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December 3, 2018

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

Re: D.P.U. 17-140; Joint Petition of Massachusetts Electric Distribution Companies for  
Approval of Model Solar Massachusetts Renewable Target (SMART) Program Tariff

Dear Secretary Marini:

On behalf of NSTAR Electric Company d/b/a Eversource Energy (“Eversource”) enclosed please find Eversource’s Solar Massachusetts Renewable Target (SMART) Tariff, M.D.P.U. No. 74, submitted in accordance with the Department’s November 26, 2018 Memorandum accompanying its stamp-approval of the model SMART Provision. Also enclosed is a revised Net Metering Tariff, M.D.P.U. No. 68E, which excludes the SMART Factor from the calculation of Net Metering Credits in accordance with the Department’s order in D.P.U. 17-140-A at 29.

Thank you for your attention to this matter. Please contact me if you have any questions regarding this filing.

Sincerely,



Matthew S. Stern, Esq.

Enclosures

cc: Staci Rubin, Hearing Officer  
Service List

**SOLAR MASSACHUSETTS RENEWABLE TARGET**  
**(SMART)**

**1.0 Purpose**

The operation of the SMART provision is pursuant to the Solar Massachusetts Renewable Target (“SMART”) Program regulations at 225 CMR 20.00 promulgated pursuant to Chapter 75 of the Acts of 2016, as applicable to Solar Tariff Generation Units that have received a Statement of Qualification from the Massachusetts Department of Energy Resources. The SMART provision provides for: (1) Incentive Payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by a Solar Tariff Generation Unit; (2) Alternative On-Bill Credits for energy generated by an Alternative On-Bill Credit Generation Unit; (3) the basis upon which Incentive Payments and Alternative On-Bill Credits are determined; and (4) the recovery of any such Incentive Payments, Alternative On-Bill Credits, and incremental administrative costs associated with the implementation and operation of the SMART Program.

**2.0 Definitions**

As used throughout this tariff, the following terms shall have the definitions set forth in this Definitions section.

- 2.1 Alternative On-Bill Credit (“AOBC”) shall mean the value of the net excess electricity generated and fed back to the Company by an AOBC Generation Unit on a monthly basis, calculated pursuant to Section 9.0 below.
- 2.2 AOBC Generation Unit shall mean a Standalone STGU that is eligible for an AOBC pursuant to the SMART provision, and is not compensated for energy generated pursuant to 220 CMR 8.00 or 220 CMR 18.00.
- 2.3 AOBC Payment/Credit Form shall mean a paper or electronic form provided by the Company on which the Owner or Authorized Agent must provide, prior to the Commercial Operation Date of the STGU, all required information for the Company to process the transfer of AOBCs. The Owner or Authorized Agent shall provide the AOBC Payment/Credit Form directly to the Company and the SPA. The AOBC Payment/Credit Form will be established and published by the Company from time to time on its website. The AOBC Payment/Credit Form may be updated no more than two times during a 12-month period, unless allowed by the Company to be updated more frequently.

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- 2.4 Authorized Agent shall mean a person or entity that serves under an agreement entered into by each of the Owners of a STGU for all dealings with the DOER and the Company.
- 2.5 Company shall mean NSTAR Electric Company d/b/a Eversource Energy.
- 2.6 Commercial Operation Date shall mean the date on which the Company grants permission to the STGU to operate in parallel with the Company's electric distribution system.
- 2.7 Current Year shall mean the 12-month period for which a SMART Factor will be in effect.
- 2.8 Customer shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains delivery service at a customer delivery point and who is a customer of record of the Company.
- 2.9 Department shall mean the Massachusetts Department of Public Utilities.
- 2.10 DOER shall mean the Department of Energy Resources.
- 2.11 Energy Storage System shall mean a commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy, and that is co-located with a STGU that has qualified for the Energy Storage Adder pursuant to 225 CMR 20.07(4)(c).
- 2.12 Environmental Attributes shall mean all GIS Certificates and any other environmental benefits associated with the energy generation of a STGU.
- 2.13 Generation Attribute shall mean a Generation Attribute, as defined in 225 CMR 14.02.
- 2.14 GIS Certificate shall mean an electronic record produced by the NEPOOL GIS that identifies Generation Attributes of each Megawatt-hour (MWh) accounted for in the NEPOOL GIS.

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- 2.15 Incentive Payment shall mean the payment to a STGU, including an AOBC Generation Unit, for RPS class I Renewable Generation Attributes and/or Environmental Attributes produced by these units, calculated pursuant to Section 7.0 below.
- 2.16 Incentive Payment Effective Date shall mean the earliest date on or after the Commercial Operation Date on which electrical energy output of a STGU can result in the creation of RPS Class I Renewable Generation Attributes and also be eligible to begin receiving Incentive Payments.
- 2.17 Incentive Payment/Credit Form shall mean a form or online application provided by the Company and submitted by the Owner or Authorized Agent prior to the Commercial Operation Date of the STGU. The Owner or Authorized Agent shall provide the Incentive Payment/Credit Form directly to the SPA. The Incentive Payment/Credit Form will be established and published by the Company from time to time on its website.
- 2.18 Market Revenue shall mean (1) the market value or the net proceeds from the sale or use of the RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the SMART provision; and (2) net proceeds from the sale of energy generated by AOBC Generation Units greater than 60 kilowatts (“kW”) or the market value of the energy generated by AOBC Generation Units greater than 60 kW used by the Company for Basic Service. The market value of RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the SMART provision and used by the Company shall be determined from actual sales or purchases, and/or recent quotes from market participants.
- 2.19 NEPOOL GIS shall mean the New England Power Pool Generation Information System, which includes a generation information database and certificate system, operated by the New England Power Pool, its designee or successor entity, that accounts for Generation Attributes of electrical energy consumed and generated within, imported into, or exported from the ISO-NE Control Area.
- 2.20 On-Site Load shall mean any new or existing electric load located at the site of a STGU including any parasitic load that may result from the installation of the STGU, and that is wired to receive a portion of the electrical energy output from the STGU before the

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balance of such output passes through the STGU's metered interconnection onto the electric distribution system.

- 2.21 Owner shall mean any person or entity that, alone or in conjunction with others, has legal ownership of a STGU.
- 2.22 Prior Year shall mean a 12-month period prior to the Current Year.
- 2.23 Qualifying Facility ("QF") shall mean a Qualifying Facility, as defined by the Department in 220 CMR 8.02.
- 2.24 RPS shall mean the Massachusetts Renewable Portfolio Standard established in Mass. Gen. Laws c. 25A, § 11F.
- 2.25 RPS Class I Renewable Generation Attribute shall mean a RPS Class I Renewable Generation Attribute as defined in 225 CMR 14.02.
- 2.26 Solar Program Administrator ("SPA") shall mean the qualified entity selected by the electric distribution companies to facilitate the SMART Program.
- 2.27 Solar Tariff Generation Unit ("STGU") shall mean a Generation Unit, as defined in 225 CMR 14.02 and 225 CMR 20.02, that generates electricity using solar photovoltaic technology and meets all of the eligibility criteria set forth in 225 CMR 20.05 and 225 CMR 20.06 and has received a Statement of Qualification.
- 2.28 Standalone STGU shall mean a STGU that serves no associated On-Site Load other than parasitic or station load utilized to operate the Generation Unit.
- 2.29 Statement of Qualification shall mean a document issued by the DOER that qualifies a STGU to participate in the SMART Program pursuant to 225 CMR 20.00.

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**3.0 Availability**

Incentive Payments and, as applicable, AOBCs provided under this SMART provision are available to the Owner or Authorized Agent of a STGU that has received a Statement of Qualification from the DOER, has met all eligibility requirements from 225 CMR 20.00, has a total installed capacity of less than or equal to five megawatts (measured in megawatts (“MW”) AC), and is interconnected to the Company’s electric distribution system. The Base Compensation Rates, which form the basis for Incentive Payments, are established by capacity blocks as shown in Appendix A. Other than STGUs selected under the one-time competitive procurement described in 225 CMR 20.07(3), no STGU shall be eligible to qualify in the Company’s first capacity block unless it has a capacity equal to or less than one megawatt or is eligible to receive a Compensation Rate Adder (special rate adders specific to certain types of STGUs). Applications will be accepted on a first-come first-served basis.

Each Standalone STGU may be metered by the Company through a single metering point. All other STGUs must be separately metered by the Company for the purpose of measuring energy generated by the STGU, with the Company’s metering installed behind the Customer’s service meter. All STGUs must be electrically separate, and separately metered per Section 5.0, below, from any other existing electricity generating unit, whether taking service under the SMART provision or not.

Incentive Payments and, as applicable, AOBCs provided under this SMART provision are available to the Owner or Authorized Agent of Eligible STGUs installed on distribution infrastructure served, but not owned, by the Company, provided that (1) there is a Customer associated with the distribution infrastructure served by the Company; and (2) the STGU shall also comply with the requirements in Section 6.0, below.

**4.0 Other Tariff Applicability**

All Customers must comply with the Company’s Standards for Interconnection of Distributed Generation tariff (“Interconnection Tariff”) and the Terms and Conditions for Distribution Service, as may be amended from time to time.

STGUs that are served on the Company’s Net Metering tariff pursuant to 220 CMR 18.00 or Power Purchase tariff pursuant to 220 CMR 8.00 will receive Incentive Payments pursuant to the SMART provision. The terms and conditions regarding the calculation and distribution of net metering credits or payments for purchased power are governed by the provisions of the applicable tariff.

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**5.0 Metering**

The Company will own, install, and maintain a meter on each STGU that complies with the metering standards applicable to the size of the STGU as defined in the Company's Interconnection Tariff. Monthly readings obtained from the meter will be used to determine Incentive Payments pursuant to Section 7.0 below. The Company must be provided adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s), if applicable. During the interconnection process, the Company will assess the Owner, Authorized Agent, or their designee of a STGU a charge for the installed cost of the meter, including necessary metering equipment (e.g., instrument transformers, communication equipment). An Energy Storage System co-located with a STGU greater than 60 kW may require separate metering, and during the interconnection process, the Company will assess a charge to the Owner, Authorized Agent or their designee for the installed cost of the meter, including necessary metering equipment (e.g., instrument transformers, communication equipment), if installed.

