

Resonant Energy SMART 3 Public Comments

July 23, 2025

We sincerely appreciate the Department of Energy Resource's (DOER's) issuance of 225 CMR 28.00 as emergency regulations in light of the ongoing federal attack on the solar industry. And we appreciate the DOER's focus on improving provisions to extend the benefits of solar to affordable housing and low-income (LI) customers. We offer these comments to support these positive steps and to refine the regulations so that they are more effective in driving benefits to customers who have been historically overlooked.

BACKGROUND

Resonant Energy is a 100% employee-owned solar developer based in Boston. Our mission is to build wealth in underinvested communities through solar power. We develop solar PV and energy storage projects for affordable housing providers, nonprofits, and low-income homeowners. Since our founding in 2016, Resonant has installed over 13 MW of solar PV systems in Massachusetts, including over 3 MW for affordable housing clients. 60% of our projects provide direct financial benefits to residents of environmental justice communities (EJCs); 25% provide direct financial benefits to LI customers, compared to the national average of 5%.

EXPRESSION OF SUPPORT

1. ***§28.05(5) – Annual Capacity Set Asides.***

- a. **Appreciation:** Due to pent up demand from delayed program implementation and new federal tax credit deadlines, we expect the 2025 Annual Capacity Block to be quickly exhausted. The 10% set aside for Low Income Property Generation Units provides critical protection for this customer segment to ensure that limited program benefits do not disproportionately benefit market rate customers, as was the case with the declining block structure under SMART 2.

2. ***§28.07(4)(b)(2) – Exception to Construction Date Requirement for Low Income Properties.***

- a. **Appreciation:** We appreciate and support the provision to allow Low Income Property Solar Tariff Generation Units (STGUs) that started construction on or after July 1, 2024 to be eligible for SMART 3. The

owners of Low Income Properties are subject to separate mandates (e.g., zero carbon zoning and municipal emissions reduction ordinances) that require them to install solar facilities prior to the Effective Date of SMART 3; this exception enables them to proceed with these projects without being barred from the SMART 3 incentives they need.

3. **§28.07(5)(c)(2)(b) – Low Income Off-takers Requirement.**

- a. **Appreciation:** The flexibility to allocate bill credits from LI STGUs to up to three LI Customers or to qualified LI Properties will improve providers' ability to increase LISTGU adoption compared to previous programs and to drive benefits to LI Customers and LI Properties.

PROPOSED AMENDMENTS

1. **§28.05(3) – Annual Capacity Block Determination.**

- a. **Challenge:** We expect the delayed implementation of SMART 3 and federal tax credit phaseouts to create enough demand for solar PV in the coming months that the proposed 2025 Annual Capacity Block of 450 MW may be exhausted immediately.
 - i. Oversubscription to the first Annual Capacity Block would create substantial uncertainty and further reduce the efficacy of the ratepayer funds that are invested in the program: Providers would be forced to increase contingency costs to cover risk, and the constraint to customer demand would drive up customer acquisition costs. These challenges would add considerable additional strain on solar providers that are already looking at significant uncertainty with the federal policy rollback for residential systems starting in 2026.
- b. **Proposed Solution:** 750 MW would be more adequate. The DOER has the responsibility – and the opportunity – to move decisively now, because funds allocated in 2025, and to a lesser extent in 2026, will have multiplicative benefits for customers and ratepayers compared to 2027 and beyond:
 - i. Under the federal tax credit phaseout schedule enacted by H.R. 1 (the budget bill signed by President Trump on July 4, 2025), every \$1.00 apportioned to the SMART 3 program in 2025 will be matched by \$0.30 - \$0.70 in federal tax credits. As federal tax credits begin to phase out in 2026, SMART 3 incentives will have to be increased to support the installation of proportionate solar

capacity. In other words, each dollar allocated in 2025 will create 30% - 70% more financial value for MA customers and ratepayers than the same dollar in 2026. Similarly, funds allocated in 2026 when tax credits are partially phased out will create more financial value for stakeholders in MA compared to 2027, when solar tax credits will be eliminated entirely.

2. **§28.05(3)(c) – Determination of Capacity for Certain Project Types.**

- a. **Challenge:** We strongly support the provision of uncapped program capacity to all STGUs <25 kW and behind-the-meter (BTM) STGUs >25 kW and ≤250 kW; such projects provide outsize benefits to the grid by reducing customer load. However, the DOER's reservation of the discretion to introduce caps to these projects in future years adds undue uncertainty.
- b. **Proposed Solution:** There is persuasive evidence that BTM solar systems reduce system costs for all ratepayers, including those who do not have solar systems.^{1,2} Because the investment of program funds in these projects has a minimal or even deflationary effect on ratepayer costs, capacity allocations for these projects should remain uncapped.

