

July 25, 2025

**Grace Fletcher**

**Massachusetts Department of Energy Resources  
100 Cambridge Street, 9<sup>th</sup> Floor  
Boston, MA 02114**

**Dear Ms. Fletcher,**

On behalf of Aspen Power, thank you for the opportunity to submit public comments regarding the Solar Massachusetts Renewable Target (“SMART”) 3.0 Program. Aspen Power is a distributed energy generation platform building the clean energy future. We partner with businesses, communities, and others in the industry to develop, construct, operate, and own renewable energy assets. Our organization has a significant presence in the Commonwealth of Massachusetts, thanks to the leadership of both the DOER and the Healey Administration.

While Aspen applauds the improvements proposed to the SMART Program, we believe there are several areas that can be refined to drive better outcomes for ratepayers and the Commonwealth's progress towards meeting its decarbonization goals. Per the DOER's request, our responses are formatted in a Problem > Example / Justification (if applicable) > Solution framework.

### **1. Remove Capacity Caps for 2025 and 2026 Program Years**

#### **Problem**

The emergency regulations place a 400 MWac cap on the 2025 Program Year and an unspecified cap on the 2026 Program Year.

#### **Examples / Justification**

There is a substantial backlog of projects that have been waiting for SMART 3.0 to launch, including many that have been stuck in the interconnection process or CIPs for years. Meanwhile, the federal Investment Tax Credit is set to phase down starting in 2027. The Commonwealth is also facing growing uncertainty around other clean energy resources, such as offshore wind procurement delays and the cancellation of hydropower imports from Canada to meet RPS targets. If the goal is to meet climate mandates rapidly and affordably, the Department should enable as many projects as possible to proceed while the ITC is still available. It's understandable to want to limit ratepayer exposure, but those costs will be much higher once the ITC is phased out and higher SMART rates are needed to keep projects viable. Capping the program now only defers the cost and forces DOER to pay burden ratepayers with higher costs in the future.

#### **Solution**

Lift any caps on the 2025 and 2026 Program Year allocations. DOER should allow any eligible and qualifying projects to proceed while the window of federal support remains open.

## **2. Cost Survey Must Be Updated Before Launch**

### **Problem**

The 2025 Program Year rates were set based on a developer cost survey conducted in October 2023, under a different cost environment.

### **Examples / Justification**

Since fall 2023, there have been material shifts in the solar and storage development landscape, including but not limited to:

- Higher costs for equipment due to tariffs and forthcoming FEOC requirements
- Changes in capital markets
- Prolonged supply chain disruptions and uncertainty

### **Solution**

Before the SMART 3.0 launch, DOER should reissue the developer cost survey and update Base Compensation Rates and Adders for the 2025 Program Year based on current market data.

## **3. Base Compensation Rate & Adder Change Cap**

### **Problem**

The proposed 10% cap on year-over-year changes to Base Compensation Rates and Rate Adders under 225 CMR 28.05(6)(a) is too restrictive.

### **Examples / Justification**

Rates for the 2025 Program Year were set in July 2024, well before the 2024 election and subsequent federal policy changes that will massively impact solar project economics. Even if the 2026 Program Year Base Compensation Rates and Rate Adders are based on the current cost survey being conducted, they will not incorporate the phaseout of the federal ITC, the risk of additional tariffs on solar and/or energy storage components, and safe harboring uncertainty from the President's recent Executive Order. By limiting year-over-year changes to Base Compensation Rates and Rate Adders to +/- 10% based on cost data that will soon be irrelevant, the DOER will only be setting the program up for failure. This same methodology is what led to the original unworkability of SMART 1.0 / 2.0 by basing compensation rates on the original 2017 auction.

### **Solution**

Eliminate the cap on year-over-year changes, or as an alternative, apply the cap to waitlisted projects only. This will allow the DOER greater flexibility to adapt to significant shifts in solar project economics over time as federal policy and cost environments change.

## **4. Energy Storage Requirement for Canopy Projects**

### **Problem**

Building Mounted STGUs > 1 MWac are exempt from energy storage co-location requirements under 225 CMR 28.07(4)(e)1, but Canopy STGUs > 1 MWac are not.

### **Examples / Justification**

It is presumed that the intent of exempting Building Mounted STGUs > 1 MWac from energy storage requirements was to address siting, permitting, & site host challenges with including battery storage on these types of properties. Canopy systems are already difficult enough to execute with commercial property owners (due to concerns over plowing, aesthetics, etc.), and imposing battery storage requirements will only make them less viable. If the DOER has a goal of deploying as much solar on the built environment as possible, battery storage should not be required for Canopy projects. Further, battery storage economics are largely still uneconomical in Massachusetts. While we appreciate the increase in the Canopy Adder, incorporating battery storage will likely undermine the economics of these projects and make many of them unworkable.