**6.0 Conditions for Participation**

Owners or Authorized Agents of a STGU must demonstrate compliance with the following conditions prior to receiving Incentive Payments and AOBCs, if applicable. Incentive Payments and AOBCs will be applied on a prospective basis only after all of the following conditions have been met.

- 6.1 The Owner must obtain the Company's written authority to interconnect and operate in parallel with the Company's electric distribution system.
- 6.2 The Owner must provide final approval of a Statement of Qualification from the DOER for systems that have been constructed within the required timeline. This may be provided directly to the Company by the SPA with the permission of the Owner.
- 6.3 During the period of time in which the STGU is receiving Incentive Payments pursuant to Section 7.0, the Company shall have the irrevocable rights and title to the RPS Class I Renewable Generation Attributes and/or Environmental Attributes of all STGUs. In addition, for those units that are also AOBC Generation Units, the Company will also have irrevocable rights and title to the energy and any market products associated with the sale of energy or energy services produced by the AOBC Generation Unit.
  - 6.3.1 RPS Class I Renewable Generation Attributes in the form of Renewable Energy Certificates ("RECs") must be delivered to the Company's appropriate NEPOOL-

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GIS account. For STGUs greater than 60 kW, and that are not connected behind a meter measuring On Site Load, this will be accomplished through either the Company or the Owner registering the STGU with the NEPOOL-GIS and enrolling in a Forward Certificate Transfer of RECs to the appropriate Company NEPOOL-GIS account for the term of enrollment in this tariff. If the Owner is required to register the STGU and enroll in a Forward Certificate Transfer, evidence of such enrollment will be collected by the Company.

- 6.3.2 STGUs that are 60 kW or smaller, and those that are greater than 60 kW and are connected behind a meter measuring On Site Load, shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the STGU to the Company's appropriate NEPOOL-GIS account. The Owner or Authorized Agent shall provide approvals or assignments, including, but not limited to, completing the Company's Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the STGU's participation in asset aggregation or other model of asset registration and reporting for the period of time in which the STGU is receiving Incentive Payments pursuant to Section 7.0. This form will be collected by the SPA and provided to the Company.
- 6.3.3 Energy: Energy produced by AOBC Generation Units must be delivered to the Company in the Company's ISO-NE load zone at the delivery node associated with the STGU. As requested by the Company or ISO-NE, the Owner or Authorized Agent shall provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset, if the Company chooses to settle such energy.
- 6.3.4 Capacity: This tariff does not assign capacity rights of any STGU or Energy Storage System to the Company, Owner, or Authorized Agent except as consistent with the Company's Power Purchase tariff and subject to any future determination on capacity rights by the Department.
- 6.3.5 It is the responsibility of the Owner or the Authorized Agent to ensure that billing account information of the designated recipients of AOBCs and information

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necessary for distribution of Incentive Payments is accurately reflected on the AOBC Payment/Credit Form and provided on any forms required for taxpayer identification and reporting. AOBCs that cannot be applied to recipient accounts because of inaccurate information will remain on the STGU's account and will be carried forward to subsequent billing months subject to Section 9.0 regarding the Company's option to pay a lump sum amount. Changes to the Incentive Payment/Credit Form and/or AOBC Payment/Credit Form must be received by the Company at least 15 days prior to the next billing date of the STGU or the AOBC recipient, as applicable, to be reflected in the next billing period. Incentive Payments that cannot be paid to an Owner due to inaccurate or incomplete records will be available for 90 calendar days, after which they will be forfeited.

**7.0 Calculation of Incentive Payments**

Incentive Payments to STGUs will be in accordance with the formula specified in 225 CMR 20.08 and will be calculated for each monthly billing period as follows:

$$IP = (BCR + CRA - GS - VOE) * kWh_{gen}$$

Where

IP = Incentive Payment.

BCR = Base Compensation Rate applicable to the STGU as specified in the STGU's Statement of Qualification. The Base Compensation Rates by capacity block are provided in Appendix A.

CRA = Compensation Rate Adder applicable to the STGU as specified in the STGU's Statement of Qualification.

GS = Greenfield Subtractor applicable to the STGU as specified in the STGU's Statement of Qualification.

kWh<sub>gen</sub> = kWh generated during the billing period. For STGUs, kWh<sub>gen</sub> will be measured after the reduction for parasitic or station load.

VOE = Value of Energy, determined as set forth below

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- (1) For Standalone STGUs that are net metered pursuant to the Company's Net Metering tariff, the VOE will be the applicable net metering credit.
- (2) For Standalone STGUs that are QFs or On-site Generating Facilities pursuant to 220 CMR 8.00 but are not net metered pursuant to the Company's Net Metering tariff, the VOE will be the rate applicable under the Company's Power Purchase tariff.
- (3) For STGUs that are located behind the Customer's electric service meter and have On-Site Load other than parasitic or station load, the VOE will be the sum of the current applicable distribution kWh charge, transmission kWh charge, transition kWh charge, and the average of the Basic Service kWh charge for the three calendar years immediately preceding the year in which the Statement of Qualification is issued. For purposes of this tariff, a Customer's current applicable distribution kWh charge, transmission kWh charge, and transition kWh charge will be those charges in effect applicable to the Customer during the previous calendar year. The VOE applicable to the STGU will be specified on the Statement of Qualification, as provided by the Company in Appendix A to this tariff and will not change during the period of time during which the STGU is receiving Incentive Payments pursuant to Section 7.0, unless directed to change by DOER.
- (4) For AOBC Generation Units, the VOE will be equal to the Basic Service rate applicable to the AOBC Generation Unit's rate class in effect during the billing period, as established by the Company's Basic Service tariff.
- (5) Base Compensation Rates and, if applicable, Compensation Rate Adders, and/or Greenfield Subtractors are determined as authorized in the Statement of Qualification, and those rates will not change during the period of time in which the STGU is receiving Incentive Payment pursuant to Section 7.0 unless as directed by the DOER, SPA or the Department. The applicable distribution, transmission and transition charges, and the

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three-year average of Basic Service rates will change once annually in Appendix A to this tariff.

**8.0 Distribution of Incentive Payments**

The Company will disburse Incentive Payments, in the form of a paper or electronic check as specified on the Incentive Payment/Credit Form or AOBC Payment/Credit Form, to the STGU's Owner or Authorized Agent. If the Incentive Payment is disbursed to an Authorized Agent, the Owner must indicate on the applicable Payment/Credit Form.

**9.0 Alternative On-Bill Credits**

The AOBCs shall be the VOE of the AOBC Generation Unit as specified in Section 7.0(4), above multiplied by the total kilowatt-hours (kWh) during a billing period for any Standalone STGU which elects to enroll as an AOBC Generation Unit. The AOBCs will be applied to the single billing account associated with the AOBC Generation Unit.

The Owner of the AOBC Generation Unit must complete an Incentive Payment/Credit Form and AOBC Payment/Credit Form indicating how the AOBCs are to be transferred to other Customer accounts in the Company's service area. AOBCs may be transferred across ISO-NE load zones within the Company's Eastern Massachusetts service territory. AOBCs may not be transferred from the Company's Eastern Massachusetts service territory to its Western Massachusetts service territory or vice versa. The Company shall not transfer AOBCs without a completed Incentive Payment/Credit Form and AOBC Payment/Credit Form. Such allocations are allowed up to two decimal places and the AOBC Payment/Credit Form will not be considered complete unless allocations correctly total 100 percent and there are no billing account number or customer name errors. At its option, the Company may increase the number of decimal places on the AOBC Payment/Credit Form once there is automation of AOBCs, if it does not place an undue burden on the Company.

At its option, the Company may pay a designated recipient, in a lump sum amount, any AOBC remaining on the AOBC Generation Unit billing account at the end of a 12-month period ending March 31, adjusted by the ratio of the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output of STGUs with ISO-NE over the course of the year divided by the average Basic Service rate for the 12-month period.

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**10.0 Term of Tariff**

All STGUs with capacities larger than 25 kW AC will be eligible to receive compensation under this tariff for 20 years from the STGU's Incentive Payment Effective Date. All STGUs with capacities less than or equal to 25 kW AC will be eligible to receive compensation under this tariff for 10 years from the STGU's Incentive Payment Effective Date. This tariff will remain in effect until the costs incurred to administer the SMART Program have been fully recovered through the SMART Factors and termination of this tariff has been granted by the Department.

**11.0 Applicability of SMART Factor**

The SMART Factor, as defined herein, shall be determined in accordance with Section 13.0 below, subject to the Department's review and approval. The SMART Factor shall be applied to all bills issued by the Company, shall be assessed to the billed kWh of all retail delivery service customers, and will be identified as "Distributed Solar Charge" on customer bills.

Prior to January 1, 2020, the SMART Factor will apply to the billed kWh of Customers with a STGU. By January 1, 2020, Customers with a STGU will be billed the SMART Factor assessed to the sum of the net kWh recorded on the STGU production meter and the net kWh recorded on the Customer's revenue meter, or by a different date after January 1, 2019 as approved by the Department.

**12.0 SMART Factor Effective Date**

The SMART Factor shall be effective January 1 of each year, unless otherwise ordered by the Department.

**13.0 Calculation of SMART Factor**

The SMART Factor, as defined herein, shall be determined in accordance with this Section in the form of a volumetric charge that varies by rate class, subject to the Department's review and approval. Costs that are ineligible for recovery through the SMART Factor include, but are not limited to: (1) SPA costs, and (2) overhead and burdens operations and maintenance ("O&M") expenses, unless the Department approves such expenses. Capitalized overhead and burdens are eligible for recovery provided the associated expenses meet the requirements of the test referenced in Section 15.0. The SMART Factor recovers the annual incremental costs that the Company incurs during the applicable 12-month period associated with the SMART Program. The SMART Factor shall include estimated Incentive Payments,

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AOBCs, and Market Revenue. The Company will reflect actual Incentive Payments, AOBCs, and Market Revenue, along with actual incremental administrative costs, in determining the amount it has under or over-recovered through the applicable year's SMART Factor.

