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DEPARTMENT OF
ENERGY RESOURCES

SMART 3.0 Program

November 18, 2025

Presented by Grace Fletcher



SMART Overview

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What is SMART?

- Solar Massachusetts Renewable Target (SMART)
- Launched in 2018 as the state's primary solar incentive program
- Administered by DOER and the Electric Distribution Companies
  - Enabling tariff and costs are reviewed and approved by Department of Public Utilities (DPU)
- Residential, commercial, and utility scale projects up to 5 MW
- Projects receive additional compensation (adders) if they are sited on:
  - A building
  - A brownfield
  - A landfill
  - A canopy
  - An active agricultural operation
- Projects receive additional compensation (adders) if they serve:
  - Low Income customers
  - Public entities
  - Community solar



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Solar Incentive Payment (SIP)

Solar Incentive Payment = Base Compensation Rate – Value of Energy

Solar Incentive Payment: cash payment paid to system owner

Base Compensation Rate: the all in revenue a project needs to be economic

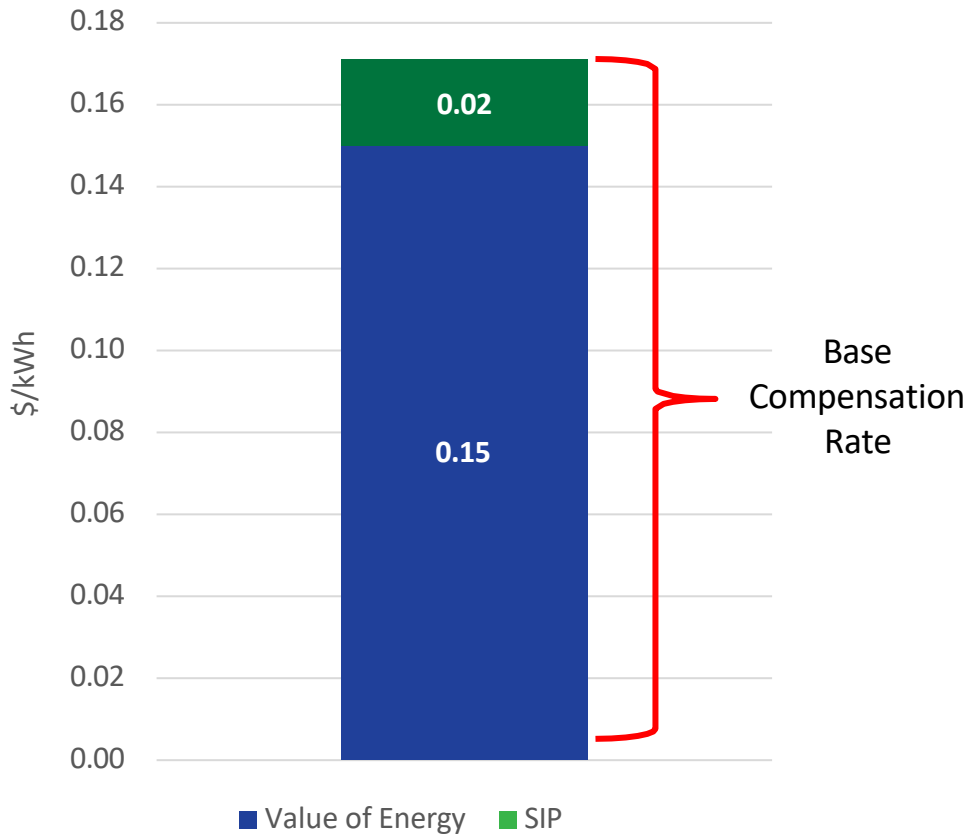
Value of Energy: three-year average of basic service

Example:

SIP = $0.17 - $0.15

SIP = $0.02 / kWh

System owners can have their SIP applied to their electric bill or receive a check directly from the EDC



