

**COMMONWEALTH OF MASSACHUSETTS**

*Charles D. Baker, Governor*

*Karyn E. Polito, Lt. Governor*

*Matthew A. Beaton, Secretary*

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**Solar Massachusetts Renewable Target  
(SMART)  
Program Transition and Launch**

# Agenda

- SREC II Transition
- Differences between SREC II and SMART
- DPU Order Details
- SMART Application Process
- Other Information

# SREC II Transition

- Pursuant to its authority under both the RPS Class I and SMART regulations, DOER has established **November 26, 2018** as the transition date from the SREC II Program to the SMART Program
- This date will mark the opening of the SMART Program with respect to the intake of Statement of Qualification Applications from prospective applicants
- This date also marks the end of the SREC II Program, and triggers a number of requirements for facilities seeking qualification under the SREC II Program

# SREC II Transition

## November 26, 2018

- SREC II Ends
  - Systems sized 25 kW DC or less
    - Must be operational on or before November 26, 2018 in order to qualify
    - Must submit an application to DOER by February 15, 2019
    - Application must include documentation that they were authorized to interconnect on or before November 26, 2018
  - Systems larger than 25 kW DC
    - Must submit an application to DOER and be mechanically complete by November 26, 2018
    - Must submit proof of mechanical completion to [DOER.SREC@mass.gov](mailto:DOER.SREC@mass.gov) by December 10, 2018
    - Acceptable documentation includes
      - Certificate of Completion signed by wiring inspector
      - Evidence that a wiring inspection has been scheduled soon after November 26, 2018
      - An affidavit signed by the Engineer of Record

# SMART Initial Application Period

**November 26, 2018**

- SMART Application Portal Opens
  - 12:00 PM ET the portal will open and the initial application period will begin, which will last for five business days
  - All applications received through 11:59 PM ET on November 30, 2018 will be considered as having been submitted at the same time for the purposes of determining placement in a Capacity Block
    - Applications for facilities less than or equal to 25 kW AC will be reviewed and placed into Capacity Blocks in the order that their contract was executed
    - Applications for facilities greater than 25 kW AC will be reviewed and placed into Capacity Blocks in the order that their Interconnection Services Agreement was executed
  - All applications received on or after 12:00 AM ET December 1, 2018 will be reviewed and placed into Capacity Blocks on a first come, first served basis

# Key Differences Between SREC II and SMART

- SMART regulation requires that installers submit applications on behalf of customers and include such services in the contract with their customer (see 225 CMR 20.06(1)(b)1.):
  - “Contract service must include responsibility for the Statement of Qualification Application process including submittal of authorization to interconnect, securing required permits and engineering approvals, installation of the project, scheduling and participation in all required inspections, and providing warranty services, as required.”
- Application fee required at submittal
  - The EDCs continue to finalize application fee, which will be announced soon
- Two part application process
  - Preliminary Application (pre-interconnection)
    - To reserve a facility’s position in Capacity Block
  - Claim (post-interconnection)
    - To enroll a facility in tariff in order to begin receiving incentive payments
- All applications for facilities sized 25 kW AC or less must include a signed Customer Disclosure Form
  - Different forms for direct owned vs. third-party owned
- All recipients of credits from a Community Shared Solar facility must also sign a Customer Disclosure Form

# Key Differences Between SREC II and SMART (continued)

- EDCs will own production meters and will be responsible for collecting data and reporting to NEPOOL GIS (no more PTS reporting requirements)
  - Owner of PV system responsible for paying for meter via the interconnection process
  - Installers must leave open socket for utility owned production meter when designing systems
- EDCs own all Renewable Energy Certificates (RECs) for the duration of the tariff term
  - Customer must sign a REC assignment form acknowledging the EDCs ownership of the RECs before enrolling in tariff
- Taxation of incentive payments
  - EDCs will issue a 1099 to all recipients of incentive payments annually
  - W-9 required as part of application submission