The SMART Factor shall be calculated as follows:

$$SF_{xs} = (IP_x + ABC_x - MR_x + ADM_{x-1} + RA_{x-1}) * DRAs \div FkWh_{xs}$$

Where

x = The Current Year.

s = A separate value for each rate class.

SF<sub>xs</sub> = The SMART Factor for the Current Year for each rate class.

IP<sub>x</sub> = Estimated Incentive Payments issued in the Current Year.

ABC<sub>x</sub> = Estimated Alternative On-Bill Credits issued in the Current Year.

MR<sub>x</sub> = Estimated Market Revenue associated with IPs and ABCs in the Current Year.

ADM<sub>x-1</sub> = The incremental capital and O&M administrative cost the Company incurred in the Prior Year necessary to meet SMART Program objectives, including, but not limited to, billing system improvements, and additional personnel required for ongoing operations. Incremental administrative costs include the revenue requirement associated with cumulative capital improvements placed in service up through the Prior Year.

RA = The Reconciliation Amount is the sum of (a) the difference between (1) the actual IP, ABC, and MR incurred in the Prior Year plus incremental administrative costs approved for recovery in prior years; and (2) the amount of SF revenue billed by the Company during the Prior Year. Interest shall be applied to the reconciling balance at the Prime Rate as reported by the Wall Street Journal.

DRA = The Distribution Revenue Allocator percentage for each rate class.

FkWh<sub>xs</sub> = Forecasted kWh for each rate class for the Current Year.

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The Distribution Revenue Allocator shall be derived from the Company's most recent general rate case as approved by the Department and shall be as follows by rate class:

Service Territory/Area	Rate Classes	Distribution Revenue Allocator
All	R-1/R-2	41.145%
All	R-2/R-3	4.575%
Greater Boston	G-1/T-1	3.446%
Greater Boston	G-2/T-2	27.907%
Greater Boston	G-3/SBG3/WR	7.998%
Cambridge	G-0/G-1/G-6	0.829%
Cambridge	G-2	1.329%
Cambridge	G-3/SB1/SBG3	0.856%
Cambridge	G-4	0.012%
Cambridge	G-5	0.018%
South Shore, Cape Cod, Martha's Vineyard	G-1/G-7	3.930%
South Shore, Cape Cod, Martha's Vineyard	G-2	1.088%
South Shore, Cape Cod, Martha's Vineyard	G-3	0.610%
South Shore, Cape Cod, Martha's Vineyard	G-4	0.008%
South Shore, Cape Cod, Martha's Vineyard	G-5	0.053%
South Shore, Cape Cod, Martha's Vineyard	G-6	0.008%
Western Massachusetts	23/24/G-0/T-0	2.626%
Western Massachusetts	G-2/T-4	1.159%
Western Massachusetts	T-2	1.495%
Western Massachusetts	T-5	0.498%
Eastern Massachusetts	S-1/S-2	0.315%
Western Massachusetts	S-1/S-2	0.095%
Total		100.000%

**Interim SMART Factor Adjustments**

If at any time during the year, the annual SMART Program costs are ten percent above or below the costs the Company is recovering through its SMART Factor, the Company may petition the Department for an interim adjustment prior to its next scheduled SMART Factor filing.

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**14.0 Determination of Incremental Administrative Cost**

To be eligible for inclusion as an incremental administrative cost recoverable through the SMART factor, the Company shall demonstrate that all O&M expenses incurred in the performance of SMART Program activities and proposed for recovery through the SMART factor are:

- (1) incremental to the representative level of O&M expenses recovered through all other rates billed by the Company to its customers; and
- (2) directly related to SMART Program activities.

The Company shall apply these thresholds to all O&M expenses for which it seeks recovery for Department review in annual SMART Factor filings.

**15.0 Overhead and Burden Adjustments**

The Company will perform an overhead and burdens test to demonstrate that actual overhead and burdens costs charged to SMART Program capital projects are incremental to amounts recovered in base distribution rates and other reconciling mechanisms. This test shall compare the actual O&M overhead and burdens and the amount included in base distribution rates in each year. If the actual O&M overhead and burdens exceed the amount included in base distribution rates, capitalized overheads and burdens recovered through a reconciling rate shall be reduced by the amount of the excess. The Company shall determine whether such reduction is required for all reconciling mechanisms that require such a determination once each year, and the determination shall be included in the Company's annual Grid Modernization Plan cost recovery filing pursuant to the Company's Grid Modernization Recovery tariff, M.D.P.U. No. 73, as may be amended from time to time. In addition, the percentage of capitalized overhead and burdens assigned to SMART Program capital projects shall be set equal to the ratio of SMART Program costs to total direct costs in any given year.

**16.0 Filing of SMART Factors for Department Approval**

Changes to the SMART Factors shall be filed with the Department at least 60 days prior to January 1. Such filing shall include the reconciliation of the amount recoverable through prior SMART Factors, as appropriate, and include supporting calculations for estimated Incentive Payments and describe any cost variances as defined in the Company's project authorization policies.

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**17.0 Additional Terms and Conditions of Service**

- 17.1 Cooperation and Qualification of STGUs for Other Programs, Incentives, and Markets. Consistent with Section 6.3, if requested by the Company, the Owner or Authorized Agent of an enrolled STGU shall take all commercially reasonable means necessary, and pay any costs or fees associated with such actions, to cooperate with the Company to qualify a STGU for other available federal, state, regional, local, and voluntary programs, incentives, and/or markets that would increase the value or marketability of the STGU's products and attributes including but not limited to registering the STGU with other states in order to qualify for such states' RPS or similar program(s). Such Owner or Authorized Agent shall comply with all rules of such programs, incentives, and markets including, without limitation, rules that relate to the creation, tracking, recording, and transfer of all Environmental Attributes that are to be transferred under this tariff.
- 17.2 Non-Compliance. The Owner or Authorized Agent of a STGU shall comply with the provisions of this tariff through the end of the period during which the STGU is eligible to receive Incentive Payments pursuant to Section 7.0. Only the STGU described on the Statement of Qualification is eligible to participate under this tariff. In no event shall a STGU's nameplate capacity exceed what is allowed by the Statement of Qualification. If a STGU exceeds the nameplate capacity allowed by the Statement of Qualification, or the Company determines that an Owner or Authorized Agent has violated the terms and conditions of this tariff, the Company will report the non-compliance immediately to the DOER, and the DOER shall issue a notice of non-compliance to the Owner or Authorized Agent and to the Company. Upon receipt of a notice of non-compliance from the DOER, the Company may suspend payment of Incentive Payments and AOBCs, if applicable, and/or take other action as required the DOER until such time as the non-compliance has been remedied.

Neither the Company nor the Owner or Authorized Agent shall be deemed in non-compliance for failure or delay in the performance of any obligation under the tariff if and to the extent that such delay or failure is due to a Force Majeure Event. A Force Majeure Event shall mean any cause beyond the reasonable control of, and not due to the fault or negligence of, the Company or the Owner or Authorized Agent and which could not have been avoided by exercising commercially reasonable efforts ,including, as applicable, acts of war or terrorism, public disorder, insurrection or rebellion, embargo or

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national emergency; curtailment of electric distribution services; flood, hurricane, windstorm, tornado, earthquake, or other acts of God; explosion or fire; strikes, lockouts, or other labor disturbances (whether among employees of the Company or the Owner or Authorized Agent, its suppliers, contractors, or others); delays, failure, and/or refusal of suppliers to supply materials or services; orders, acts or omissions of the NEPOOL GIS Administrator, as applicable; embargoes; sabotage; or any other cause of like or different kind, beyond the reasonable control of the Company or the Owner or Authorized Agent. Notwithstanding the foregoing, a Force Majeure Event shall not be based on Owner's ability to sell market products at a price greater than the rates applicable to the STGU or the Company's ability to purchase market products at prices below the applicable rates.

The party claiming Force Majeure shall notify the other party and the DOER of the occurrence thereof as soon as possible and shall use reasonable efforts to resume performance immediately. In no event shall a claim of Force Majeure or a Force Majeure Event operate to extend the STGU's eligibility to receive Incentive Payments pursuant to Section 7.0.

- 17.3 Termination Provisions. The DOER has the authority to suspend or revoke Statements of Qualification. If the Owner or Authorized Agent or the Company receives confirmation from the DOER that the Owner's Statement of Qualification has been suspended or revoked, or if the Owner or Authorized Agent has failed to satisfy the Owner's obligations under this tariff, the Company may elect to terminate its obligations under this tariff. Neither the Owner or Authorized agent nor the Company may terminate their obligations under this tariff with less than 30 days' notice to the other party.
- 17.4 Governing Law. This tariff is governed by the provisions of 225 CMR 20.00 and Chapter 164 of the General Laws.
- 17.5 Dispute Resolution. Disputes shall generally be resolved in accordance with D.P.U. 17-140-A at 202-204. Neither the Company nor the Department shall be responsible for resolving disputes between the Owner of an AOBC Generation Unit and those Customers to whom the Owner is transferring AOBCs.