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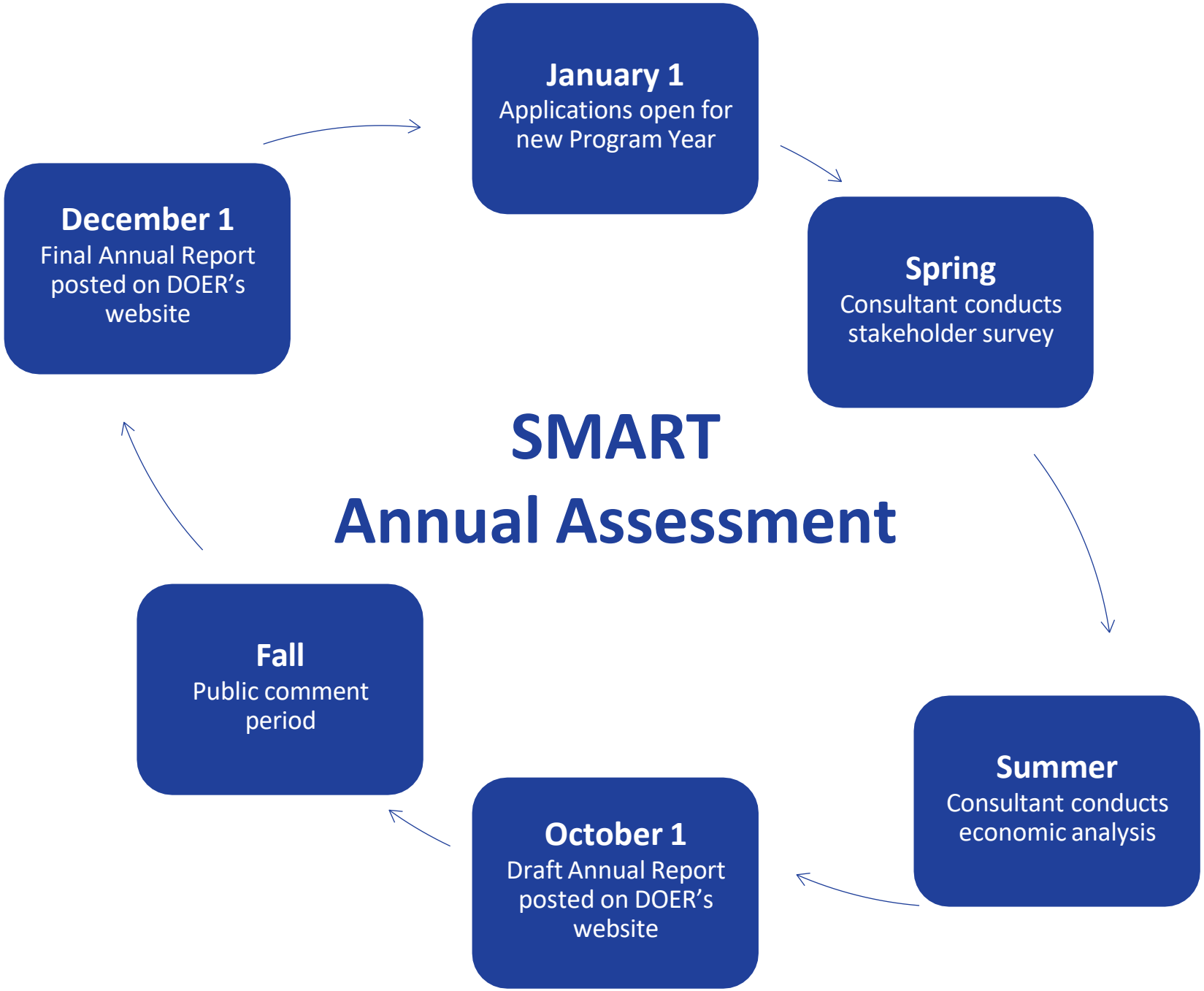
SMART 3.0 – Major Changes

Program Element	SMART (current)	Change in SMART 3.0
Cost Recovery Mechanism	Distributed Solar Charge	No change
Base Compensation Rates	Fixed (based on block)	Determined annually
Available Capacity	3,200 MW	Determined annually
Land Use	Greenfield subtractor	Mitigation fee

Structure: Annually Adjusted Elements

Program Element	Details
Total Capacity	*Year 1: 900 MW (<250 kW behind-the-meter projects are cap exempt)*
Capacity Allocation between EDCs	Minimum 5% to each EDC, with remainder allocated proportional to retail load
Capacity Set Asides	• 250-500 kW • Standalone 25-250 kW • Low Income Property • Community Shared Solar
Base Compensation Rates	• 25-250 kW • 250-500 kW • 500-1000 kW • 1000-5000 kW
Compensation Rate Adders	• ***Location-Based*** (Building Mounted, Large Building Mounted, Raised Racking, Brownfield, Landfill, Canopy, Agricultural, Floating) • ***Offtaker-Based*** (Community Shared, Low Income Property, Public Entity) • ***Other*** (Energy Storage, Solar Tracking, Pollinator)
Flat Incentive Rates	• <25kW • Low Income <25kW

