



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF THE ATTORNEY GENERAL  
ONE ASHBURTON PLACE  
BOSTON, MASSACHUSETTS 02108

ANDREA JOY CAMPBELL  
ATTORNEY GENERAL

(617) 727-2200  
[www.mass.gov/ago](http://www.mass.gov/ago)

July 25, 2025

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

**Re: *SMART 3.0 Public Comment***

Dear Ms. Fletcher:

On June 20, 2025, the Massachusetts Department of Energy Resources (“DOER” or “Department”) updated the Solar Massachusetts Renewable Target (“SMART”) by filing emergency regulations for the SMART 3.0 Program with the Secretary of State’s Office, under 225 CMR 28.00. In response to DOER’s request for public comment, the Attorney General’s Office (“AGO”) submits the following initial comments.

**I. RECOMMENDATIONS**

The SMART 3.0 emergency regulations reflect the results of a multi-year programmatic review. Throughout the programmatic review, the AGO participated alongside other stakeholders, providing informal feedback regarding the SMART 3.0 regulations and associated guidelines.<sup>1</sup> At this stage of the process, the AGO offers the following additional recommendation:

- a. Descending Cap on Annual Allowable Change for Base Compensation Rate and Compensation Rate Adder

The AGO is concerned about the significant increase in program costs and the likelihood of further additional increases over subsequent years, via the annual assessment structure. The AGO appreciates the inclusion of a cap on the annual allowable change for base compensation rate and compensation rate adder; however, it is important to recognize that the cap is on top of an already steep increase in program cost. Relatedly, many beneficiaries of SMART are also eligible to receive net metering credits administered by the Department of Public Utilities. Both SMART and net metering are funded by ratepayers, and taken together they represent a significant cost on

---

<sup>1</sup> The AGO intends to offer additional recommendations regarding the SMART 3.0 guidelines as the guidelines become available.

ratepayers' monthly electric bills.<sup>2</sup> While the SMART incentive structure will help to move the Commonwealth towards its climate goals, climate initiatives must be balanced with cost consciousness.

The AGO recommends the Department institute a descending cap, with annual decreases throughout the life of the program. The AGO acknowledges DOER's intention to leverage the SMART program to "seed" solar development as part of the Commonwealth's commitment to meet its clean energy goals; however, DOER also should anticipate a near future where the solar industry will require less ratepayer investment and tailor the program accordingly. A descending cap structure better reflects the present and future landscape of the solar industry in the Commonwealth and should be integrated into the SMART 3.0 emergency regulations to better protect ratepayers.

## **II. SUPPORT FOR SPECIFIC SMART 3.0 PROVISIONS**

In addition to the AGO's recommendation above which expands upon feedback and input provided throughout the multi-year programmatic review process, the AGO also recognizes and supports specific consumer protections included in the SMART 3.0 emergency regulations and encourages DOER to maintain and/or effectively implement these important aspects of the emergency regulations. While solar provides benefits to both consumers and the Commonwealth at large, solar also generates significant customer complaints alleging violations of consumer protections laws. The AGO supports the consumer protections included in the SMART 3.0 emergency regulations which, if combined with effective enforcement and penalties, will improve the market and provide safeguards for consumers.

### **A. Imposing Reasonable Early Termination Terms—No Fee and a 30-Day Timeline—for Community Shared Solar Customers**

The AGO supports the SMART 3.0 Community Shared Solar ("CSS") contract requirements, specifically 225 CMR 28.12 7(c)(vi) and (ix), which protect customers by prohibiting early termination fees and requiring that all early termination requests from customers are processed and effective within 30 days. Notably, issues around cancellation requests, including termination fees and delays, account for the majority of complaints filed with the AGO by customers of CSS. While CSS Solar Tariff Generation Units ("STGU") are responsible for internal processing timelines, under earlier iterations of the SMART program, the timeline to effectuate termination requests was impacted, in part, by the Electric Distribution Companies' ("EDCs") restriction on the number of annual credit allocation updates. The EDCs, however, have updated their policies to remove these barriers:

- National Grid offers an account removal exception, allowing CSS STGUs to request a

---

<sup>2</sup> The AGO calculates for 2024, based on monthly usage of 650 kWh, the SMART charge made up 2.1% (\$4.86/month) of the typical monthly bill of \$230.45. The net metering charge made up 4.6% (\$10.62/month) of the typical monthly bill.

credit allocation update that does not count against their four annual allowable updates.<sup>3</sup>

- Until offers an account removal exception, allowing CSS hosts/owners to request a credit allocation update that does not count against their four annual allowable updates.<sup>4</sup>
- Eversource has a Renewable Credits Portal, an automated self-service web portal, which eliminated restrictions on allowable annual updates.<sup>5</sup>

Now that each EDC provides for timely account removal, SMART 3.0's requirements for reasonable termination terms—no early termination fee and a 30-day timeline to process termination requests—will provide important protections for customers and significantly contribute to a more positive customer experience.

## **B. Enforcement for Non-Compliance**

Importantly, SMART 3.0 is a ratepayer-funded program. It is both reasonable and necessary that the recipients of these ratepayer funds be held accountable for meeting the requirements of SMART 3.0. Accordingly, the AGO encourages the Department to carefully monitor compliance and, where appropriate, fully enforce accountability measures—up to and including full revocation of a compensation adder.<sup>6</sup> For example, if a CSS STGU fails to meet the low-income customer requirement<sup>7</sup> or the guaranteed savings requirement,<sup>8</sup> the STGU should not receive the benefit of the community shared solar compensation adder.

The AGO receives a significant number of complaints from both residential solar and community solar customers. The AGO intends to work in partnership with DOER to ensure that solar customer complaints received by the AGO receive careful review and appropriate response. Further, if there is a pattern of compliance issues with a specific STGU, the AGO recommends that DOER shift the timeline for distribution of adder funds. Instead of providing adder funds upfront, DOER would distribute the funds only after the STGU submitted documentation sufficient to demonstrate that it met all relevant requirements. By shifting the timeline for compensation, DOER can ensure compliance and potentially reduce administrative burdens associated with audits and the withdrawal of funds that have already been disbursed.

---

<sup>3</sup> D.P.U. 20-145, Phase II Order, at 32 n. 26 (Jun. 24, 2024)

<sup>4</sup> D.P.U. 20-145, Company's Letter of Update to the Department (Aug. 2, 2024).

<sup>5</sup> D.P.U. 24-DG, Informational update of NSTAR Electric Company d/b/a Eversource Energy on: (1) further progress on automation of Payment/Credit Form achieved since the last filing, and (2) proposed continued implementation plan for achieving automation and associated timeline (Jul. 1, 2024).

<sup>6</sup> 225 CMR 28.17.

<sup>7</sup> 225 CMR 28.07(5)(c)(1)(a).

<sup>8</sup> 225 CMR 28.07(5)(c)(1)(b).

The AGO appreciates DOER's consideration of these comments and looks forward to providing additional comments on the SMART 3.0 guidelines.

Respectfully submitted,

/s/ Allison L. O'Connell

Allison L. O'Connell

Terrence Vales

Assistant Attorneys General