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**APPENDIX A**

**I. Base Compensation Rates**

**EASTERN MASSACHUSETTS**

<b>Generation Unit Capacity</b>	<b>Base Compensation Rate Factor</b>	<b>Term Length</b>	<b>Block 1</b>	<b>Block 2</b>	<b>Block 3</b>	<b>Block 4</b>	<b>Block 5</b>	<b>Block 6</b>	<b>Block 7</b>	<b>Block 8</b>
Low Income $\leq$ 25 kW AC	230%	10-year	\$0.39100	\$0.37536	\$0.36035	\$0.34593	\$0.33209	\$0.31881	\$0.30606	\$0.29382
$\leq$ 25 kW AC	200%	10-year	\$0.34000	\$0.32640	\$0.31334	\$0.30081	\$0.28878	\$0.27723	\$0.26614	\$0.25549
> 25 kW, $\leq$ 250 kW AC	150%	20-year	\$0.25500	\$0.24480	\$0.23501	\$0.22561	\$0.21658	\$0.20792	\$0.19960	\$0.19162
> 250 kW, $\leq$ 500 kW AC	125%	20-year	\$0.21250	\$0.20400	\$0.19584	\$0.18801	\$0.18049	\$0.17327	\$0.16634	\$0.15968
> 500 kW, $\leq$ 1,000 kW AC	110%	20-year	\$0.18700	\$0.17952	\$0.17234	\$0.16545	\$0.15883	\$0.15247	\$0.14638	\$0.14052
> 1,000 kW, $\leq$ 5,000 kW AC	100%	20-year	\$0.17000	\$0.16320	\$0.15667	\$0.15041	\$0.14439	\$0.13861	\$0.13307	\$0.12775
> 1,000 kW, $\leq$ 5,000 kW*		20-year	\$0.17000	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*For Solar Tariff Generation Units selected under the one-time competitive procurement.

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<b>WESTERN MASSACHUSETTS</b>										
<b>Generation Unit Capacity</b>	<b>Base Compensation Rate Factor</b>	<b>Term Length</b>	<b>Block 1</b>	<b>Block 2</b>	<b>Block 3</b>	<b>Block 4</b>	<b>Block 5</b>	<b>Block 6</b>	<b>Block 7</b>	<b>Block 8</b>
Low Income ≤ 25 kW AC	230%	10-year	\$0.32862	\$0.31548	\$0.30286	\$0.29075	\$0.27912	\$0.26795	\$0.25723	\$0.24694
≤ 25 kW AC	200%	10-year	\$0.28576	\$0.27433	\$0.26336	\$0.25282	\$0.24271	\$0.23300	\$0.22368	\$0.21473
> 25 kW, ≤ 250 kW AC	150%	20-year	\$0.21432	\$0.20575	\$0.19752	\$0.18962	\$0.18203	\$0.17475	\$0.16776	\$0.16105
> 250 kW, ≤ 500 kW AC	125%	20-year	\$0.17860	\$0.17146	\$0.16460	\$0.15801	\$0.15169	\$0.14563	\$0.13980	\$0.13421
> 500 kW, ≤ 1,000 kW AC	110%	20-year	\$0.15717	\$0.15088	\$0.14485	\$0.13905	\$0.13349	\$0.12815	\$0.12302	\$0.11810
> 1,000 kW, ≤ 5,000 kW AC	100%	20-year	\$0.14288	\$0.13716	\$0.13168	\$0.12641	\$0.12135	\$0.11650	\$0.11184	\$0.10737
> 1,000 kW, ≤ 5,000 kW*		20-year	\$0.14288	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*For Solar Tariff Generation Units selected under the one-time competitive procurement.

Notes:

Each Capacity Block shall have a minimum of 20% and a maximum of 35% of its total available capacity reserved for Solar Tariff Generation Units with nameplate capacities less than or equal to 25 kW.

Solar Tariff Generation Units that receive a capacity allocation in more than one Capacity Block will receive a blended Compensation Rate that reflects the rates applicable to both Capacity Blocks.

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**II. Compensation Rate Adders**

Please refer to 225 CMR 20.07(4) for currently effective Compensation Rate Adders, and to DOER’s Guideline on Energy Storage at <https://www.mass.gov/info-details/solar-massachusetts-renewable-target-smart-program#smart-program-guidelines> that provides an Energy Storage Adder calculator.

**III. Sum of Applicable Distribution, Transmission, Transition, and Three-Year Average of Basic Service Rates**

Rate Class	Territory/Service Area	Applicable Three-Year Average by Commercial Operation Year (¢/kWh)	
		2018	2019
R-1/R-2	Greater Boston	18.519	19.877
R-3/R-4	Greater Boston	17.549	18.848
G-1 (Non-Demand)	Greater Boston	20.066	20.249
G-1 (Demand)	Greater Boston	17.950	18.921
G-2	Greater Boston	12.722	13.221
G-3 (NEMA)	Greater Boston	10.415	11.309
G-3 (SEMA)	Greater Boston	9.561	9.922
T-1 (Closed)	Greater Boston	17.161	18.766
T-2 (NEMA)	Greater Boston	10.569	11.733
T-2 (SEMA)	Greater Boston	9.715	10.346
R-1/R-2	Cambridge	18.733	19.877
R-3/R-4	Cambridge	19.819	18.848
G-0	Cambridge	17.612	17.637
G-1	Cambridge	12.243	12.753
G-2	Cambridge	11.304	12.257
G-3	Cambridge	10.504	11.357
G-4	Cambridge	12.155	12.357
G-5 (Closed)	Cambridge	16.537	16.658
G-6	Cambridge	27.623	20.683
R-1/R-2	South Shore, Cape Cod, Martha’s Vineyard	19.697	19.877

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R-3/R-4	South Shore, Cape Cod, Martha's Vineyard	17.349	18.848
G-1	South Shore, Cape Cod, Martha's Vineyard	16.599	16.644
G-1 (Seasonal)	South Shore, Cape Cod, Martha's Vineyard	20.118	19.440
G-2	South Shore, Cape Cod, Martha's Vineyard	11.839	11.477
G-3	South Shore, Cape Cod, Martha's Vineyard	11.154	10.689
G-4 (Closed)	South Shore, Cape Cod, Martha's Vineyard	14.224	13.922
G-5 (Closed)	South Shore, Cape Cod, Martha's Vineyard	17.863	18.599
G-6 (Closed)	South Shore, Cape Cod, Martha's Vineyard	15.494	15.533
G-7	South Shore, Cape Cod, Martha's Vineyard	13.720	13.484
G-7 (Seasonal)	South Shore, Cape Cod, Martha's Vineyard	15.872	15.615
R-1	Western Massachusetts	18.583	19.079
R-2	Western Massachusetts	18.554	19.079
R-3	Western Massachusetts	17.886	18.165
R-4	Western Massachusetts	17.901	18.165
23	Western Massachusetts	15.885	16.409
24	Western Massachusetts	11.916	12.379
G-0	Western Massachusetts	11.574	12.066
T-0	Western Massachusetts	11.520	12.013
G-2	Western Massachusetts	10.555	10.684
T-4	Western Massachusetts	10.502	10.634
T-2	Western Massachusetts	10.212	10.347
T-5	Western Massachusetts	10.025	9.961

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**IV. Basic Service Rates**

Currently effective Basic Service pricing may be found at <http://www.eversource.com>.

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**SMART PROVISIONS** **SOLAR MASSACHUSETTS RENEWABLE TARGET**  
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**1.0 Purpose**

The operation of the ~~SMART Provision~~ **SMART provision** is pursuant to the Solar Massachusetts Renewable Target (“SMART”) Program regulations at 225 CMR 20.00 promulgated pursuant to Chapter 75 of the Acts of 2016, as applicable to Solar Tariff Generation Units that have received a Statement of Qualification from the Massachusetts Department of Energy Resources. The ~~SMART Provision~~ **SMART provision** provides for: (1) Incentive Payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by a Solar Tariff Generation Unit; (2) Alternative On-Bill Credits for energy generated by an Alternative On-Bill Credit Generation Unit; (3) the basis upon which Incentive Payments and Alternative On-Bill Credits are determined; and (4) the recovery of any such Incentive Payments, Alternative On-Bill Credits, and incremental administrative costs associated with the implementation and operation of the SMART Program.

**2.0 Definitions**

As used throughout this tariff, the following terms shall have the definitions set forth in this Definitions section.

- 2.1 Alternative On-Bill Credit (“AOBC”) shall mean the value of the net excess electricity generated and fed back to the Company by an AOBC Generation Unit on a monthly basis, calculated pursuant to Section 9.0 below.
- 2.2 AOBC Generation Unit shall mean a Standalone STGU that is eligible for an AOBC pursuant to the ~~SMART Provision~~ **SMART provision**, and is not compensated for energy generated pursuant to 220 CMR 8.00 or 220 CMR 18.00.
- 2.3 AOBC Payment/Credit Form shall mean a paper or electronic form provided by the Company on which the Owner or Authorized Agent must provide, prior to the Commercial Operation Date of the STGU, all required information for the Company to process the transfer of AOBCs. The Owner or Authorized Agent shall provide the AOBC Payment/Credit Form directly to the Company and the SPA. The AOBC Payment/Credit Form will be established and published by the Company from time to time on its website. The AOBC Payment/Credit Form may be updated no more than two times during a 12-month period, unless allowed by the Company to be updated more frequently.

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- 2.4 Authorized Agent shall mean a person or entity that serves under an agreement entered into by each of the Owners of a STGU for all dealings with the DOER and the Company.
- 2.5 Company shall mean ~~INSERT COMPANY NAME~~ INSTAR Electric Company d/b/a Eversource Energy.
- 2.6 Commercial Operation Date shall mean the date on which the Company grants permission to the STGU to operate in parallel with the Company's electric distribution system.
- 2.7 Current Year shall mean the 12-month period for which a SMART Factor will be in effect.
- 2.8 Customer shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains delivery service at a customer delivery point and who is a customer of record of the Company.
- 2.9 Department shall mean the Massachusetts Department of Public Utilities.
- 2.10 DOER shall mean the Department of Energy Resources.
- 2.11 Energy Storage System shall mean a commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy, and that is co-located with a STGU that has qualified for the Energy Storage Adder pursuant to 225 CMR 20.07(4)(c).
- 2.12 Environmental Attributes shall mean all GIS Certificates and any other environmental benefits associated with the energy generation of a STGU.
- 2.13 Generation Attribute shall mean a Generation Attribute, as defined in 225 CMR 14.02.