# Eversource Capacity Block Consolidation

- Eversource Consolidation
  - DPU directed Eversource to work with DOER to treat Eversource as a single distribution Company and “to work quickly and collaboratively with DOER: (1) to determine the new SMART Program capacity blocks and BCR; and (2) to resolve other issues related to merging NSTAR and WMECo.”
  - Eversource and DOER are still working on the final details of their proposal that will be filed with the DPU, but expect to:
    1. Remove all references to WMECO from program documents
    2. Propose maintaining the existing Capacity Blocks and Base Compensation Rates for each portion of Eversource’s service territory, referring to them as Eversource East and Eversource West instead of NSTAR and WMECO, respectively



# Alternative On-Bill Credit

- Alternative On-bill Credit
  - Approved by DPU
  - Value of bill credit set at basic service rate of the generator
  - Only available to Standalone Solar Tariff Generation Units (i.e. not available to Behind-the-Meter Solar Tariff Generation Units)
  - No limit on the number of credits that can be transferred to customers
  - Credits can be transferred across ISO-NE load zones, but not across utility service territories
  - Credits must be allocated to customer bill within three billing periods
    - EDCs must start tracking delays and misallocations
  - Payment Credit/Transfer form can be updated twice a year until process is automated
  - EDCs expected to take steps toward automation of process

# SMART Factor/Cost Recovery

- SMART Factor
  - Separate line item on customer bill
  - Volumetric charge that facilitates EDC recovery of programmatic costs
  - Initially structured as a bypassable charge, but will transition to a non-bypassable charge at some point in 2019 or 2020
  - EDCs must consult with DOER on how the charge will appear on customer's bills as part of their November 1, 2018 SMART Factor filings