#### **Solution**

The DOER should exempt Canopy STGUs from the battery storage requirement, or as an alternative, introduce a new energy storage adder for Rooftop and Canopy systems to incentivize battery storage on these sites where it is feasible to do so.

### **5. Community Shared Solar Discount Requirements Tied to Net Metered VoE**

#### **Problem**

The minimum discounts under 225 CMR 28.07(5)(c)1.b are tied to the Net Metered Value of Energy, rather than the value of the bill credit customers actually receive.

#### **Examples / Justification**

Most community solar projects under SMART are done under the Alternative On-Bill Credit (AOBC), which is based on the Supply rate only. The Net Metered Value of Energy is based on a near-retail value, meaning that a 10% - 20% discount on that value will translate to a 20 – 40% discount on the AOBC. This will create confusion for customers in an already confusing process of community solar enrollment and billing.

#### **Solution**

Tie the minimum discount to the value of bill credits actually received, even if that translates in dollars to higher than 10% - 20%, to ease customer and developer confusion.

### **6. Community Shared Solar Discount Requirements for Commercial Subscribers**

#### **Problem**

The minimum discount requirement for non-Low Income Customers under 225 CMR 28.07(5)(c)1.b requires a minimum 10% discount to the Net Metered Value of Energy for “all other customers”. This includes commercial anchor subscribers.

#### **Examples / Justification**

Large commercial offtakers, including anchor subscribers, typically have other motivating factors for participating in community solar projects (such as ESG goals) other than savings. It is unnecessary to require a minimum discount for these customers.

**Solution**

Limit the 10% minimum discount to non-Low Income residential customers only (as it was communicated in the July 2024 SMART 3.0 Straw Proposal) or only require the 10% minimum discount to subscribers with subscriptions  $\leq 25$  kW.

**7. Low-Income Subscriber Requirements****Problem**

Community Shared STGUs are required to allocate at least 40% of project capacity to Low Income Customers, each receiving a minimum 20% discount on the Value of Energy (225 CMR 28.07(5)(c)1.a–b).

**Examples / Justification**

This structure creates major implementation challenges. Massachusetts prevents utility shut-off for many low-income customers during much of the year, which limits the incentive to pay utility bills which include community solar bill credits. As a result, nonpayment rates are high, subscriber acquisition and management costs are substantially higher than in comparable community solar markets, subscriber churn is difficult to manage, and developers bear the full repayment risk. With limited tools to enforce payment, many projects are choosing to bypass the Community Shared adder entirely and enroll under the base feed-in tariff.

**Solution**

Replace the 40% LMI at 20% discount requirement with a simpler and more effective alternative, such as requiring that 10% of project capacity be allocated to Low Income Customers at a 100% discount. This broadens the eligible pool of LMI subscribers by eliminating the need for customer payments – reducing reliance on credit checks, billing logistics, and ongoing collections. This makes participation possible for households that would otherwise be excluded. This also reduces administrative and financial risk for developers by removing repayment obligations from subscribers entirely. This alternative delivers greater total LMI savings: 40% of output at a 20% discount = 8% effective project-wide discount. 10% of output at a 100% discount = 10% effective discount.

**8. Agricultural Solar Tariff Generation Unit (ASTGU) Size Cap****Problem**

The proposed limit on the DC size of ASTGUs to either 7.5 MWdc or twice the AC capacity rating under 225 CMR 28.07(5)(b)3.b.iii is arbitrarily restrictive and should be modified or removed.

**Examples / Justification**

There are no other size limits (on a MWdc basis) for any other STGU category in SMART, so it is arbitrarily restrictive to limit the size of ASTGUs. ASTGUs are not exempt from SMART's energy storage requirements for projects  $> 1$  MWac. Many of these projects have opted to overbuild the

DC size of the array and incorporate DC-coupled storage to capture clipping losses and deliver more value to the grid during peak periods. This strategy allows solar development to be concentrated on land where there is a willing landowner, sufficient interconnection capacity, and where agricultural benefits are provided. The DOER should not be limiting these benefits. Agrivoltaics is a growing but still nascent sector of solar development. A cap on the DC size of these projects will lead to fewer MWs of ASTGUs being built, which will stagnate the much-needed cost declines in this sector.

**Solution**

The cap should either be raised to a maximum of 10 MWdc (to allow projects to meet the 5 MWac SMART size cap) or eliminated entirely.

We sincerely appreciate the Department for extending the opportunity to provide comments on the SMART 3.0 Program. Aspen Power is committed to supporting the program's success and to working collaboratively with the DOER and other stakeholders to achieve the Commonwealth's ambitious clean energy goals. We look forward to continuing our partnership with the DOER and other stakeholders to make solar accessible, equitable, & impactful for all Massachusetts residents.