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- 2.14 GIS Certificate shall mean an electronic record produced by the NEPOOL GIS that identifies Generation Attributes of each Megawatt-hour (MWh) accounted for in the NEPOOL GIS.
- 2.15 Incentive Payment shall mean the payment to a STGU, including an AOBC Generation Unit, for RPS class I Renewable Generation Attributes and/or Environmental Attributes produced by these units, calculated pursuant to Section 7.0 below.
- 2.16 Incentive Payment Effective Date shall mean the earliest date on or after the Commercial Operation Date on which electrical energy output of a STGU can result in the creation of RPS Class I Renewable Generation Attributes and also be eligible to begin receiving Incentive Payments.
- 2.17 Incentive Payment/Credit Form shall mean a form or online application provided by the Company and submitted by the Owner or Authorized Agent prior to the Commercial Operation Date of the STGU. The Owner or Authorized Agent shall provide the Incentive Payment/Credit Form directly to the SPA. The Incentive Payment/Credit Form will be established and published by the Company from time to time on its website.
- 2.18 Market Revenue shall mean (1) the market value or the net proceeds from the sale or use of the RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the ~~SMART Provision~~SMART provision; and (2) net proceeds from the sale of energy generated by AOBC Generation Units greater than 60 kilowatts (“kW”) or the market value of the energy generated by AOBC Generation Units greater than 60 kW used by the Company for Basic Service. The market value of RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the ~~SMART Provision~~SMART provision and used by the Company shall be determined from actual sales or purchases, and/or recent quotes from market participants.
- 2.19 NEPOOL GIS shall mean the New England Power Pool Generation Information System, which includes a generation information database and certificate system, operated by the New England Power Pool, its designee or successor entity, that accounts for Generation

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Attributes of electrical energy consumed and generated within, imported into, or exported from the ISO-NE Control Area.

- 2.20 On-Site Load shall mean any new or existing electric load located at the site of a STGU including any parasitic load that may result from the installation of the STGU, and that is wired to receive a portion of the electrical energy output from the STGU before the balance of such output passes through the STGU's metered interconnection onto the electric distribution system.
- 2.21 Owner shall mean any person or entity that, alone or in conjunction with others, has legal ownership of a STGU.
- 2.22 Prior Year shall mean a 12-month period prior to the Current Year.
- 2.23 Qualifying Facility ("QF") shall mean a Qualifying Facility, as defined by the Department in 220 CMR 8.02.
- 2.24 RPS shall mean the Massachusetts Renewable Portfolio Standard established in Mass. Gen. Laws c. 25A, § 11F.
- 2.25 RPS Class I Renewable Generation Attribute shall mean a RPS Class I Renewable Generation Attribute as defined in 225 CMR 14.02.
- 2.26 Solar Program Administrator ("SPA") shall mean the qualified entity selected by the electric distribution companies to facilitate the SMART Program.
- 2.27 Solar Tariff Generation Unit ("STGU") shall mean a Generation Unit, as defined in 225 CMR 14.02 and 225 CMR 20.02, that generates electricity using solar photovoltaic technology and meets all of the eligibility criteria set forth in 225 CMR 20.05 and 225 CMR 20.06 and has received a Statement of Qualification.
- 2.28 Standalone STGU shall mean a STGU that serves no associated On-Site Load other than parasitic or station load utilized to operate the Generation Unit.

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2.29 Statement of Qualification shall mean a document issued by the DOER that qualifies a STGU to participate in the SMART Program pursuant to 225 CMR 20.00.

**3.0 Availability**

Incentive Payments and, as applicable, AOBCs provided under this ~~SMART Provision~~**SMART provision** are available to the Owner or Authorized Agent of a STGU that has received a Statement of Qualification from the DOER, has met all eligibility requirements from 225 CMR 20.00, has a total installed capacity of less than or equal to five megawatts (measured in megawatts (“MW”) AC), and is interconnected to the Company’s electric distribution system. The Base Compensation Rates, which form the basis for Incentive Payments, are established by capacity blocks as shown in Appendix A. Other than STGUs selected under the one-time competitive procurement described in 225 CMR 20.07(3), no STGU shall be eligible to qualify in the Company’s first capacity block unless it has a capacity equal to or less than one megawatt or is eligible to receive a Compensation Rate Adder (special rate adders specific to certain types of STGUs). Applications will be accepted on a first-come first-served basis.

Each Standalone STGU may be metered by the Company through a single metering point. All other STGUs must be separately metered by the Company for the purpose of measuring energy generated by the STGU, with the Company’s metering installed behind the Customer’s service meter. All STGUs must be electrically separate, and separately metered per Section 5.0, below, from any other existing electricity generating unit, whether taking service under the ~~SMART Provision~~**SMART provision** or not.

Incentive Payments and, as applicable, AOBCs provided under this ~~SMART Provision~~**SMART provision** are available to the Owner or Authorized Agent of Eligible STGUs installed on distribution infrastructure served, but not owned, by the Company, provided that (1) there is a Customer associated with the distribution infrastructure served by the Company; and (2) the STGU shall also comply with the requirements in Section- ~~6.05-0~~, below.

**4.0 Other Tariff Applicability**

All Customers must comply with the Company’s Standards for Interconnection of Distributed Generation tariff (“Interconnection Tariff”) and the Terms and Conditions for Distribution Service, as may be amended from time to time.

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STGUs that are served on the Company's Net Metering tariff pursuant to 220 CMR 18.00 or ~~QF-Power Purchase~~ **Power Purchase** tariff pursuant to 220 CMR 8.00 will receive Incentive Payments pursuant to the ~~SMART Provision~~ **SMART provision**. The terms and conditions regarding the calculation and distribution of net metering credits or payments for purchased power are governed by the provisions of the applicable tariff.

**5.0 Metering**

The Company will own, install, and maintain a meter on each STGU that complies with the metering standards applicable to the size of the STGU as defined in the Company's Interconnection Tariff. Monthly readings obtained from the meter will be used to determine Incentive Payments pursuant to Section 7.0 below. The Company must be provided adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s), if applicable. During the interconnection process, the Company will assess the Owner, Authorized Agent, or their designee of a STGU a charge for the installed cost of the meter, including necessary metering equipment (e.g., instrument transformers, communication equipment). An Energy Storage System co-located with a STGU greater than 60 kW may require separate metering, and during the interconnection process, the Company will assess a charge to the Owner, Authorized Agent or their designee for the installed cost of the meter, including necessary metering equipment (e.g., instrument transformers, communication equipment), if installed.

**6.0 Conditions for Participation**

Owners or Authorized Agents of a STGU must demonstrate compliance with the following conditions prior to receiving Incentive Payments and AOBCs, if applicable. Incentive Payments and AOBCs will be applied on a prospective basis only after all of the following conditions have been met.

- 6.1 The Owner must obtain the Company's written authority to interconnect and operate in parallel with the Company's electric distribution system.
- 6.2 The Owner must provide final approval of a Statement of Qualification from the DOER for systems that have been constructed within the required timeline. This may be provided directly to the Company by the SPA with the permission of the Owner.
- 6.3 During the period of time in which the STGU is receiving Incentive Payments pursuant to Section 7.0, the Company shall have the irrevocable rights and title to the RPS Class I Renewable Generation Attributes and/or Environmental Attributes of all STGUs. In

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addition, for those units that are also AOBC Generation Units, the Company will also have irrevocable rights and title to the energy and any market products associated with the sale of energy or energy services produced by the AOBC Generation Unit.

- 6.3.1 RPS Class I Renewable Generation Attributes in the form of Renewable Energy Certificates (“RECs”) must be delivered to the Company’s appropriate NEPOOL-GIS account. For STGUs greater than 60 kW, and that are not connected behind a meter measuring On Site Load, this will be accomplished through either the Company or the Owner registering the STGU with the NEPOOL-GIS and enrolling in a Forward Certificate Transfer of RECs to the appropriate Company NEPOOL-GIS account for the term of enrollment in this tariff. If the Owner is required to register the STGU and enroll in a Forward Certificate Transfer, evidence of such enrollment will be collected by the Company.
- 6.3.2 STGUs that are 60 kW or smaller, and those that are greater than 60 kW and are connected behind a meter measuring On Site Load, shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the STGU to the Company’s appropriate NEPOOL-GIS account. The Owner or Authorized Agent shall provide approvals or assignments, including, but not limited to, completing the Company’s Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the STGU’s participation in asset aggregation or other model of asset registration and reporting for the period of time in which the STGU is receiving Incentive Payments pursuant to Section 7.0. This form will be collected by the SPA and provided to the Company.
- 6.3.3 Energy: Energy produced by AOBC Generation Units must be delivered to the Company in the Company’s ISO–NE load zone at the delivery node associated with the STGU. As requested by the Company or ISO-NE, the Owner or Authorized Agent shall provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset, if the Company chooses to settle such energy.

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- 6.3.4 Capacity: This tariff does not assign capacity rights of any STGU or Energy Storage System to the Company, Owner, or Authorized Agent except as consistent with the Company's ~~QF~~-Power Purchase tariff and subject to any future determination on capacity rights by the Department.
- 6.3.5 It is the responsibility of the Owner or the Authorized Agent to ensure that billing account information of the designated recipients of AOBCs and information necessary for distribution of Incentive Payments is accurately reflected on the AOBC Payment/Credit Form and provided on any forms required for taxpayer identification and reporting. AOBCs that cannot be applied to recipient accounts because of inaccurate information will remain on the STGU's account and will be carried forward to subsequent billing months subject to Section 9.0 regarding the Company's option to pay a lump sum amount. Changes to the Incentive Payment/Credit Form and/or AOBC Payment/Credit Form must be received by the Company at least 15 days prior to the next billing date of the STGU or the AOBC recipient, as applicable, to be reflected in the next billing period. Incentive Payments that cannot be paid to an Owner due to inaccurate or incomplete records will be available for 90 calendar days, after which they will be forfeited.

**7.0 Calculation of Incentive Payments**

Incentive Payments to STGUs will be in accordance with the formula specified in 225 CMR 20.08 and will be calculated for each monthly billing period as follows:

$$IP = (BCR + CRA - GS - VOE) * kWh_{gen}$$

Where

IP = Incentive Payment.

