

Massachusetts SMART Solar Program

BASE COMPENSATION RATES

The Base Compensation Rates for the Solar Massachusetts Renewable Target (SMART) Program have been established for Block 1. These rates were established pursuant to the procedures outlined in the Massachusetts Department of Energy Resources (DOER) SMART Regulation (225 CMR 20.00). As required by regulation, the Solar Program Administrator (SPA) issued a Request for Proposals (RFP) at the direction of the Electric Distribution Companies (EDCs: Eversource, National Grid, and Unitil) for an initial competitive solicitation. The initial RFP sought proposals from large projects of 1 MW to 5 MW of capacity. The SPA has applied all program selection rules to proposals received, and provided the eligible lists of recommended awardees from the RFP to the EDCs, under direction of the EDCs and in consultation with DOER.

The results from the competitive procurement were utilized by DOER to calculate the resulting Base Compensation Rates as shown in the table below. These are stated in \$/kWh.

Massachusetts SMART Program - Block 1 Base Compensation Rates by Service Territory and Project Size							
Generation Unit Capacity	Base Compensation Rate Factor	Term Length	National Grid – Massachusetts Electric	National Grid – Nantucket	Eversource – NSTAR	Eversource – WMECO	Unitil – FG&E
Low income less than or equal to 25 kW AC	230%	10-year	\$0.35795	\$0.39100	\$0.39100	\$0.32862	\$0.35795
Less than or equal to 25 kW AC	200%	10-year	\$0.31126	\$0.34000	\$0.34000	\$0.28576	\$0.31126
Greater than 25 kW AC to 250 kW AC	150%	20-year	\$0.23345	\$0.25500	\$0.25500	\$0.21432	\$0.23345
Greater than 250 kW AC to 500 kW AC	125%	20-year	\$0.19454	\$0.21250	\$0.21250	\$0.17860	\$0.19454
Greater than 500 kW AC to 1,000 kW AC	110%	20-year	\$0.17119	\$0.18700	\$0.18700	\$0.15717	\$0.17119
Greater than 1,000 kW AC to 5,000 kW AC	100%	20-year	\$0.15563	\$0.17000	\$0.17000	\$0.14288	\$0.15563

When the SMART Program opens to all project sizes, the Base Compensation Rates shown above will be applied for the remainder of Block 1. The SPA will be responsible for confirming that the correct Base Compensation Rate is applied to each solar project applicant (defined in 225 CMR 20.00 as a Solar Tariff Generation Unit, or “STGU”). As each EDC moves to subsequent Blocks, these Base Compensation Rates will be reduced by a set percentage for each new Block.

In addition to the Base Compensation Rate, each STGU may be qualified to receive certain Compensation Rate Adders that can increase the final Compensation Rate for the STGU. Potential Compensation Rate Adders include those based on system location, off-takers of energy, energy storage, or tracking features on the STGU. Some restrictions apply to the Adders. Similarly, certain STGUs may be subject to a Greenfield Subtractor that may reduce an STGU’s total compensation rate.

Once a Statement of Qualification has been issued to an STGU, the final compensation rate will be transmitted to each relevant EDC along with relevant regulatory approval. Refer to 225 CMR 20.00 for all regulatory details. Further information will also be posted at www.masmartsolar.com.