

BLUEWAVE

VIA ELECTRONIC FILING

July 21, 2025

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

SMART 3.0 Emergency Regulations – BlueWave Comments

Dear Commissioner Mahony:

BlueWave appreciates the opportunity to provide these comments to the Department of Energy Resources (“Department”) in response to the June 20, 2025, SMART 3.0 Emergency Regulations filing. We applaud the Department for accelerating the deployment of solar energy to address our generation challenges in New England.

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.

Overall, the SMART 3.0 Emergency Regulations will drive the near-term deployment of solar resources and we urge the Department to continue expeditiously implementing the new program. Below, we provide comment and recommendations on specific areas of the program.

Capitalizing on the Investment Tax Credit Availability

As the Department is aware, the federal Investment Tax Credit (“ITC”) is available for solar projects that safe harbor before July 4, 2026 or that are Placed in Service by December 31, 2027. We applaud the Department for recognizing the urgency of implementing the SMART 3.0 Program to capitalize on the expiring ITC availability.

On July 7, 2025, President Trump issued an Executive Order, which directs the Department of Treasury to issue guidance relative to the safe harboring of solar and wind projects. This guidance is widely expected to make the requirements for safe harboring stricter, accelerating the timeline that projects must meet to remain eligible for the ITC. To ensure safe harbored projects can continue apace and that projects that were unable to safe harbor are given a chance to capture the ITC, we encourage the Department to ensure that the capacity allocation for the 2026 program year is sufficient to advance the development of safe harbored solar projects in Massachusetts.

Additionally, we urge the Department to provide flexibility in its definition of work of a significant nature under 225 CMR 28.07(4)(b)(1) to allow projects that have safe harbored ITC eligibility to participate in SMART 3.0. Specifically, we recommend that the Department ensure that federal safe harbor activities, such as construction of operations and maintenance roads, are not captured in the definition of “on-site physical work of a significant nature.”

Program Year 1 Application Process and Pre-Approvals

Certain types of SMART projects require Department approval of a Pre-determination Application (PDA) or exception request; these approvals are typically obtained prior to the project submitting its application for a Preliminary Statement of Qualifications (PSOQ). In some cases, such as projects that need approval of a Project Segmentation exception request, the project would not be eligible to apply to the SMART program without Department approval. Other types of projects, such as Dual-use Agricultural STGUs, would be eligible to submit a PSOQ application prior to Department approval of its PDA and could add the Dual-Use Agricultural Adder at a later date. However, without a Locational Adder at the time of application, the project would be subject to the program's Mitigation Fee framework and required 25% payment, complicating the project's application process and financial commitments.

BlueWave strongly recommends that the Department explicitly clarify how projects that require Department approval of a PDA and/or exception request and which intend to apply to Program Year 1 (opening to applications on October 15, 2025) will be able to reserve capacity in the initial 10 business day application period. Our understanding is that the Department will issue Guidelines in the coming months as they are completed. Dual-Use Agricultural STGUs will not be able to submit PDAs for approval until the new Guideline and PDA form become available, which likely will not leave enough time for the Department to review and issue all approval requests prior to October 15th. Applicants and Department staff face similar time constraints for reviewing and approving exceptions and other determination requests.

To avoid a backlog of PDA and exception requests and ensure all eligible projects are able to apply in Program Year 1's initial 10 business day application period, BlueWave recommends that any project that has obtained Department approval of a PDA, exception request or other determination under SMART 2.0, be able to use that approval to qualify for the first Program Year of SMART 3.0. This will avoid a situation where Department staff must re-review requests on which they have previously issued determinations. Alternatively, the Department could allow projects that require Department approval of a PDA, exception request or other determination but that have not received the approval by October 15, 2025 to reserve capacity in the initial 10 business day application period of Program Year 1, contingent upon receiving Department approval by a date in the future.

Community Shared STGU Guaranteed Savings Requirements

BlueWave supports the addition of guaranteed savings requirements for residential subscribers to Community Shared STGUs. We request that the Department clarify in the SMART 3.0 regulations that the guaranteed savings requirements only apply to residential customers and are not applicable to commercial or anchor customers.