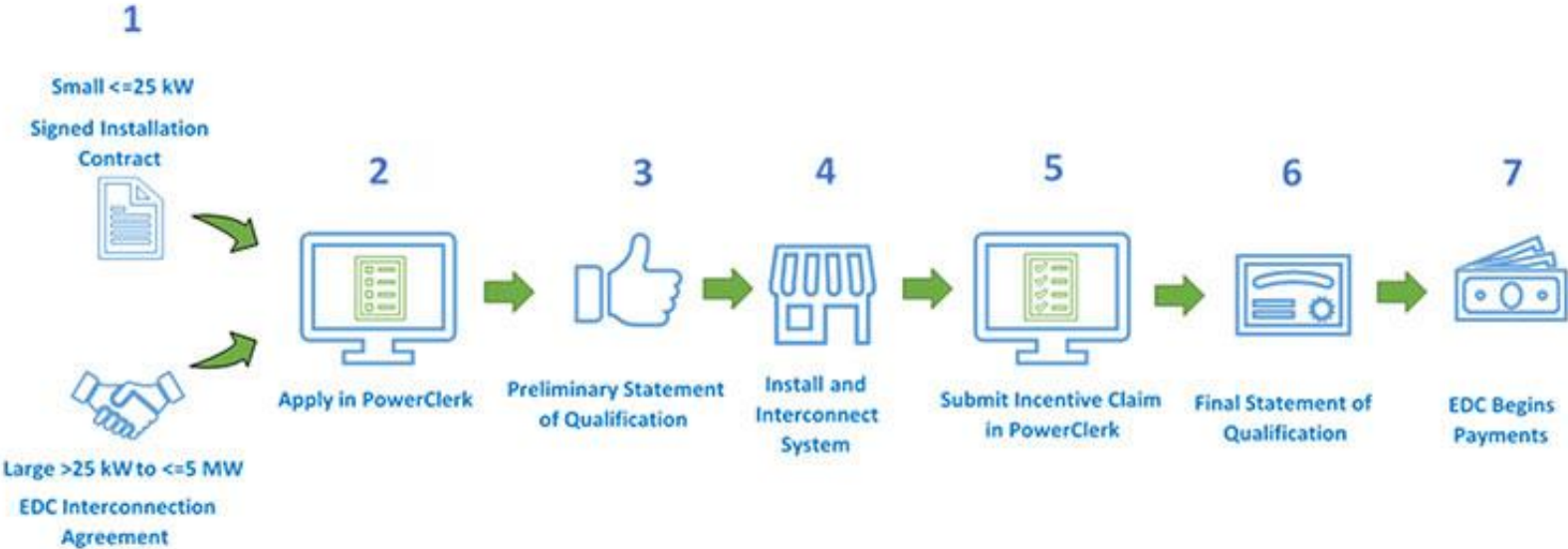
# SMART Program Participant Costs

- Application Fee
  - Paid one time upon initial application
  - Must be paid again if applying for supplemental adder eligibility following issuance of Preliminary Statement of Qualification or Final Statement of Qualification:
    - Energy Storage Adder
    - Off-taker Based Adder
- SMART Production Meter(s)
  - Paid for during interconnection application
    - Process may be slightly different for early stage program applicants that already went through the interconnection process before the start of the program
  - Total meter costs paid for by interconnecting customer
  - May be multiple meters if paired with energy storage depending on configuration

# SMART Application Webinar

- On **October 24, 2018**, DOER, CLEAResult, and the EDCs will host a webinar on the SMART Statement of Qualification Application process
- The webinar will be recorded and will include a detailed walkthrough of the application process
- The webinar will take place from 3 – 5 PM ET
- A registration link will be posted on both DOER's website and [www.masmartsolar.com](http://www.masmartsolar.com) for interested stakeholders
- Questions on the webinar should be directed to [DOER.SMART@mass.gov](mailto:DOER.SMART@mass.gov) or [MA.SMART@clearesult.com](mailto:MA.SMART@clearesult.com)

# Application Process



# Application Process

## Pre-SMART Application

1. Submit an interconnection application to EDC
2. Ensure all required SMART application documentation is finalized

## SMART Application

1. Submit application for Preliminary Statement of Qualification to CLEAResult
2. CLEAResult reviews application
  - a) If corrections are needed - Applicant has 10 business to cure
  - b) If not cured in a satisfactory way, Application rejected
3. CLEAResult advises DOER on approval of application
4. DOER issues the Preliminary Statement of Qualification
  - a) Capacity Block and Base Compensation Rate assigned
  - b) 12-month Initial Reservation Period starts
5. If necessary, submit paperwork to obtain Extended Reservation Period
6. Solar Tariff Generation Unit becomes operational
7. Submit application for Claim and final Statement of Qualification
8. CLEAResult advises DOER on approval of application
9. DOER issues the Final Statement of Qualification
  - a) CLEAResult notifies EDC of final approval and Applicant is enrolled in tariff

# Capacity Block and Adder Progression

## Capacity Blocks

- Assigned on rolling basis
- If a project covers two Capacity Blocks, a unique prorated rate will be assigned
- Capacity that becomes available will be added to current open block

## Adder Tranches

- Assigned on rolling basis
- First adder tranche of 80 MW secured based on PV size of project
- If project covers two Adder Tranches, project will fall into tranche with majority of eligible capacity
  - e.g. 600 kW left in Tranche 2, 1 MW project applies and fully qualifies in Tranche 2, Tranche 3 is reduced by 400 kW”

# Preliminary Statement of Qualification Application Requirements and Process

## Required documentation submitted with initial application

- 25 kW AC and less
  - Turnkey Contract with Installer
  - Customer Disclosure Form
  - Low-income utility rate if applicable
- Over 25 kW AC
  - ISA
  - Site Control
  - Non-ministerial permits
  - Other documentation as necessary if applying for certain adders

## Cure period is to correct administrative errors, not to provide extra time to procure required documentation

- If missing documentation provided during the cure period is dated after the original submission date, application will be rejected, and applicant will be required to reapply
  - For example, if an unexecuted ISA is submitted and flagged as an issue that needs to be cured, it is not permissible to subsequently submit an executed version with an execution date after the application submission date. If this were to occur, the application would be rejected.