3. **§28.05(5) – Annual Capacity Set Asides.**

- a. **Challenge:** BTM STGUs >25 kW and ≤250 kW may be allocated uncapped capacity, and STGUs >250 kW and ≤500 kW have a 10% capacity set aside; these provisions perhaps unintentionally overlook *in-front-of-the-meter* (FTM) STGUs >25 kW and ≤250 kW, which would have to compete with >500 kW STGUs for capacity allocations as the regulations are currently drafted.
- b. **Proposed Solution:** The capacity set aside for STGUs >250 kW and ≤500 kW should be amended to include FTM STGUs >25 kW and ≤250 kW, and should be increased from 10% to 15% of annual capacity to accommodate these systems. Typically, most FTM STGUs ≤250 kW AC are building mounted or parking canopies (not often ground mounts). Example projects we see every day are often moved to FTM because a Customer might have many meters and none with adequate usage to justify a BTM set up (e.g. multifamily common area meter vs tenant meter challenge) or

¹ Synapse Energy Economics, 2020:

<https://www.solarpowerworldonline.com/wp-content/uploads/2020/12/new-england-clean-energy.pdf>

² Acadia Center, 2024:

<https://acadiacenter.org/acadia-center-offers-rebuttal-to-deeply-flawed-think-tank-analysis-on-new-england-energy-policies-and-costs/>

an institutional Customer has plenty of load but is going FTM because their BTM VoE is significantly reduced by their competitive supply rate (which can be 25-45% lower than prevailing utility basic service rates). Lastly, smaller parking canopy sites make for great, urban community solar sites and need to be set up FTM. These all feel like excellent examples of the types of projects that would enhance DOER's project diversity goals.

- c. As a likely drafting error, the table provided in the draft regulations for this set aside reads "greater than 250 kW and less than 500 kW", but should read "less than *or equal to* 500 kW".

4. **§28.07(5)(c)(2)(b) – Low Income Off-takers Requirement.**

a. **Proposed Modifications:**

- i. 15% no cost allocation option should also be available to LI Property oftakers.
- ii. As a likely drafting error, subsections (ii) and (iii) regarding the 15% generation output allocation eligibility requirements are not consistent with the SMART 2 Guideline Regarding Low Income Generation Units §5³. As written, third party financiers could bill LI Customers for such allocations; instead, the 15% generation output allocation options should be allowed only of such output *is allocated at no cost to the customer*.
- iii. An additional subsection should be added to allow a system to qualify as a LISTGU if it allocates 15% of its generation output to one or more qualified Low Income Properties at no cost. This would increase consistency with subsections (ii) and (iii) and increase program benefits for Low Income Properties by incenting owners of mixed income multifamily properties to allocate excess output from LISTGUs on their market rate properties to qualified Low Income Properties that they own separately.

5. **§28.06(2)(a) – Preliminary Statement of Qualification (PSOQ).**

- a. **Challenge:** This section states that a STGU must reach Mechanical Completion during its 24-month Reservation Period, while §28.06(3) states that a STGU that has received a PSOQ may only apply for a Final Statement of Qualifications (FSOQ) if it's within its Reservation Period and has received authorization to interconnect (ATI) from the utility. Together

³ Massachusetts DOER, 2021:

<https://www.mass.gov/doc/low-income-guideline-final-clean-092221/download>

these provisions create a procedural gap for any system that reaches Mechanical Completion, but not ATI, before its Reservation Period expires.

- b. **Proposed Solution:** Either the regulations or the Statement of Qualification Reservation Period Guideline should be amended to grant automatic Reservation Period extensions to such STGUs.

6. **§28.07(5)(b)(2) – Canopy STGUs (and Rooftop Raised Racking Applicability)**

- a. **Challenge:** As written, it is unclear whether the Canopy Locational Compensation Rate Adder would be available to STGUs located on raised structures that elevate the array above impediments on a building’s roof, or whether the DOER’s intent is for the Canopy Adder to serve the function of the Raised Racking Adder in the SMART 3 Straw Proposal.⁴
- b. **Proposed Solution:**
 - i. This section should be amended to allow rooftop canopy systems explicitly, as the adder is critical to the financial feasibility of such systems, which should be supported to drive further solar adoption in the built environment as opposed to greenfields.
 - ii. If the definition of a canopy STGU cannot be amended to include raised racking rooftop systems, we propose reinstating the Raised Racking adder from the SMART 3 Straw Proposal ⁴ at \$0.06/kWh. Raised racking is increasingly common in dense urban areas, where maximizing rooftop space is essential (especially in New York City and Washington DC where funding support has helped to drive this type of project adoption). These systems require higher upfront costs due to added structural attachments, waterproofing, and wind loading considerations relative to lower profile racking set ups. An adder would help offset these costs and support continued deployment in space-constrained environments, which is almost always coincident with high load concentration and provides the greatest value to ratepayers as a whole.
 - iii. To differentiate these systems from standard building mounted systems, a definition could be included with a minimum height for the panels at their lowest edge (the “drip edge”) off the surface of the roof. We recommend 3’ for this definition.