Additionally, we are concerned that the customer discount calculation specified in the Emergency Regulations is a significant difference from what was outlined in the Department's July 2025 Straw Proposal and will impact the viability of Community Shared projects. The Emergency Regulations state that the discount requirements for customers of Community Shared projects will be based off of "the Value of Energy for Net-Metered Generation Units on an R-1 rate class applicable to the customer's service territory, calculated pursuant to 225 CMR 28.14(2)(a)." The calculation in 225 CMR 28.14(2)(a) is:

$$\begin{aligned}
& \text{Net Metered value of energy} \\
& = (\text{distribution kWh charge} \\
& + \text{transmission kWh charge} \\
& + \text{transition kWh charge} \\
& + \text{three year average of basic service kWh charge})
\end{aligned}$$

This is a significant difference from what was in the Department’s Straw Proposal, which stated that required customer discounts would be calculated based on the basic service rate. Using National Grid’s 2024 R-1 Rates¹, a 20% discount based on the Net Metered value of energy would be close to \$0.06/kWh, equaling almost the entire value of the Community Shared Adder proposed by the Department in July (\$0.07/kWh). This discount calculation is particularly problematic for projects participating in a municipal aggregation because they will be required to allocate 100% of the project’s generation to low-income customers at a 20% discount. As rates rise in the future, projects may be required to provide discounts totaling more than the value of the Community Shared Adder.

Alternatively, a 20% discount based on the basic service rate (as originally proposed in the Department Straw Proposal) would be just over \$0.03/kWh, providing meaningful savings for customers, while also preserving a portion of the Community Shared Adder to cover customer acquisition, management, and replacement costs. BlueWave strongly recommends that the Department amend the regulations to specify that guaranteed customer discounts will be calculated based on the project’s basic service rate.

Ineligible Land – Wetland Resource Areas

225 CMR 28.09(1) identifies land use types that are ineligible for the SMART program, including:

- (a) *Wetland Resource Areas, including Buffer Zones, as defined under 310 CMR 10.04*

BlueWave strongly recommends adding the phrase, “*except as authorized by regulatory bodies*” to 225 CMR 28.09(1)(a), which would make the language consistent with previous SMART regulations 225 CMR 20.00. Without this recommended edit, any project with a small area of its Project Footprint overlapping wetlands or buffer zones would automatically be ineligible for SMART, even if it had the necessary approvals from local regulatory bodies. The addition of the recommended language would still prevent projects with significant impacts on wetlands but would allow those where a piece of the Project Footprint triggers wetlands jurisdiction and the project is granted the necessary approvals.

Performance Standards – Native Species

225 CMR 28.08(7) lists the Performance Standards that Dual-Use Agricultural STGUs and projects subject to the Mitigation Fee framework must comply with and includes the requirement that, “*vegetative cover shall be maintained to prevent soil erosion and plantings shall be native species appropriate to the geographical area, consistent with The Vascular Plants of Massachusetts: A County Checklist provided by the Massachusetts Natural Heritage and Endangered Species Program.*” While BlueWave supports planting native species when feasible, the addition of a requirement to use only native species as groundcover for a solar site is impractical and comes with a

¹ Source: https://www.nationalgridus.com/media/pdfs/billing-payments/electric-rates/ma/cm4394_maweb.pdf

variety of unintended consequences. BlueWave strongly recommends that this requirement be removed from the regulations.

Solar arrays are inherently not native landscapes and have specific management considerations that are not present in a native landscape. There are significant consequences resulting from poor management of solar site vegetation including erosion, fire, reduced energy production and prohibitively high management costs. Massachusetts native landscapes were historically forested, with forest cover and grass composition fluctuating in response to climatic conditions.² As a result of the evolutionary history and current climatic conditions, there are few native plants that are well-adapted to maintaining the open meadow conditions needed at a solar site and are capable of resisting incursion by woody and vining species. Limiting plant selections to only native species would result in suboptimal site management and high management costs required to maintain native species in conditions they are not adapted to.

Requiring the exclusive planting of native species would also severely limit the ability to graze animals under and around SMART solar arrays and may prevent pollinator friendly habitat. Many pollinator species depend on hollow-stemmed plants for nesting and overwintering habitat, which are destroyed by mowing. Grazing typically does not destroy stems and is therefore more compatible with pollinator habitat, but the ability to graze depends on nutritionally adequate forage. Massachusetts native grass species are notably limited in forage quality; none of the agricultural forage species commonly used in Massachusetts are native.³ There are a wide variety of naturalized, non-invasive introduced species that can perform necessary landscape functions as well as provide nutritious forage for livestock.

