

# SMART Factsheet

The SMART Incentive Program supports clean, renewable solar energy in Massachusetts

This is a high-level summary of the Final SMART Regulations released on August 25, 2017. We hope it helps you understand SMART at a basic level, and how it might benefit your organization.\*

## SMART: Solar Massachusetts Renewable Target

The Bay State has a long history of strong support for solar energy. This program is aimed at adding 1,600 megawatts (MW) of solar power – more than doubling the State's current capacity.

\*This summary outlines how SMART works for "behind-the-meter" systems 25 kilowatts (kW) or larger. The full program will also support "standalone" as well as smaller (under 25 kW) systems...but those details aren't included here.

## SMART at-a-glance:

Qualified solar projects will receive a **fixed incentive for solar energy production over a 20-year period.**

**TOTAL INCENTIVE**  
Base Incentive + Adders



**Net Metering Credit**



**Avoided Energy Costs**



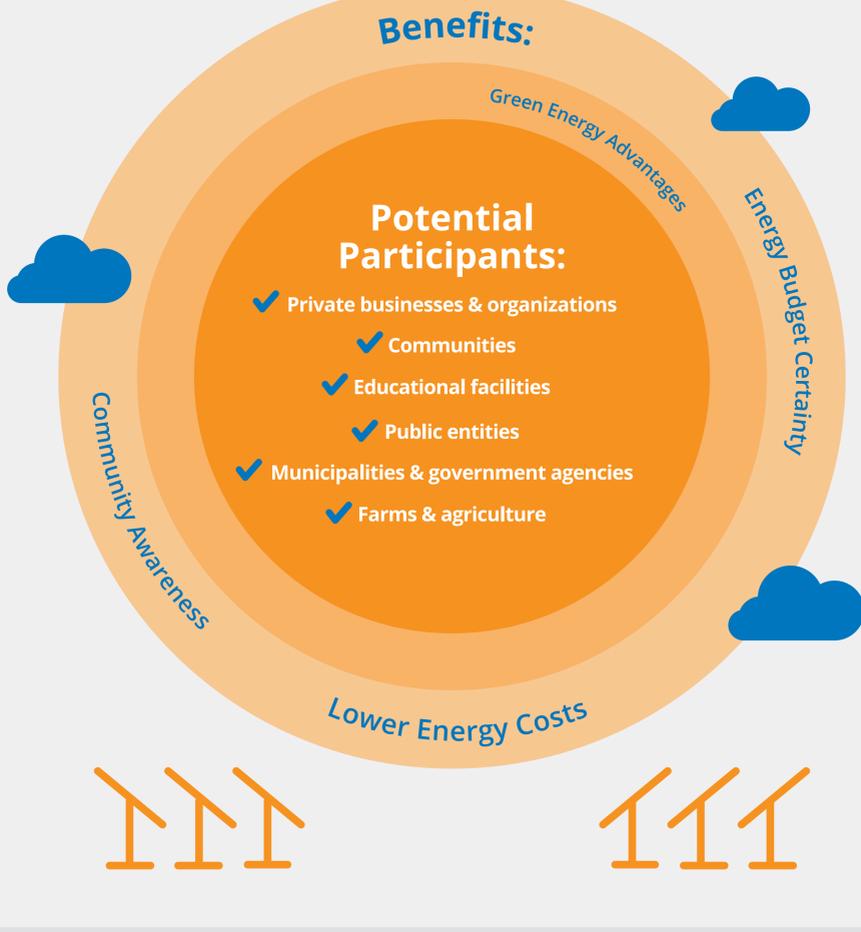
**TOTAL COMMERCIAL SOLAR SAVINGS**

The incentive provided by the program is in addition to any savings and other benefits realized by installing a commercial solar power system.

**Fixed incentive** per kilowatt hour (kWh)

**5 MW per location** maximum size

**Competitive auction** will set base incentive for all future projects



## How is the incentive calculated?

The incentive value per kWh of solar generated is **calculated individually for each system owner** and will be determined through a variety of factors:

$$\text{TOTAL INCENTIVE} = (\text{Baseline Price} \times \text{Size Multiplier}) + \text{Adders} - \text{Historical Energy Rates}$$

### BASELINE PRICE (auction clearing)

The initial baseline price will be set via an auction anticipated to take place in fall 2017.



### SIZE MULTIPLIER

This "Capacity Based Rate Factor" will be determined by the size and type of solar project.

### ADDITIONAL INCENTIVES ("ADDERS")

Certain factors can qualify system owners to receive a higher incentive rate.

#### Location:

- Solar canopy (e.g. carports, shade structures)
- Rooftop
- Landfill
- Brownfield
- Floating solar

#### Energy User:

- Public entities
- Community shared solar
- Low-income property owners

#### Integrated Energy Storage:

- Battery storage system
- Generally, a higher storage-to-solar ratio means a better incentive
- Basic requirements need to be met

Note: Incentive deductions could be applied to certain ground-mounted systems built on undeveloped land.

### HISTORICAL ENERGY RATES

Three-year average electricity delivery rate

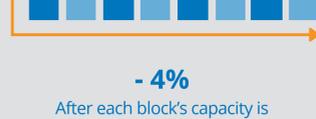


Three-year average basic electricity service rate

### TOTAL INCENTIVE

**Act soon to maximize incentive potential**

Beginning the process as early as possible will help ensure the highest incentives for your project.



**200 MW**

Comprised of 8 blocks of 200 MW capacity.

**- 4%**

After each block's capacity is reached, the incentive value for each subsequent block of 200 MW will decline by at least 4%.

**1,600 MW**

The program will be fulfilled when allotted 1,600 MW total is met.

## Answers to common questions:

### When will the program begin?

- The program is expected to fully replace SREC II in mid 2018.
- Projects interconnected after January 1, 2018 are eligible for SMART assuming they have not applied for SREC II.
- Given typical development timelines, most new solar projects will be eligible for SMART.

### How long will it last?

- SMART will be available for new solar projects until the program's capacity of 1,600 MW is reached.

### What happens to existing state incentive programs?

- SMART will replace the Commonwealth's previous SREC-based incentive programs. SREC programs have reached their original planned capacity, although SREC II has been extended through the Spring of 2018. Relative to the SREC programs, SMART offers more predictable, consistent income.

### Does SMART replace net metering?

- The SMART program is separate from net metering, and incentive income will be delivered separately from the system owner's utility bill.

### Do I have to own the system?

- You do not have to be the owner of the system to benefit from this program.
- Organizations that choose to finance their system with options like solar PPAs or leases can still benefit through expected rate reductions passed on from the actual system owner.

### How can my organization participate?

- When the program becomes operational, solar projects must submit an application to a state "Solar Program Administrator" who will approve participants and manage block reservations. The Administrator will also determine total incentive amounts and issue monthly payments. An energy consultant or solar provider can help guide you through this.
- In order to qualify for a SMART block, projects must submit an executed Interconnection Services Agreement, proof of site control, and all special project permits to the Solar Program Administrator.

## Where to go for additional information:



- **Contact an independent energy consultant or a knowledgeable solar provider.**
- **Web Site:** [Solar for Massachusetts](#)
- **Article:** [The New 1,600 MW Solar Program for Massachusetts Really is SMART](#)
- **Article:** [SMART start? Massachusetts utilities, solar at odds over proposed incentive program](#)
- **Presentation:** [Department of Energy Resources \(DOER\) SMART Plan](#)
- **Webinar:** [The Solar Massachusetts Renewable Target \(SMART\) Program](#)