BCR = Base Compensation Rate applicable to the STGU as specified in the STGU's Statement of Qualification. The Base Compensation Rates by capacity block are provided in Appendix A.

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- CRA = Compensation Rate Adder applicable to the STGU as specified in the STGU’s Statement of Qualification.
- GS = Greenfield Subtractor applicable to the STGU as specified in the STGU’s Statement of Qualification.
- kWhgen = kWh generated during the billing period. For STGUs, kWhgen will be measured after the reduction for parasitic or station load.
- VOE = Value of Energy, determined as set forth below
- (1) For Standalone STGUs that are net metered pursuant to the Company’s Net Metering tariff, the VOE will be the applicable net metering credit.
  - (2) For Standalone STGUs that are QFs or On-site Generating Facilities pursuant to 220 CMR 8.00 but are not net metered pursuant to the Company’s Net Metering tariff, the VOE will be the rate applicable under the Company’s QF Power Purchase tariff.
  - (3) For STGUs that are located behind the Customer’s electric service meter and have On-Site Load other than parasitic or station load, the VOE will be the sum of the current applicable distribution kWh charge, transmission kWh charge, transition kWh charge, and the average of the Basic Service kWh charge for the three calendar years immediately preceding the year in which the Statement of Qualification is issued. For purposes of this tariff, a Customer’s current applicable distribution kWh charge, transmission kWh charge, and transition kWh charge will be those charges in effect applicable to the Customer during the previous calendar year. The VOE applicable to the STGU will be specified on the Statement of Qualification, as provided by the Company in Appendix A to this tariff and will not change during the period of time during which the STGU is receiving Incentive Payments pursuant to Section 7.0, unless directed to change by DOER.

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- (4) For AOBC Generation Units, the VOE will be equal to the Basic Service rate applicable to the AOBC Generation Unit's rate class in effect during the billing period, as established by the Company's Basic Service tariff.
- (5) Base Compensation Rates and, if applicable, Compensation Rate Adders, and/or Greenfield Subtractors are determined as authorized in the Statement of Qualification, and those rates will not change during the period of time in which the STGU is receiving Incentive Payment pursuant to Section 7.0 unless as directed by the DOER, SPA or the Department. The applicable distribution, transmission and transition charges, and the three-year average of Basic Service rates will change once annually in Appendix A to this tariff.

**8.0 Distribution of Incentive Payments**

The Company will disburse Incentive Payments, in the form of a paper or electronic check as specified on the Incentive Payment/Credit Form or AOBC Payment/Credit Form, to the STGU's Owner or Authorized Agent. If the Incentive Payment is disbursed to an Authorized Agent, the Owner must indicate on the applicable Payment/Credit Form.

**9.0 Alternative On-Bill Credits**

The AOBCs shall be the VOE of the AOBC Generation Unit as specified in Section ~~7.07-0~~(4), above multiplied by the total kilowatt-hours (kWh) during a billing period for any Standalone STGU which elects to enroll as an AOBC Generation Unit. The AOBCs will be applied to the single billing account associated with the AOBC Generation Unit.

The Owner of the AOBC Generation Unit must complete an Incentive Payment/Credit Form and AOBC Payment/Credit Form indicating how the AOBCs are to be transferred to other Customer accounts in the Company's service area. AOBCs may be transferred across ISO-NE load zones within the Company's Eastern Massachusetts service territory. AOBCs may not be transferred from the Company's Eastern Massachusetts service territory to its Western Massachusetts service territory or vice versa. The Company shall not transfer AOBCs without a completed Incentive Payment/Credit Form and AOBC Payment/Credit Form. Such allocations are allowed up to two decimal places and the AOBC Payment/Credit Form will not be considered complete unless allocations correctly total 100 percent and

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there are no billing account number or customer name errors. At its option, the Company may increase the number of decimal places on the AOBC Payment/Credit Form once there is automation of AOBCs, if it does not place an undue burden on the Company.

At its option, the Company may pay a designated recipient, in a lump sum amount, any AOBC remaining on the AOBC Generation Unit billing account at the end of a 12-month period ending March 31, adjusted by the ratio of the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output of STGUs with ISO-NE over the course of the year divided by the average Basic Service rate for the 12-month period.

**10.0 Term of Tariff**

All STGUs with capacities larger than 25 kW AC will be eligible to receive compensation under this tariff for 20 years from the STGU's Incentive Payment Effective Date. All STGUs with capacities less than or equal to 25 kW AC will be eligible to receive compensation under this tariff for 10 years from the STGU's Incentive Payment Effective Date. This tariff will remain in effect until the costs incurred to administer the SMART Program have been fully recovered through the SMART Factors and termination of this tariff has been granted by the Department.

**11.0 Applicability of SMART Factor**

The SMART Factor, as defined herein, shall be determined in accordance with Section 13.0 below, subject to the Department's review and approval. The SMART Factor shall be applied to all bills issued by the Company, shall be assessed to the billed kWh of all retail delivery service customers, and will be identified as "Distributed Solar Charge" on customer bills.

Prior to January 1, 2020, the SMART Factor will apply to the billed kWh of Customers with a STGU. By January 1, 2020, Customers with a STGU will be billed the SMART Factor assessed to the sum of the net kWh recorded on the STGU production meter and the net kWh recorded on the Customer's revenue meter, or by a different date after January 1, 2019 as approved by the Department.

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**12.0 SMART Factor Effective Date**

The SMART Factor shall be effective January 1 of each year, unless otherwise ordered by the Department.

**13.0 Calculation of SMART Factor**

The SMART Factor, as defined herein, shall be determined in accordance with this Section in the form of a volumetric charge that varies by rate class, subject to the Department’s review and approval. Costs that are ineligible for recovery through the SMART Factor include, but are not limited to: (1) SPA costs, and (2) overhead and burdens operations and maintenance (“O&M”) expenses, unless the Department approves such expenses. Capitalized overhead and burdens are eligible for recovery provided the associated expenses meet the requirements of the test referenced in Section 15.0. The SMART Factor recovers the annual incremental costs that the Company incurs during the applicable 12-month period associated with the SMART Program. The SMART Factor shall include estimated Incentive Payments, AOBCs, and Market Revenue. The Company will reflect actual Incentive Payments, AOBCs, and Market Revenue, along with actual incremental administrative costs, in determining the amount it has under or over-recovered through the applicable year’s SMART Factor.

The SMART Factor shall be calculated as follows:

$$SF_x = (IP_x + ABC_x - MR_x + ADM_{x-1} + RA_{x-1}) * DRAs \div FkWh_x$$

Where

x = The Current Year.

s = A separate value for ~~the following rate classes: [list each company’s rate classes]~~each rate class.

SF<sub>x</sub> = The SMART Factor for the Current Year for each rate class.

IP<sub>x</sub> = Estimated Incentive Payments issued in the Current Year.

ABC<sub>x</sub> = Estimated Alternative On-Bill Credits issued in the Current Year.

MR<sub>x</sub> = Estimated Market Revenue associated with IPs and ABCs in the Current Year.

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- ADMx-1 = The incremental capital and O&M administrative cost the Company incurred in the Prior Year necessary to meet SMART Program objectives, including, but not limited to, billing system improvements, and additional personnel required for ongoing operations. Incremental administrative costs include the revenue requirement associated with cumulative capital improvements placed in service up through the Prior Year.
- RA = The Reconciliation Amount is the sum of (a) the difference between (1) the actual IP, ABC, and MR incurred in the Prior Year plus incremental administrative costs approved for recovery in prior years; and (2) the amount of SF revenue billed by the Company during the Prior Year. Interest shall be applied to the reconciling balance at the Prime Rate as reported by the Wall Street Journal.
- DRA = The Distribution Revenue Allocator percentage for each rate class.
- FkWhxs = Forecasted kWh for each rate class for the Current Year.

The Distribution Revenue Allocator shall be derived from the Company's most recent general rate case as approved by the Department and shall be as follows by rate class:

<u>Service Territory/Area</u>	<u>Rate Classes</u>	<u>Distribution Revenue Allocator</u>
<u>All</u>	<u>R-1/R-2</u>	<u>41.145%</u>
<u>All</u>	<u>R-2/R-3</u>	<u>4.575%</u>
<u>Greater Boston</u>	<u>G-1/T-1</u>	<u>3.446%</u>
<u>Greater Boston</u>	<u>G-2/T-2</u>	<u>27.907%</u>
<u>Greater Boston</u>	<u>G-3/SBG3/WR</u>	<u>7.998%</u>
<u>Cambridge</u>	<u>G-0/G-1/G-6</u>	<u>0.829%</u>
<u>Cambridge</u>	<u>G-2</u>	<u>1.329%</u>
<u>Cambridge</u>	<u>G-3/SB1/SBG3</u>	<u>0.856%</u>
<u>Cambridge</u>	<u>G-4</u>	<u>0.012%</u>
<u>Cambridge</u>	<u>G-5</u>	<u>0.018%</u>
<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>G-1/G-7</u>	<u>3.930%</u>
<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>G-2</u>	<u>1.088%</u>
<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>G-3</u>	<u>0.610%</u>

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<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>G-4</u>	<u>0.008%</u>
<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>G-5</u>	<u>0.053%</u>
<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>G-6</u>	<u>0.008%</u>
<u>Western Massachusetts</u>	<u>23/24/G-0/T-0</u>	<u>2.626%</u>
<u>Western Massachusetts</u>	<u>G-2/T-4</u>	<u>1.159%</u>
<u>Western Massachusetts</u>	<u>T-2</u>	<u>1.495%</u>
<u>Western Massachusetts</u>	<u>T-5</u>	<u>0.498%</u>
<u>Eastern Massachusetts</u>	<u>S-1/S-2</u>	<u>0.315%</u>
<u>Western Massachusetts</u>	<u>S-1/S-2</u>	<u>0.095%</u>
<u>Total</u>		<u>100.000%</u>

Rate [] \_\_\_\_\_ ~~xx.x%~~  
Rate [] \_\_\_\_\_ ~~xx.x%~~  
Rate [] \_\_\_\_\_ ~~xx.x%~~  
Rate [] \_\_\_\_\_ ~~xx.x%~~  
Rate [] \_\_\_\_\_ ~~xx.x%~~  
Streetlighting \_\_\_\_\_ ~~x.x%~~

**Interim SMART Factor Adjustments**

If at any time during the year, the annual SMART Program costs are ten percent above or below the costs the Company is recovering through its SMART Factor, the Company may petition the Department for an interim adjustment prior to its next scheduled SMART Factor filing.