SMART Annual Assessment



Key Considerations
(included in regulation)

- Progress toward greenhouse gas emissions limits
- Program participation rates
- Ratepayer impacts
- Regional/national solar costs
- Solar material & development costs
- Land use and environmental protection goals

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Process

Application Processing

- Uncapped project categories may apply on rolling basis starting January 1 and will be processed in the order they are received
- Capped projects will have initial 10-day application window, sequenced by ISA application date, before moving to first-come first-served
- If all capacity is reserved, a waitlist will be publicly posted, and projects may be selected throughout the Program Year if sufficient capacity becomes available through denied or withdrawn applications
- Projects on the waitlist will be processed first at the start of the next Program Year

Reservation Periods and Extensions

- 24-month base reservation period for all projects
- 48 months for projects in approved Capital Investment Projects
- Indefinite extensions for projects in interconnection studies and mechanical completion

Public Entities

Public Property

- System is owned by the Municipality or Other Governmental Entity ***or***
- 100% of output is assigned to the Municipality or Other Governmental Entity

Private Property

- System is owned by the Municipality ***or***
- 100% of output is assigned to the Municipality or Other Governmental Entities in the Municipality ***or***
- 100% of output is assigned to Municipalities or Other Governmental Entities ***and*** at least 15% of output is assigned to the Municipality or Other Governmental Entities in the Municipality

Documentation Requirements

- Exempt from providing fully executed Interconnection Service Agreement and Right to Construct at preliminary application stage
- Letter of Intent or other indication of project selection is acceptable

Land Use and Siting

- Ground-mounted projects >250 kW AC not sited on Previously Developed land are **ineligible** if:
  - Footprint overlaps with BioMap Core Habitat
  - >10% of footprint overlaps with highest levels of forest carbon in MA
  - Footprint overlaps with other applicable state and nationally protected lands including protected open space, wetland resource areas, and properties in the State Register
- Eligible ground-mounted projects not sited on Previously Developed land will be subject to:
  - On-site visitation from an external Environmental Monitor (and related expense)
  - Updated Performance Standards
  - Mitigation fee
  - Any new requirements established by the 2024 Siting & Permitting Bill

Mitigation Framework

- Eligible large, ground-mounted projects will pay a fee based on the impact of their development
- Mitigation fee calculation is informed by weighted criteria related to environmental impacts and policy goals
    - Carbon storage
    - Ecological integrity
    - Agricultural potential
    - Critical landscape
    - Geographical distribution
- Funds will be directed to a trust account to support conservation, ecosystem and biodiversity programs

Carbon Storage	**Potential carbon emissions plus foregone sequestration in metric tons of carbon per forested acre through 2070**
Ecological Integrity	State Ecological Integrity score of Project Footprint
Agricultural Potential	Project Footprint overlap with farmland soils
Critical Landscape	Project footprint overlap with BioMap Critical Natural Landscape layer
Geographical Distribution	MW/capita of large ground mounted SMART solar systems by county

Total Fee = *Max per acre fee* * *((Carbon storage*3 + Ecological integrity*3 + Agricultural potential*2 + Critical landscape*2 + Geographical distribution)/44)* * *Acres impacted*

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Example Projects – Program Year 2025

Project Type	400 kW Canopy in School Parking Lot	750 kW Rooftop on Community Center
Utility, Rate Class	National Grid, G-1	Eversource, G-1D
Compensation Type	BTM AOBC	BTM Net Metered
Base Compensation Rate Canopy/Building Adder Public Entity Adder Value of Energy Solar Incentive Payment	$0.2482/kWh + $0.08/kWh + $0.04/kWh + $0.2462/kWh - **$0.1256/kWh**	$0.2113/kWh + $0.03/kWh + $0.04/kWh + $0.2058/kWh – **$0.0755/kWh**

*These values represent the SMART Incentive Payment, which is distributed to the System Owner. These estimates are separate from any Power Purchase Agreement or lease payment rates negotiated through private contracts.

