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The Massachusetts Solar Program Expands at a Lower Total Cost

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The Massachusetts Department of Public Utilities recently approved expansion of the state's solar incentive program, SMART (Solar Massachusetts Renewable Target). Among other things, this expansion is meant to increase access to solar for income eligible customers, promote better siting of solar panels (such as rooftop solar), and increase compensation for solar generation, all at a lower total cost to electric customers generally.

Regulatory Background

Incentives for solar generation in Massachusetts involve several public and private entities.

The SMART program began with legislation passed in 2016 with the goal of encouraging the continued development of solar renewable energy generating sources, and promoting the transition to a stable and self-sustaining solar market. The Massachusetts Department of Energy Resources developed the specifics of the SMART program through regulations and guidelines.

Funding for these solar programs, including this expansion of the SMART program, comes partly from consumers through charges on electric bills. Accordingly, an additional goal of the legislation is to ensure that the costs of the solar programs lead to reasonable rates for electric ratepayers. The review of whether the rates are reasonable is done by the Department of Public Utilities.

These solar programs are then implemented by electric distribution companies in accordance with the legislation, the regulations and guidelines promulgated by the Department of Energy Resources, and with the review and approval by the Department of Public Utilities.

SMART Expansion Program

The Department of Public Utilities recently approved the expansion of several important aspects of the SMART program, two of which involve removing barriers to accessing solar

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generation for income eligible customers and promoting behind-the-meter projects, such as rooftop solar.

In an effort to increase the number of income eligible customers participating in the SMART program, the newly approved electric distribution company tariffs expand who is eligible to receive "low income customer" incentives. Now, any customer who qualifies for a low-income discounted electric rate or lives in a neighborhood that has a household income equal to or less than 65 percent of the statewide median income may receive higher compensation rates for installing solar generation. Additionally, a percentage of each capacity block will be reserved specifically for solar facilities serving income eligible customers.

Another expansion of the SMART program is for behind-the-meter solar facilities. A solar facility is considered behind-the-meter if it provides electricity to the site of the solar panels besides what is necessary to operate the panels themselves and any associated storage. A good example is residential rooftop solar, where the electricity from the solar panels is used to power the home. The new provisions will encourage behind-the-meter solar by making it eligible for alternative on-bill credits and increasing their overall incentive rates. And while these incentive rates are scheduled to decrease over time, they will now decrease at a lower rate than in past programs.

Other areas of expansion include a requirement for on-site storage for certain facilities with a capacity greater than 500 kW, an expansion of what qualifies for the public entity compensation adder, and changes to the land use criteria.

While this SMART program expansion will increase compensation payments to some customers with solar facilities, the total overall cost (and costs per MWh) will be less than prior solar incentive programs. This means that this next step in the development of solar generation in the Commonwealth will be done with a smaller impact to our electric rates.

Anyone with questions about the SMART program or other renewal energy initiatives can contact Rich May, P.C. attorney [Eric Krathwohl](#) or [Joe Dorfler](#).