To illustrate the challenges of incorporating pollinator friendly grazing with a requirement to only plant native species, BlueWave analyzed the UMass Pollinator Friendly Solar Program species list.⁴ The list includes only 11 native grass species, of which only six are listed as having a mature height of 36 inches or less (grasses over this height are not ideal for solar sites).⁵ Of these six native species, salt meadow cordgrass is native to salt marshes and other wetlands so is not appropriate for solar sites, and the remaining five are bunchgrasses. These bunchgrasses all have lengthy development periods, meaning they provide limited erosion control when initially planted. Three of the six listed bunchgrasses have fair nutritional value as forage for livestock, however they each have other drawbacks that make them less than ideal for use at a solar site. Purpletop tridens commonly grow over 36 inches in Massachusetts and can reach over 6 feet. Little bluestem is limited only to wetter sites. And purple lovegrass typically occurs at low density, doesn't handle intensive grazing well, and can create a very fire-prone environment in dense stands. Given the challenges of finding native species appropriate for use as groundcover at a solar site and the negative impacts of this requirement on pollinator-friendly grazing operations, BlueWave recommends that the Department remove 225 CMR 28.08(7)(i) from the regulations.

² (Oswald, W.W., Foster, D.R., Shuman, B.N. *et al.* Conservation implications of limited Native American impacts in pre-contact New England. *Nat Sustain* 3, 241–246 (2020)

³ <https://www.umass.edu/agriculture-food-environment/crops-dairy-livestock-equine/fact-sheets/perennial-legumes-grasses>

⁴ https://www.umass.edu/agriculture-food-environment/sites/default/files/pdf-doc-ppt/recommended_plant_species_list_-_2022.xlsx

⁵ The six species are broomsedge bluestem, deertongue, purple lovegrass, little bluestem, salt meadow cordgrass, and purpletop tridens.

Dual-Use Agricultural STGUs

225 CMR 28.07(5)(b)3(d)i outlines requirements for Dual-Use Agricultural STGUs that propose to transition greater than 10 acres of farmland to grazing or hay production if the land had not been used for those agricultural purposes in the previous five years. As written, this section of the regulations appears to apply to Dual-Use Agricultural STGUs sited on any type of eligible farmland. BlueWave recommends that the regulations be amended to clarify that 225 CMR 28.07(5)(b)3(d)i applies only to Dual-Use Agricultural STGUs sited on Important Agricultural Farmland. This clarification would be consistent with both the Department's July Straw Proposal and the SMART 2.0 ASTGU Guideline.

BlueWave also recommends adding the following language to 225 CMR 28.07(5)(b)3(d)i for greater clarity: *"If, as part of its Agricultural Plan, the Dual-use Agricultural STGU is proposing to transition greater than 10 acres of farmland to grazing or hay production that has not been used for those agricultural purposes during any of the five crop years prior to the Pre-Determination Application."*

Project Segmentation Exception for Dual-Use Agricultural STGUs

225 CMR 20.08(5)(a) outlines eligible exceptions to the program's Project Segmentation rule. BlueWave recommends that Dual-Use Agricultural STGUs be added under 225 CMR 20.08(5)(a)2: *"a STGU 25 kW or less, a Canopy STGU, a Floating STGU, a Building Mounted STGU, or a Dual-Use Agricultural STGU, which is located on the same parcel of land as another STGU, provided that the STGU is separately metered from the original STGU and, in the case of a STGU 25 kW or less or a Building Mounted STGU, is located on a separate building from the original STGU."*

Energy Storage Operational Requirements

The Emergency Regulations revise the operational requirements for the energy storage portion of SMART projects. Specifically, the cycling requirement is increased from 52 cycles to 156 cycles, and the uptime requirement is modified from 85% annually to 85% during both the Clean Peak Standard summer and winter Peak Periods.

BlueWave supports increasing the cycling requirement for energy storage to maximize the value of the storage adder for ratepayers. We are concerned, however, that the uptime requirements are overly stringent and may lead to potential disqualification for projects that experience temporary unexpected downtime. While we appreciate that this requirement is likely intended to ensure maintenance occurs during the shoulder seasons and the storage is available to discharge during the Peak Periods, the requirement as written could disqualify a project from the Energy Storage Adder for a single two-week outage (i.e., 15% of a 90 day compliance period).

We recommend the Department revert to the previous uptime requirement of 85% availability throughout the year, as projects are already incentivized to be available and cycling in the summer and winter Peak Periods to generate Clean Peak Energy Credits, barring unexpected circumstances. In the alternative, we urge the Department to ensure that the Energy Storage Guideline provides clarity that a single violation of this requirement is not grounds for loss of the Adder for the whole year.

Further, we recommend that any events during which both the solar portion and the energy storage portion are non-operational (and thus not generating SMART revenue, including the Energy Storage

Adder), such as inverter failure, do not count against the uptime requirements as the project is already losing its Energy Storage Adder revenue for that period.

Conclusion

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,

Liz Curran
Senior Director of Policy
ecurran@bluewave.energy