



Via Electronic Mail

July 25, 2025

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

Joint Letter from Residential Solar Companies on Emergency SMART 3.0 Regulations

Dear Ms. Fletcher,

The undersigned companies appreciate the opportunity to comment on the SMART Emergency Regulations ("SMART 3.0"). We respectfully request several critical modifications to avoid creating new headwinds and barriers to deployment of behind-the-meter residential solar+storage resources. We endorse the comments submitted jointly by the Alliance for Climate Transition, Solar Energy Industries Association, Solar Energy Business Association of New England, and the Coalition for Community Solar Access, but comment separately to emphasize issues that could be particularly disruptive to the residential solar and solar+storage markets in Massachusetts. We request that:

- Savings requirements for third-party-owned systems be waived where the customer is also installing battery storage. Additionally, for TPO systems, publish sufficient guidelines to ensure the means to comply with the savings provision are clear and replicable, including the avoidable rate against which to measure the savings. [**28.07(5)(a)(1)**];
- The potential for capping the allocation for systems of 25 kW or less be modified to account for potential changes in law that could mandate all new net metered systems participate in the SMART program [**28.05(3)(c)**]; and
- DOER consider an increased opening incentive rate capable of supporting industry and to remove the 10% cap on year-over-year incentive increases to provide DOER with greater flexibility to adjust to evolving market dynamics [**28.05(6)(a)**]

Residential solar+storage is a critical resource to Massachusetts clean energy, climate, and grid reliability goals. But it is also critical to the Commonwealth's current initiative to address affordability. Recent weeks have demonstrated the often unsung role that small-scale, behind-the-meter plays in the regional grid.¹ As the Acadia Center estimates, behind-the-meter solar helped save ratepayers at least \$8 million on a single day in June. As more customer-generators adopt battery storage at the time of installation, the potential value and importance of this sector is growing. Unfortunately, these positive trends are already threatened by stiff headwinds coming from recent federal action.

We ask that DOER take this letter into consideration and the risks to the residential sectors when finalizing the SMART program. This is particularly important and timely given the Governor's legislative agenda would require all new residential solar and solar+storage facilities to participate in the SMART program. The emergency regulations, acting in concert with mandatory participation, could further set back an industry that is already reeling. The Governor's bill, H.4144, would require all "solar net metering facilities" to participate in the SMART program. The Massachusetts General

Laws define a “solar net metering facility” as a facility for the production of electrical energy that uses sunlight to generate electricity and is interconnected to a distribution company. Essentially, the Governor’s legislative agenda would require all solar projects in Massachusetts to enroll in the SMART program.

The reasonableness of the emergency regulations for a voluntary program is a very different consideration than the reasonableness of emergency regulations that would become mandatory for every residential rooftop solar installation going forward. First, the emergency regulations are unreasonable in placing a savings requirement on every third-party owned net metered system in the Commonwealth. On the one hand, this creates a new administrative and compliance burden on providers that does not currently exist for the general market. This will increase the cost of doing business and the price consumers ultimately pay. On the other hand, a savings requirement could halt the progress of solar+storage deployment, as many of those projects will not produce on-paper savings in the first year, as future value streams from programs like ConnectedSolutions—and the resilience value to consumers—will not appear in that analysis. The undersigned support consumer protection legislation, specifically H.450, being considered this session and do not believe that this savings documentation requirement is appropriate or sufficient to achieve those broader consumer protection goals.

Second, the emergency regulations would appear unreasonable if participation in SMART is a condition of net metering and then DOER retains the ability to limit the net metering market, beyond the contemplation of the current net metering statute or even the Governor’s affordability bill. We recommend that DOER strike the provision that would enable limiting future program year capacity for the 25 kW and below category or, in the alternative, include a provision that a cap will not apply to systems in this range if there is a change in law that makes participation in SMART mandatory for new net metered customers. We do not believe the legislature intends to create a back door cap for systems in this range after just passing legislation in 2022 (and eventually DPU implementing the regulations) to clarify that systems up to 25 kW should be NEM cap exempt. The emergency regulations run in direct conflict with this major legislative and regulatory

push, and the Governor's affordability bill (on its face) does not give legislators a clear line of sight into the implications of mandating SMART participation for new NEM customers. Moreover, creating annual caps could lead to a boom bust cycle that will create major disruptions and inefficiencies within the residential solar market.

If enacted in its current form, the emergency regulations will fall short of supporting Massachusetts residents looking to install solar. The proposed incentive of \$0.03/kWh was already met with industry pushback during DOER's straw proposal process, even before the passage of the One Big Beautiful Bill. The situation has since worsened with the expiration of the Residential Tax Credit (Section 25D) and growing uncertainty over whether TPO projects will meet the Foreign Entity of Concern requirements under the Clean Electricity Investment Tax Credit (Section 48E). At \$0.03/kWh, the incentive remains insufficient—offering less value than the fixed Class I REC rate that most installers currently depend on. Furthermore, the proposed cap of a 10% annual increase to the base compensation rate would limit DOER's flexibility to provide timely industry relief and to adapt to market fluctuations, such as supply shortages caused by the administration's tariff policies and recent signals of hostilities toward clean energy, including its latest executive order.²

Residential solar+storage has become an unsung hero in Massachusetts' battle to create a more affordable, reliable, and cleaner grid. It has also provided residents with a path toward bill savings and energy security. But if NEM projects are compelled to participate in the SMART 3.0 program, the emergency regulations will not support the residential industry, which is already reeling from the One Big Beautiful Bill.

Thank you in advance for your consideration. We look forward to being a resource as DOER makes its final deliberations on its SMART 3.0 regulations.

Sincerely,

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