master; Case 14-M-0224. Order Identifying Further Procedural Steps Regarding the Development of Opt-Out Community Distributed Generation. <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={FCBC0B1C-C320-476F-B6EF-906E5AF733CC}>

2. Low Income Multi-dwelling units need a pathway to participate in the Community Shared Solar program.

Low Income Multi-Dwelling Units (MDUs) offer one of the clearest opportunities to expand access to low-income customers within SMART and ensure the program reaches communities with high concentrations of eligible residents.

Under the historic structure, MDUs could participate through the Low-Income Property (LIP) adder pathway, which provides a \$0.03/kWh incentive. While this pathway was designed to account for the unique characteristics of these properties, uptake has been limited. Only thirty LIP projects have received Statements of Qualification since SMART's launch. Even with the updated rules increasing the LIP incentive to \$0.04/kWh, Arcadia does not expect many projects to participate.⁵ With high confidence, Arcadia submits that the greatest way to scale low income MDU participation in SMART is to allow them to qualify as low income customers under the Community Shared Solar program. This would offer a more flexible and widely used pathway for properties serving low-income residents and better reflect successful approaches adopted in other leading community solar markets.

Alternatively, DOER could provide for low income MDUs to participate in either LIP or CSS program. Such optionality and flexibility would enhance program adaptability and create an improved path for broader participation by low-income MDUs and their tenants.

3. To qualify as a low income customer, subscribers should be able to attest to either: A) Income status; or B) Participation in an income qualifying program.

Arcadia enrolls customers that qualify as low income via attestation in other community solar programs and is confident this change will allow many others – including those that can't readily locate documentation of participation in Medicaid or another program – to still qualify.

To ensure attestation is used properly, Arcadia recommends the Department develop a simple attestation form. Based on our experience in other markets, the New Jersey attestation form⁶ and the Maryland form⁷ are the best for customers, and we recommend the Department review them as a starting point when developing its own form.

⁵ Department of Energy Resources. Solar Massachusetts Renewable Target (SMART) Straw Proposal. Slide 44. <https://www.mass.gov/doc/2024-smart-straw-proposal/download>

⁶ New Jersey Board of Public Utilities. Self-Attestation of Income. <https://www.njcleanenergy.com/files/file/CommunitySolar/FY24/2024%20LMI%20Self%20Attestation%20Form%20-%20English.pdf>

⁷ Please see form in Appendix A. While this form has not yet been approved by the Public Service Commission, Staff developed this in consultation with the Net Metering Working Group, and it is expected to be approved for use in the coming months. In addition, staff confirmed that companies that use, "the best information available" to develop their own forms may use those until the Commission has formally approved one for use.

We propose this form include both attestation of income *and* an option to attest to participation in a qualifying program. A clear, thoughtfully designed attestation form can help ensure eligible customers are not excluded due to documentation hurdles. Some customers may be more willing to attest to their eligibility based on participation in an income-qualified program than to provide formal documentation, such as an award letter, which may contain sensitive personal information or be difficult to access. In many cases, these ‘proof’ documents are not readily available and can create an unnecessary barrier to participation.

If DOER anticipates that it will take longer than one month to develop the form, Arcadia requests to use our own form in the interim, which fully conforms to the income and program qualification requirements laid out in the SMART emergency rulemaking.

D. Subscriber allocation update frequency should be increased to monthly, at a minimum.

Infrequent subscriber allocation updates continues to be an issue and creates unnecessary friction for both customers and project operators. Under the current SMART program, subscriber allocations can only be updated four times each year. Limiting allocation updates to just four times per year can result in long delays before customers begin receiving credits, increases the risk of unsubscribed project capacity, and penalizes projects that enroll customers who ultimately move.

Among the fourteen states and the District of Columbia where Arcadia manages community solar projects, only Rhode Island and Massachusetts fail to offer monthly allocation updates.⁸ This is an important consumer protection tool that would benefit program participants. Arcadia recommends that DOER require utilities to accept monthly subscriber allocation updates as part of the permanent SMART 3.0 rules, to support a more responsive and customer-friendly process.

E. The implementation of Net Crediting will transform SMART low income household participation.

Net crediting (or, “utility consolidated billing”), is the single greatest enabler of low income customer participation in community solar. All programs with robust low income participation, including New York, New Jersey, and Virginia, have implemented net crediting. It streamlines the customer experience and reduces administrative complexity, particularly for low-income customers who face greater barriers to participation.

⁸ Rhode Island, like Massachusetts, offers four annual allocation updates.

Currently, SMART subscribers are required to manage two separate bills – one from their utility and another from their community solar provider – often on different billing cycles. This structure introduces confusion and logistical friction that can deter participation, particularly for customers who are unbanked or pay bills in cash. Net crediting simplifies this by consolidating credits and subscription charges onto a single utility bill. By providing one single bill with net credits *guarantees savings* for customers every month. This creates a more accessible and scalable experience for both customers and providers.

The net crediting structure further aids equity in the billing process by decoupling customer payment from developer revenue, as utilities remit payment to projects regardless of whether the customer pays their bill.⁹ This removes the incentive to screen out the lowest income or highest risk customers, helping ensure broad access. When implementing net crediting, the New York Public Service Commission reasoned, “there is no greater risk for non-payment when a customer is receiving a discount.”¹⁰

Arcadia appreciates that the General Court’s passage of S.2967 mandates the implementation of net crediting in 2024.¹¹ While the Department of Public Utilities (DPU) has not yet issued an order to implement it, we strongly urge DOER to begin working on a programmatic framework and implementation timeline along with hosting stakeholder sessions, to ensure a timely implementation of this game-changing policy.