## Adder eligibility

- Some adders have required documentation at preliminary application
- Determination of ineligibility for an Adder does not disqualify eligibility for Base Rate



# Claim Application Requirements and Process

1. By Reservation Period Deadline, Applicant must file Claim or file for one of the following Reservation Period Extensions
  - a) Up to 6 month extension for a fee of \$25/kW AC
  - b) Up to 6 month extension for legal challenge to an issued permit
  - c) Indefinite extension if Applicant demonstrates facility is mechanically complete by submitting signed Certificate of Completion
  - d) Good Cause extension - May only seek after obtaining extension for a fee
2. Solar Tariff Generation Unit is issued Authorization to Interconnect by distribution company
3. Applicant submits Claim application via application portal
4. Applicant updates system information with final as-built system specs
  - a) Equipment, size, ownership information all finalized at this point
5. Submit any required information for final Adder eligibility
  - a) e.g. Schedule Z / Payment Credit Transfer Forms, CSS Customer Disclosure Forms, etc.
6. CLEAResult reviews Claim for eligibility
7. For BTM systems, the Value of Energy rate is finalized
8. CLEAResult recommends to DOER that final SQ be issued
9. DOER reviews and issues final SQ
10. CLEAResult notifies distribution company, and STGU is enrolled in that Company's tariff

# Qualification Considerations – Claim Application

## Size of Solar Tariff Generation Unit

- Final as built AC size may not exceed AC capacity reserved
- Final as built AC size may be less than AC capacity reserved
- Final as built DC size may exceed DC capacity reserved, so long as AC size is not increased

## Tax Documentation

- Tax forms and payment information must be provided for incentive payment recipient during the Claim application process

# Incentive Payments

- SMART Effective Date will be set in final Statement of Qualification
  - SMART Effective Date reflects first day production is eligible to receive incentive payments and generate Class I RECS
  - Is generally the same as a project's Commercial Operation Date
- Incentive payments will begin to be paid within three billing cycles of claim approval
- Incentive payments made on a monthly basis, via check or electronic funds transfer
  - Applicant chooses whether to receive check or ACH
- Incentive payments have a 90-day lifespan
  - If recipient of incentive payments changes, information for the new recipient must be provided expeditiously to avoid loss of incentive payments
- Behind-the-Meter Systems
  - Must have confirmation that EDC meter is installed before claim can be approved

# Energy Storage Adder

- Final Guideline published in September 2018
- In addition to regulatory requirements, Guideline contains operational requirements
  - Standalone Systems
    - Option #1: The Energy Storage System may fulfill the operational requirements by dispatching the Energy Storage System during the summer peak hours and winter peak hours. Energy Storage System Owners may choose when to cycle during any hours included during this window.
    - Option #2: The Energy Storage System may fulfill the operational requirement through registration in the ISO-NE wholesale market or a retail-level program aimed at reducing ratepayer costs, if deemed satisfactory to the Department.
  - Behind-the-meter Systems
    - Demonstrate that the Energy Storage System reduces on-site customer peak demand or increases self-consumption of on-site generated solar energy.
- Compliance with requirements demonstrated with 15 minute interval data submitted to DOER after first year of operation

# Remaining Implementation Steps at DPU

## Tariff Approval

- EDCs must file revised model SMART Provision (i.e. tariff) with the DPU by October 15, 2018
- Revised tariff will reflect changes required by DPU order
- DPU will review revised model tariff and direct EDCs to file company specific compliance tariffs
- Upon approval of the compliance tariffs, EDCs may begin issuing incentive payments

## Cost Recovery

- EDCs must file company specific cost recovery filings by November 1, 2018
- Will detail cost estimates and procedures for how SMART Factors will be implemented beginning in 2019
- Will also provide further details on programmatic elements as required by the DPU in its order
- For example, EDCs must work with DOER to determine how SMART Factor will be named and appear on customer bills