7. **§28.07(5)(e)(1)(a) - Energy Storage Systems.**

- a. **Challenge:** This section states that a STGU must be greater than 25 kW AC to qualify for the energy storage system compensation rate adder. This

⁴ DOER, 2024: https://drive.google.com/file/d/1K8RyIB1yd_WhIL_nZ3aK2Lta4HrLVg26/view?usp=sharing

fails to incentivize residential storage, which is the market best suited for storage deployment due to lower code hurdles and restrictions on smaller systems and broad consumer interest in increased resiliency.

- b. **Proposed Solution:** We propose that a simple residential battery adder of \$0.03/kWh be included so long as the batteries meet a minimum size ratio relative to the system. Excluding smaller systems disproportionately impacts residential and low-income customers, limiting their ability to participate in and benefit from the clean energy transition. Expanding the adder to include <25 kW projects would support grid resilience and align with the state's climate and energy equity goals.

8. ***Low Income Property STGU.***

- a. **Challenge:** While the variability in the program is ideal for ensuring limited program costs as utility costs rise, it adds unpredictability and can often create bizarre incentives, for example where a 30 kW-AC BTM affordable housing project could receive a substantially lower incentive for 20 years than a 20 kW-AC BTM affordable housing project, despite the cost of installation being fairly similar. This is a challenge throughout the program, but is particularly thorny for affordable housing, which needs additional tailoring and support to ensure that DOER can achieve its equity goals for the program.
- b. **Proposed Solution:** We propose that Behind-the-Meter (BTM) Low Income Property STGUs above 25 kW AC receive a guaranteed minimum SMART compensation rate of \$0.06/kWh for the duration of SMART 3. With the Big Beautiful Bill eliminating many of the federal tax credits and tax credit adders that affordable housing projects heavily rely on, it will become increasingly difficult for organizations to justify and prioritize solar projects. We have experienced that affordable housing developments often face financing and development barriers due to uncertainty in funding, which can deter investment in serving low-income communities. Establishing a stable floor for compensation would provide the long-term revenue certainty needed to attract financing, ensure project viability, and promote equitable access to solar energy for historically underserved populations.
- c. ***Low Income STGU.*** For similar reasons, we propose increasing the adder for LISTGU less than or equal to 25 kW AC from \$0.03/kWh to \$0.05/kWh, bringing their total value to \$0.08/kW for 20 years.

9. ***§28.06(1)(e). Application Review Procedures.***

- a. **Challenge:** The current regulation could lead to a Statement of Qualification (SOQ) processing time of up to 4.5 months (30 business days per each reviewing party).
 - b. **Proposed Solution:** To ensure a more efficient and predictable process, we propose capping the total processing duration to 45 business days during the 10-day open application period and 30 business days during rolling enrollment.
10. **§28.14(2). Calculation of Incentive Payments for Behind-the-Meter STGUs greater than 25 kW.**
- a. **Challenge:** Larger institutional Customers often have the buying power to secure competitive supply rates that are 25-45% below the prevailing investor-owned utility rates. This creates a challenge for BTM systems because their SMART incentive levels are set to assume a VoE for the Customer closer to these prevailing rates while in reality this is increasingly not the case.
 - b. **Proposed Solution:** We propose allowing customers to use their contracted competitive supply rate in place of the three-year average basic service charge when calculating the value of energy for BTM LISTGUs. The current methodology strongly disincentivizes BTM deployment for large energy users on competitive supply rates that are substantially lower than utility basic service rates. This change would better align incentives with actual energy costs and support broader BTM adoption. This could be easily accomplished in DOER's process by using the utility rates as the default for basic service, but allowing Customers the ability to submit recent electricity bills and using the contracted rates at the time of application on the bill. This could be added alongside average T&D charges and collectively subtracted from the SMART target to arrive at the SMART incentive for that project.

REQUESTED CLARIFICATIONS

1. We recommend adding a clear definition of a master-metered campus—such as properties separated by firewalls or with distinct electrical infrastructure—and allowing these properties to be served by separate SMART meters. This has been allowed to proceed as an exception, which creates extra processing time and hassle for this type of development, which is very common in both public and private affordable housing developments.