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Subject: SMART 3.0 Program Emergency Regulations

Thank you for the opportunity to provide public comments regarding DOER's proposed SMART 3.0 program emergency regulations. MassSolar is a non-profit organization working to establish a renewable energy economy, ensure fair compensation for solar owners and provide access to solar for everyone in the Commonwealth on behalf of over fifty Massachusetts based solar installation companies and a wide range of clean energy, environmental, and low-income advocacy groups.

Governor Maura Healey and Secretary Rebecca Tepper recently testified before the Telecommunications, Utilities and Energy Committee that behind the meter solar is one of the best tools the Commonwealth has for lowering energy costs for everyone while also increasing grid reliability.

MassSolar agrees. This public comment letter will focus on recommendations for enhancing the SMART 3.0 program to accelerate the installation of environmentally responsible rooftop, canopy, and behind the meter solar in the Commonwealth. It is critically important to set compensation rates appropriately to ensure the continued existence of our Massachusetts based solar installation companies, as well as meeting the Commonwealth's energy affordability and climate goals, especially in light of the very recent changes affecting the economics of solar installations at the federal level.

SMART Program Capacity

The initial proposed program capacity of 450 MW is unlikely to meet the pent-up demand for solar installations. MassSolar recommends that the capacity for the first year of the program should not be capped. It will be reasonable to begin setting program capacity targets only after the first year of the program, when there is sufficient data to make that determination. Property owners and solar installers should not have an artificially imposed wait of a year or more because their application was submitted shortly after program capacity limits are hit. This is especially important in light of recently imposed federal construction deadlines. The SMART program should not impose additional limits on the ability of local Massachusetts property owners from capturing expiring federal tax credits.

SOQ Application Delays

Currently SOQ applications are subject to review by DOER, the Solar Program Administrator, and the Distribution Company with each allowed 30 business days to process an application. The current review process could easily result in a 4 ½ month approval timeline, which is extremely problematic for installers trying to meet financing and construction deadlines. We recommend limiting the total review time for all parties to 30 days. We also recommend eliminating the Distribution Company review as an executed ISA is required for all projects over 25 kW.

Carryover of SMART 2.0 Exemptions

MassSolar recommends that all SMART 2.0 exemptions be carried over to SMART 3.0 projects. It should be possible for projects with valid ISAs, to still participate in SMART 3.0 without having to reapply for a

new ISA. Examples include ISAs that were secured prior to the effective date of the new BESS rules, as well as prime farmland and other good cause exemptions allowed under SMART 2.0.

SMART Program Residential Incentive Rates

SMART program requirements impose approximately \$800 in additional costs in application fees, equipment costs, labor and material costs, and administrative overhead that can be quite burdensome especially for smaller residential installations. The proposed SMART incentive rates of \$0.03 / kWh are slightly lower than the current \$35 / MWh value of Mass Class I RECs. Participating in SMART at the proposed incentive values will decrease the amount of behind the meter solar installed in Massachusetts.

A typical 7.7 kW residential solar energy system that is required to participate in SMART 3.0 will have **an \$1,100 lower Net Present Value** than the same system that is allowed to sell Mass Class I RECs without participating in SMART. MassSolar recommends that DOER **exempt solar energy systems under 25 kW** from the proposed mandatory requirement to participate in SMART.

SMART Small Carport Adder

MassSolar recommends that DOER explicitly confirm that canopy adders are available for solar energy systems under 25 kW. Smaller canopy installations provide equivalent environmental and land use benefits as larger systems but have higher fixed costs compared to larger projects. Solar energy canopy systems under 25 kW should at minimum receive an equivalent incentive adder.

SMART Raised Racking Adder

MassSolar recommends that SMART provide a raised racking system adder of \$0.08 / kWh. Raised racking systems can dramatically increase rooftop solar capacity, but raised racking systems are not currently eligible for the canopy adder. A flat-roofed apartment building could install 200% to 300% more solar with raised racking by allowing panels over the entire surface area, but the added cost makes it infeasible without additional incentives. Raised racking and rooftop canopy installations provide superior land-use efficiency and building integration but require significant structural investment. Enhanced incentives will encourage broader adoption of these highly beneficial installation methods.

SMART meter location requirements

The SMART program meter location requirements can make the installation of smaller and rural solar energy systems infeasible. The requirement that a program meter be located within 10 feet of the utility meter may be physically impossible to implement in rural locations or create overwhelming economic burdens on smaller installations. Consider an example of a ground mounted solar array that is 150' from the barn subpanel, which in turn is 200' from the house service panel and the site's utility meter location. A trench from the ground mounted array to the house could be forced to pass through a forest or ledge, making it financially prohibitive. The SMART program rules should allow for SMART meter location flexibility in cases of financial hardship or physical impossibility.

Allow manual reporting

MassSolar recommends that DOER allow manual reporting to the PTS for all systems under 25kW. Manual reporting already exists for SREC I and II systems and is continuing as SREC systems transition to Class I RECs. Allowing new solar energy systems under 25 kW to manually report to the PTS provides DOER with access to small system generation data using the cheapest well-known process. In addition, there is little to no cell service or internet at many rural locations in Western Massachusetts.

Directional Adder

MassSolar recommends that DOER consider providing a west-facing adder to encourage solar generation during late afternoon and early evening peak demand periods. While there is no additional installation cost for west facing systems, orienting an array westward will reduce the project's overall generation, but could enhance the overall performance of the electrical grid.

Federal Tax Credit Expiration

The expiration of federal residential tax credits on December 31, 2025, will significantly impact residential solar economics, project viability and local solar companies overall financial viability. Enhanced state incentives are necessary to ensure Massachusetts local solar industry survives and continues to ensure the Commonwealth meets its clean energy goals. The financial benefits of rooftop, canopy and behind the meter solar in terms of lowering the cost of energy for everyone, and increasing the resilience of the grid, in addition to the health and climate benefits of cleaner energy, far exceed the costs of the increased SMART program incentives needed.

No new net metering caps for small systems

The proposed new regulations give DOER the power to impose new net metering caps on small behind the meter systems. MassSolar recommends removing this provision. DOER should be encouraging small behind the meter solar installations, not creating additional risk and uncertainty in the market for solar companies who are already struggling.

East vs West Base Compensation Rates

DOER has proposed a flat compensation rate across the Commonwealth. Solar installation costs are significantly higher in the eastern part of the state. This will significantly lower the installation rate of solar energy systems in the eastern part of the state, where behind the meter solar is most needed and closer to load. Installations in the eastern part of the state on already built and disturbed land will lower the impact on forests and farmland. MassSolar recommends that DOER continue to provide higher base compensation rates for solar installations in the eastern part of the state, where solar is most needed, and where solar installations are currently lagging.

Conclusion

MassSolar's recommendations outlined in these comments are essential to ensure SMART 3.0 achieves its intended objectives while maximizing benefits for Massachusetts ratepayers and environmental justice communities. The recommended changes address critical implementation barriers that will otherwise constrain program effectiveness and create unnecessary burden.

These adjustments are particularly crucial given the elimination of federal tax credits and the need to maintain deployment momentum toward the Commonwealth's clean energy targets. We appreciate DOER's consideration of these comments and are available to provide additional feedback or clarification during this process.

Best Regards,



Mark Sandeen
President, MassSolar