# 400 MW Review

- DOER will conduct a review of the program when 400 MW of preliminary Statements of Qualification have been issued
- Following first week of the SMART Application, CLEAResult will post data regarding how many applications have been submitted
- DOER expects initial review of applications to take several weeks, and expects that the first Statements of Qualification will begin to be issued within a month of initial launch (depending on application volume)
- DOER may amend the SMART Regulation and/or Guidelines as part of its review

# MLP Solar Program

- DOER has collaborated with representatives from the Municipal Light Districts to develop an incentive program
- Incentive program will mainly serve to incentivize residential installations
- Incentives will be in the form of rebates for facilities less than or equal to 25 kW DC
- Similar structure to the Commonwealth Solar Rebate Program
- Class I RECs from participating facilities will be transferred to the MLP for a 10-year period
- DOER expects to issue a Program Opportunity Notice for MLPs and will be posting more information about the program shortly

# Other Issues

- The DPU is still considering several issues related to solar and energy storage in DPU 17-146
- At issue in this proceeding are:
  - The continued eligibility of an otherwise eligible net metering facility to net meter when paired with Energy Storage
  - Capacity rights for certain Solar Tariff Generation Units and net metering facilities
- Until a final determination is made in 17-146, *neither* EDCs nor Solar Tariff Generation Unit Owners may claim the right to bid capacity into the Forward Capacity Market



# Summary of Important Dates and Actions

Date(s)	Action
October 11, 2018 - October 19, 2018	In person SMART transition stakeholder meetings held throughout Commonwealth
October 15, 2018	EDCs jointly file revised model tariff with DPU
October 24, 2018	SMART Statement of Qualification Application webinar
November 1, 2018	EDCs individually file SMART Factor cost recovery filings with DPU
November 26, 2018	SMART Application Launches at 12 PM ET / Final Eligibility Date for SREC II
November 30, 2018	Initial SMART application period ends at 11:59 PM ET
Approx. December 1, 2018	MLP solar rebate program opens and begins accepting applications
December 10, 2018	Documents demonstrating mechanical completion due for SREC II systems larger than 25 kW DC
February 15, 2019	SREC II applications systems equal to or smaller than 25 kW DC due
TBD	DPU order approving revised joint model tariff
TBD	EDCs file company specific SMART tariffs
TBD	DPU approves company specific SMART tariffs
TBD	DPU issues order on 17-146

# Resources

- DOER website <https://www.mass.gov/service-details/development-of-the-solar-massachusetts-renewable-target-smart-program>
  - Customer Disclosure Forms
    - [Small System Direct Ownership](#)
    - [Small System Third Party Ownership](#)
    - [Community Shared Solar](#)
  - Guidelines
    - [Statement of Qualification Reservation Period](#)
    - [Definition of Agricultural Solar Tariff Generation Units Guideline](#)
    - [Land Use and Siting](#)
    - [Definition of Brownfield Guideline](#)
    - [Low Income Generation Units Guideline](#)
    - [Energy Storage](#)
  - Behind the Meter Value of Energy Calculator  
<https://www.mass.gov/doc/smart-btm-value-of-energy-calculator-0>
- CLEAResult website <http://masmartsolar.com/>
  - FAQ
  - Application Document Requirements
- SMART Program Regulation (225 CMR 20.00)  
[https://www.mass.gov/files/documents/2017/10/16/225c\\_mr20.pdf](https://www.mass.gov/files/documents/2017/10/16/225c_mr20.pdf)
- SMART Model Tariff (Enter 17-140) <https://eeaonline.eea.state.ma.us/DPU/Fileroom>
- Email with Questions:
  - [DOER.SMART@mass.gov](mailto:DOER.SMART@mass.gov)
  - [MA.SMART@clearesult.com](mailto:MA.SMART@clearesult.com)