**14.0 Determination of Incremental Administrative Cost**

To be eligible for inclusion as an incremental administrative cost recoverable through the SMART factor, the Company shall demonstrate that all O&M expenses incurred in the performance of SMART Program activities and proposed for recovery through the SMART factor are:

- (1) incremental to the representative level of O&M expenses recovered through all other rates billed by the Company to its customers; and

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- (2) directly related to SMART Program activities.

The Company shall apply these thresholds to all O&M expenses for which it seeks recovery for Department review in annual SMART Factor filings.

**15.0 Overhead and Burden Adjustments**

The Company will perform an overhead and burdens test to demonstrate that actual overhead and burdens costs charged to SMART Program capital projects are incremental to amounts recovered in base distribution rates and other reconciling mechanisms. This test shall compare the actual O&M overhead and burdens and the amount included in base distribution rates in each year. If the actual O&M overhead and burdens exceed the amount included in base distribution rates, capitalized overheads and burdens recovered through a reconciling rate shall be reduced by the amount of the excess. The Company shall determine whether such reduction is required for all reconciling mechanisms that require such a determination once each year, and the determination shall be included in the Company's annual Grid Modernization Plan cost recovery filing pursuant to the Company's Grid Modernization Recovery ~~Provision~~tariff, M.D.P.U. No. #####, ~~73~~, as may be amended from time to time. In addition, the percentage of capitalized overhead and burdens assigned to SMART Program capital projects shall be set equal to the ratio of SMART Program costs to total direct costs in any given year.

**16.0 Filing of SMART Factors for Department Approval**

Changes to the SMART Factors shall be filed with the Department at least 60 days prior to January 1. Such filing shall include the reconciliation of the amount recoverable through prior SMART Factors, as appropriate, and include supporting calculations for estimated Incentive Payments and describe any cost variances as defined in the Company's project authorization policies.

**17.0 Additional Terms and Conditions of Service**

- 17.1 Cooperation and Qualification of STGUs for Other Programs, Incentives, and Markets. Consistent with Section 6.3, if requested by the Company, the Owner or Authorized Agent of an enrolled STGU shall take all commercially reasonable means necessary, and pay any costs or fees associated with such actions, to cooperate with the Company to

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qualify a STGU for other available federal, state, regional, local, and voluntary programs, incentives, and/or markets that would increase the value or marketability of the STGU's products and attributes including but not limited to registering the STGU with other states in order to qualify for such states' RPS or similar program(s). Such Owner or Authorized Agent shall comply with all rules of such programs, incentives, and markets including, without limitation, rules that relate to the creation, tracking, recording, and transfer of all Environmental Attributes that are to be transferred under this tariff.

- 17.2 Non-Compliance. The Owner or Authorized Agent of a STGU shall comply with the provisions of this tariff through the end of the period during which the STGU is eligible to receive Incentive Payments pursuant to Section 7.0. Only the STGU described on the Statement of Qualification is eligible to participate under this tariff. In no event shall a STGU's nameplate capacity exceed what is allowed by the Statement of Qualification. If a STGU exceeds the nameplate capacity allowed by the Statement of Qualification, or the Company determines that an Owner or Authorized Agent has violated the terms and conditions of this tariff, the Company will report the non-compliance immediately to the DOER, and the DOER shall issue a notice of non-compliance to the Owner or Authorized Agent and to the Company. Upon receipt of a notice of non-compliance from the DOER, the Company may suspend payment of Incentive Payments and AOBCs, if applicable, and/or take other action as required the DOER until such time as the non-compliance has been remedied.

Neither the Company nor the Owner or Authorized Agent shall be deemed in non-compliance for failure or delay in the performance of any obligation under the tariff if and to the extent that such delay or failure is due to a Force Majeure Event. A Force Majeure Event shall mean any cause beyond the reasonable control of, and not due to the fault or negligence of, the Company or the Owner or Authorized Agent and which could not have been avoided by exercising commercially reasonable efforts ,including, as applicable, acts of war or terrorism, public disorder, insurrection or rebellion, embargo or national emergency; curtailment of electric distribution services; flood, hurricane, windstorm, tornado, earthquake, or other acts of God; explosion or fire; strikes, lockouts, or other labor disturbances (whether among employees of the Company or the Owner or Authorized Agent, its suppliers, contractors, or others); delays, failure, and/or refusal of suppliers to supply materials or services; orders, acts or omissions of the NEPOOL GIS

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Administrator, as applicable; embargoes; sabotage; or any other cause of like or different kind, beyond the reasonable control of the Company or the Owner or Authorized Agent. Notwithstanding the foregoing, a Force Majeure Event shall not be based on Owner's ability to sell market products at a price greater than the rates applicable to the STGU or the Company's ability to purchase market products at prices below the applicable rates.

The party claiming Force Majeure shall notify the other party and the DOER of the occurrence thereof as soon as possible and shall use reasonable efforts to resume performance immediately. In no event shall a claim of Force Majeure or a Force Majeure Event operate to extend the STGU's eligibility to receive Incentive Payments pursuant to Section 7.0.

- 17.3 **Termination Provisions.** The DOER has the authority to suspend or revoke Statements of Qualification. If the Owner or Authorized Agent or the Company receives confirmation from the DOER that the Owner's Statement of Qualification has been suspended or revoked, or if the Owner or Authorized Agent has failed to satisfy the Owner's obligations under this tariff, the Company may elect to terminate its obligations under this tariff. Neither the Owner or Authorized agent nor the Company may terminate their obligations under this tariff with less than 30 days' notice to the other party.
- 17.4 **Governing Law.** This tariff is governed by the provisions of 225 CMR 20.00 and Chapter 164 of the General Laws.
- 17.5 **Dispute Resolution.** Disputes shall generally be resolved in accordance with D.P.U. 17-140-A at 202-204. Neither the Company nor the Department shall be responsible for resolving disputes between the Owner of an AOBC Generation Unit and those Customers to whom the Owner is transferring AOBCs.

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SMART PROVISIONS SOLAR MASSACHUSETTS RENEWABLE TARGET  
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APPENDIX A

EASTERN MASSACHUSETTS

<u>Generation Unit Capacity</u>	<u>Base Compensation Rate Factor</u>	<u>Term Length</u>	<u>Block 1</u>	<u>Block 2</u>	<u>Block 3</u>	<u>Block 4</u>	<u>Block 5</u>	<u>Block 6</u>	<u>Block 7</u>	<u>Block 8</u>
Low Income ≤ 25 kW AC	230%	10-year	<u>\$0.39100</u>	<u>\$0.37536</u>	<u>\$0.36035</u>	<u>\$0.34593</u>	<u>\$0.33209</u>	<u>\$0.31881</u>	<u>\$0.30606</u>	<u>\$0.29382</u>
≤ 25 kW AC	200%	10-year	<u>\$0.34000</u>	<u>\$0.32640</u>	<u>\$0.31334</u>	<u>\$0.30081</u>	<u>\$0.28878</u>	<u>\$0.27723</u>	<u>\$0.26614</u>	<u>\$0.25549</u>
> 25 kW, ≤ 250 kW AC	150%	20-year	<u>\$0.25500</u>	<u>\$0.24480</u>	<u>\$0.23501</u>	<u>\$0.22561</u>	<u>\$0.21658</u>	<u>\$0.20792</u>	<u>\$0.19960</u>	<u>\$0.19162</u>
> 250 kW, ≤ 500 kW AC	125%	20-year	<u>\$0.21250</u>	<u>\$0.20400</u>	<u>\$0.19584</u>	<u>\$0.18801</u>	<u>\$0.18049</u>	<u>\$0.17327</u>	<u>\$0.16634</u>	<u>\$0.15968</u>
> 500 kW, ≤ 1,000 kW AC	110%	20-year	<u>\$0.18700</u>	<u>\$0.17952</u>	<u>\$0.17234</u>	<u>\$0.16545</u>	<u>\$0.15883</u>	<u>\$0.15247</u>	<u>\$0.14638</u>	<u>\$0.14052</u>
> 1,000 kW, ≤ 5,000 kW AC	100%	20-year	<u>\$0.17000</u>	<u>\$0.16320</u>	<u>\$0.15667</u>	<u>\$0.15041</u>	<u>\$0.14439</u>	<u>\$0.13861</u>	<u>\$0.13307</u>	<u>\$0.12775</u>
> 1,000 kW, ≤ 5,000 kW*		20-year	<u>\$0.17000</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**I. Base Compensation Rates**

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[INSERT COMPANY NAME] NSTAR ELECTRIC COMPANY

M.D.P.U. No. XXXX74

d/b/a EVERSOURCE ENERGY

SMART PROVISIONS SOLAR MASSACHUSETTS RENEWABLE TARGET  
(SMART)