Given that many other states have implemented net crediting and the core components are largely standardized, DOER can readily draw from their experiences and refined rules. Arcadia is confident a narrow net crediting rulemaking can be efficient and expedient.

We urge DOER to coordinate with DPU to ensure that this critical reform is integrated into the SMART program immediately after the SMART 3 rulemaking concludes.

IV. CONCLUSION

Thank you for the opportunity to submit these comments. Arcadia appreciates the Department’s continued efforts to strengthen the SMART Program and ensure it remains a national model for equitable clean energy access. We look forward to working with DOER and other stakeholders to

⁹ Federal Reserve Bank of Atlanta. Research and Reports. Consumer Payment Choice for Bill Payments. 2020. Page 21.

<https://www.atlantafed.org/-/media/documents/banking/consumer-payments/research-data-reports/2020/10/19/consumer-payment-choice-for-bill-payments.pdf>

¹⁰ New York Public Service Commission. Order Regarding Consolidated Billing for Community Distributed Generation. Case 19-4-0463 - In the Matter of Consolidated Billing for Distributed Energy Resources. Sr.No. 248. <https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?Mattercaseno=19-M-0463>

¹¹ General Court of the Commonwealth of Massachusetts. An Act promoting a clean energy grid, advancing equity and protecting ratepayers. Sections 106 and 107. <https://malegislature.gov/Bills/193/S2967>

refine implementation of the successor program and to ensure it delivers meaningful, measurable benefits to customers across the Commonwealth.

APPENDIX A: MARYLAND DRAFT LMI SELF-ATTESTATION FORM (3 pages)

SELF-ATTESTATION OF LOW OR MODERATE INCOME SUBSCRIBER STATUS

Pursuant the Maryland code, Public Utilities §7–306.2 (f)(iv), a subscriber organization or subscription coordinator may verify the income of a prospective subscriber for eligibility as a low or moderate income (“LMI”) subscriber under the Maryland Community Solar Program through several methods including self–attestation.

The commission has approved this Self-Attestation of Low or Moderate Income Subscriber Status Form (“Self-Attestation Form”) for use by qualifying customers in Maryland’s Community Solar Program. The Community Solar Program defines LMI subscribers as: (1) low-income households having an annual income at or below 200% of the federal poverty level, (2) moderate-income households with total gross annual income at or below 80% of the median income for Maryland, as determined by annual income limits set by the United States Department of Housing and Urban Development, and (3) households located in overburdened or underserved communities. The Maryland Public Service Commission has approved this Self-Attestation Form as a means for verification if you are seeking to qualify to participate in the Community Solar Program as an LMI subscriber.

INSTRUCTIONS: This Self-Attestation Form is to be completed, signed, and dated by a member of the applying household. It is a written statement documenting an applicant’s affirmation that the gross annual income for the applicant’s entire household qualifies as meeting the definition of an LMI subscriber.

Applicants may attest to their status as an LMI subscriber by either reporting their household income or confirming participation in one of the LMI Qualifying programs listed at the end of this document. If you choose to report your household income, please refer to the income limits specified at the end of this document.

CONTACT INFORMATION:

FULL NAME:

STREET ADDRESS:

CITY: _____ STATE: MD ZIP CODE: ____

PHONE: _____ EMAIL: _____

HOUSEHOLD OCCUPANCY: _____ Person(s)

I, _____, attest that my household's annual income for the previous calendar year is less than the state or federal household income limit to qualify as a low- or moderate-income subscriber under the State of Maryland's Community Solar Energy Generating Systems Program.

OR

I, _____, attest that I am currently enrolled in and receive benefits from at least one of the following LMI Qualifying Program(s):__

I understand that this information will be used to confirm my eligibility to qualify as an LMI subscriber in order to participate in a community solar project with capacity reserved for LMI subscribers. If I do not qualify as an LMI subscriber, I understand that I may still subscribe to a community solar project that has availability for non-LMI subscribers.

I acknowledge that this form will be distributed and retained by the community solar subscriber organization and will only be shared with the Maryland Public Service Commission or its designee.

I understand that the information provided on this form may be subject to verification at any time, and upon request, I may be requested to provide documentation to support the household income or LMI Qualifying Program participation to which I have attested above.

SIGNATURE: _____ DATE: ____/____/____

LMI Qualifying Programs:

- EmPOWER Maryland low- or moderate-income incentives
- Free and reduced price school meals
- Fuel Fund of Maryland
- Head Start
- Low Income Home Energy Assistance Program (LIHEAP)
- Low-Income Household Water Assistance Program (LIHWAP)
- Maryland Energy Assistance Program
- Medicaid
- Office of Home Energy Programs Electric Universal Service Program (OHEP-EUSP)
- Section 8 Housing Choice Voucher Program
- Supplemental Security Income (SSI)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Supplemental Nutrition Assistance Program (SNAP)
- Telephone lifeline service
- Temporary Assistance for Needy Families (TANF)

MARYLAND Statewide Income Limits (80% SMI)

Household Occupancy	Household Income Limit
1 Person	\$68,500
2 Person	\$78,250
3 Person	\$88,050
4 Person	\$97,800
5 Person	\$105,650
6 Person	\$113,450
7 Person	\$121,300
8 Person	\$129,100

Data from the 2024 Maryland Department of Housing and Community Development [link here](#)