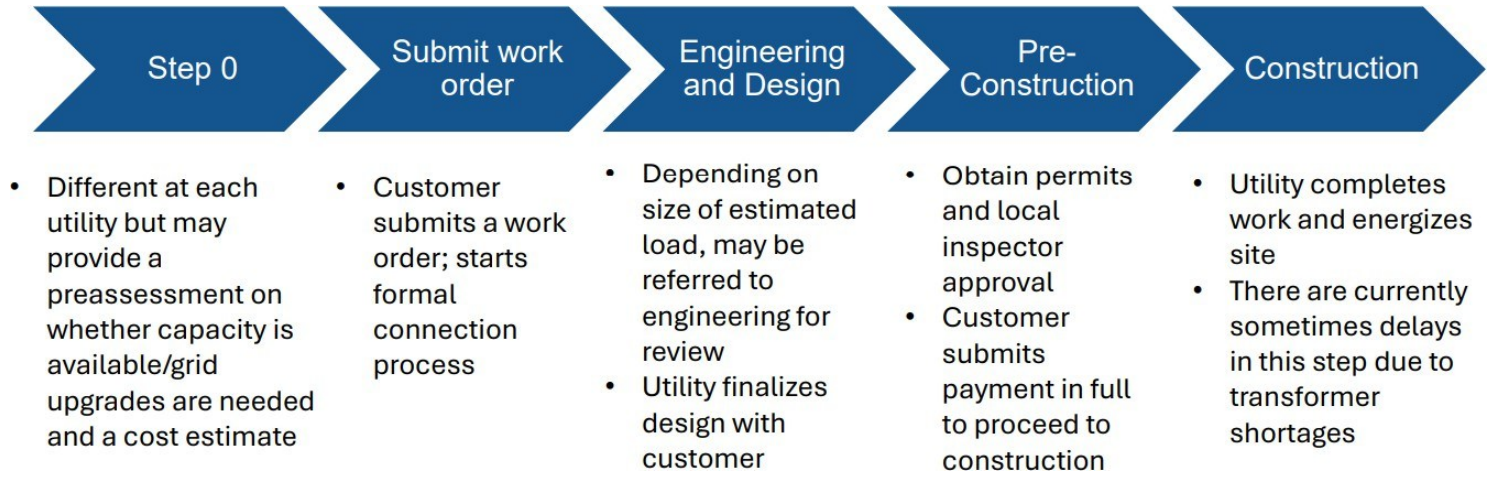
**For front-of-the-meter systems, the SMART Incentive Payment rate fluctuates over the course of the tariff term as the Value of Energy fluctuates.

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Interconnection Challenges

- Currently long queues of energy projects waiting to be interconnected to the grid throughout MA
  - Lack of sufficient grid capacity to accommodate the new generation
  - Lack of necessary equipment like transformers
  - Complex and unclear interconnection processes
  - Prohibitive grid upgrade costs

Current Load Connection Process for Large Load Customers



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Interconnection Reforms

Executive Office of Energy and Environmental Affairs is pursuing comprehensive reform to address these barriers for the long-term

	Capital Investment Project (CIP)	Electric Sector Modernization Plans (ESMP)	Long-Term System Planning Proposal (LTSPP)*	EV Charging Grid Planning (Section 103)
Frequency	As Needed	5 Years	5 Years	2 Years
Investments	Grid investments in specific geographic areas to create capacity for solar and storage	Investments for grid modernization and decarbonization	• Proactive investment to create capacity statewide for solar and storage • Will replace CIPs	• Proactive investment to enable EV fast charging hubs and fleet depot charging
Timeframe/scope of investments	Intended to build capacity for existing interconnection queue	Five-and ten-year demand forecasts	Will coincide with ESMP five-and ten-year demand forecasts	10-year EV charging demand forecasts; investments limited to fast charging hubs and fleet depots

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Questions?

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Appendix Slides

Resources

SMART 3.0 Program Website

Program Year 2025 Annual Report

Program Year 2025 Behind-the-Meter Value of Energy Workbook

Eversource Hosting Capacity Map

National Grid Hosting Capacity Map

Unitil Hosting Capacity Map

Interconnection Webinar Slides

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