APPENDIX A

WESTERN MASSACHUSETTS

<u>Generation Unit Capacity</u>	<u>Base Compensation Rate Factor</u>	<u>Term Length</u>	<u>Block 1</u>	<u>Block 2</u>	<u>Block 3</u>	<u>Block 4</u>	<u>Block 5</u>	<u>Block 6</u>	<u>Block 7</u>	<u>Block 8</u>
<u>Low Income ≤ 25 kW AC</u>	<u>230%</u>	<u>10-year</u>	<u>\$0.32862</u>	<u>\$0.31548</u>	<u>\$0.30286</u>	<u>\$0.29075</u>	<u>\$0.27912</u>	<u>\$0.26795</u>	<u>\$0.25723</u>	<u>\$0.24694</u>
<u>&lt; 25 kW AC</u>	<u>200%</u>	<u>10-year</u>	<u>\$0.28576</u>	<u>\$0.27433</u>	<u>\$0.26336</u>	<u>\$0.25282</u>	<u>\$0.24271</u>	<u>\$0.23300</u>	<u>\$0.22368</u>	<u>\$0.21473</u>
<u>&gt; 25 kW, &lt; 250 kW AC</u>	<u>150%</u>	<u>20-year</u>	<u>\$0.21432</u>	<u>\$0.20575</u>	<u>\$0.19752</u>	<u>\$0.18962</u>	<u>\$0.18203</u>	<u>\$0.17475</u>	<u>\$0.16776</u>	<u>\$0.16105</u>
<u>&gt; 250 kW, &lt; 500 kW AC</u>	<u>125%</u>	<u>20-year</u>	<u>\$0.17860</u>	<u>\$0.17146</u>	<u>\$0.16460</u>	<u>\$0.15801</u>	<u>\$0.15169</u>	<u>\$0.14563</u>	<u>\$0.13980</u>	<u>\$0.13421</u>
<u>&gt; 500 kW, &lt; 1,000 kW AC</u>	<u>110%</u>	<u>20-year</u>	<u>\$0.15717</u>	<u>\$0.15088</u>	<u>\$0.14485</u>	<u>\$0.13905</u>	<u>\$0.13349</u>	<u>\$0.12815</u>	<u>\$0.12302</u>	<u>\$0.11810</u>
<u>&gt; 1,000 kW, &lt; 5,000 kW AC</u>	<u>100%</u>	<u>20-year</u>	<u>\$0.14288</u>	<u>\$0.13716</u>	<u>\$0.13168</u>	<u>\$0.12641</u>	<u>\$0.12135</u>	<u>\$0.11650</u>	<u>\$0.11184</u>	<u>\$0.10737</u>
<u>&gt; 1,000 kW, &lt; 5,000 kW*</u>		<u>20-year</u>	<u>\$0.14288</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

\*For Solar Tariff Generation Units selected under the one-time competitive procurement.

\*For Solar Tariff Generation Units selected under the one-time competitive procurement. Notes:

Notes:

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SMART PROVISIONS SOLAR MASSACHUSETTS RENEWABLE TARGET  
(SMART)

APPENDIX A

Each Capacity Block shall have a minimum of 20% and a maximum of 35% of its total available capacity reserved for Solar Tariff Generation Units with nameplate capacities less than or equal to 25 kW.

Solar Tariff Generation Units that receive a capacity allocation in more than one Capacity Block will receive a blended Compensation Rate that reflects the rates applicable to both Capacity Blocks.

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**II. Compensation Rate Adders**

Please refer to 225 CMR 20.07(4) for currently effective Compensation Rate Adders, and to DOER’s Guideline on Energy Storage at <https://www.mass.gov/info-details/solar-massachusetts-renewable-target-smart-program#smart-program-guidelines> that provides an Energy Storage Adder calculator.

**III. Sum of Applicable Distribution, Transmission, Transition, and Three-Year Average of Basic Service Rates**

Rate Class	<u>Territory/Service Area</u>	Applicable Three-Year Average by Commercial Operation Year (¢/kWh)	
		2018	2019
<del>Rate</del> <u>R-1/R-2</u>	<u>Greater Boston</u>	<del>18.519</del> <u>18.519</u>	<del>19.877</del> <u>19.877</u>
<del>Rate</del> <u>R-3/R-4</u>	<u>Greater Boston</u>	<del>17.549</del> <u>17.549</u>	<del>18.848</del> <u>18.848</u>
<del>Rate</del> <u>G-1 (Non-Demand)</u>	<u>Greater Boston</u>	<del>20.066</del> <u>20.066</u>	<del>20.249</del> <u>20.249</u>
<del>Rate</del> <u>G-1 (Demand)</u>	<u>Greater Boston</u>	<del>17.950</del> <u>17.950</u>	<del>18.921</del> <u>18.921</u>
<u>G-2</u>	<u>Greater Boston</u>	<u>12.722</u>	<u>13.221</u>
<u>G-3 (NEMA)</u>	<u>Greater Boston</u>	<u>10.415</u>	<u>11.309</u>
<u>G-3 (SEMA)</u>	<u>Greater Boston</u>	<u>9.561</u>	<u>9.922</u>
<u>T-1 (Closed)</u>	<u>Greater Boston</u>	<u>17.161</u>	<u>18.766</u>
<u>T-2 (NEMA)</u>	<u>Greater Boston</u>	<u>10.569</u>	<u>11.733</u>
<u>T-2 (SEMA)</u>	<u>Greater Boston</u>	<u>9.715</u>	<u>10.346</u>
<u>R-1/R-2</u>	<u>Cambridge</u>	<u>18.733</u>	<u>19.877</u>
<u>R-3/R-4</u>	<u>Cambridge</u>	<u>19.819</u>	<u>18.848</u>
<u>G-0</u>	<u>Cambridge</u>	<u>17.612</u>	<u>17.637</u>
<u>G-1</u>	<u>Cambridge</u>	<u>12.243</u>	<u>12.753</u>
<u>G-2</u>	<u>Cambridge</u>	<u>11.304</u>	<u>12.257</u>

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<u>G-3</u>	<u>Cambridge</u>	<u>10.504</u>	<u>11.357</u>
<u>G-4</u>	<u>Cambridge</u>	<u>12.155</u>	<u>12.357</u>
<u>G-5 (Closed)</u>	<u>Cambridge</u>	<u>16.537</u>	<u>16.658</u>
<u>G-6</u>	<u>Cambridge</u>	<u>27.623</u>	<u>20.683</u>
<u>R-1/R-2</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>19.697</u>	<u>19.877</u>
<u>R-3/R-4</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>17.349</u>	<u>18.848</u>
<u>G-1</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>16.599</u>	<u>16.644</u>
<u>G-1 (Seasonal)</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>20.118</u>	<u>19.440</u>
<u>G-2</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>11.839</u>	<u>11.477</u>
<u>G-3</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>11.154</u>	<u>10.689</u>
<u>G-4 (Closed)</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>14.224</u>	<u>13.922</u>
<u>G-5 (Closed)</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>17.863</u>	<u>18.599</u>
<u>G-6 (Closed)</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>15.494</u>	<u>15.533</u>
<u>G-7</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>13.720</u>	<u>13.484</u>
<u>G-7 (Seasonal)</u>	<u>South Shore, Cape Cod, Martha's Vineyard</u>	<u>15.872</u>	<u>15.615</u>
<u>R-1</u>	<u>Western Massachusetts</u>	<u>18.583</u>	<u>19.079</u>
<u>R-2</u>	<u>Western Massachusetts</u>	<u>18.554</u>	<u>19.079</u>
<u>R-3</u>	<u>Western Massachusetts</u>	<u>17.886</u>	<u>18.165</u>

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<u>R-4</u>	<u>Western Massachusetts</u>	<u>17.901</u>	<u>18.165</u>
<u>23</u>	<u>Western Massachusetts</u>	<u>15.885</u>	<u>16.409</u>
<u>24</u>	<u>Western Massachusetts</u>	<u>11.916</u>	<u>12.379</u>
<u>G-0</u>	<u>Western Massachusetts</u>	<u>11.574</u>	<u>12.066</u>
<u>T-0</u>	<u>Western Massachusetts</u>	<u>11.520</u>	<u>12.013</u>
<u>G-2</u>	<u>Western Massachusetts</u>	<u>10.555</u>	<u>10.684</u>
<u>T-4</u>	<u>Western Massachusetts</u>	<u>10.502</u>	<u>10.634</u>
<u>T-2</u>	<u>Western Massachusetts</u>	<u>10.212</u>	<u>10.347</u>
<u>T-5</u>	<u>Western Massachusetts</u>	<u>10.025</u>	<u>9.961</u>

V.IV. Basic Service Rates

~~[INSERT ADDRESS TO COMPANY'S EXTERNAL WEBSITE FOR SUMMARY OF RATES]~~ Currently effective Basic Service pricing may be found at <http://www.eversource.com>.

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**NET METERING**

Applicability

The following tariff provisions shall be applicable to a Host Customer, as defined herein, that requests Net Metering services from the Distribution Company, with the exception of a Host Customer that is an electric company, generation company, aggregator, supplier, energy marketer, or energy broker, as those terms are used in M.G.L. c. 164, §§ 1 and 1F and 220 C.M.R. 11.00. A Governmental Cooperative shall not be considered an electric company, generation company, aggregator, supplier, energy marketer, or energy broker, as those terms are used in M.G.L. c. 164, §§ 1 and 1F and 220 C.M.R. 11.00: *Rules Governing the Restructuring of the Electric Industry*. Service under this rate to any Host Customer is subject to the Distribution Company's printed requirements and the Distribution Company's Terms and Conditions for Distribution Service, each as in effect from time to time. The interconnection date of a Net Metering Facility shall have no bearing on a Host Customer's eligibility to request Net Metering services under this tariff.

Section 1.01 Definitions

The terms set forth below shall be defined as follows, unless the context otherwise requires.

Administrator means the qualified entity selected by the Department to administer the Massachusetts System of Assurance of Net Metering Eligibility, as established by the Department pursuant to M.G.L. c. 164, § 139(g).

Agricultural Net Metering Facility means a Renewable Energy generating facility that

- (a) is operated as part of an agricultural business and is not participating in the Small Hydroelectric Net Metering Program;
- (b) generates electricity;
- (c) does not have a generation capacity of more than two megawatts;
- (d) is located on land owned or controlled by the agricultural business;
- (e) is used to provide energy to metered accounts of the business; and
- (f) is interconnected to the Distribution Company.

**NET METERING**

“Agriculture” has the same meaning as provided in M.G.L. c. 128, § 1A; provided that, when necessary, the Commissioner of the Department of Agricultural Resources shall determine if a business is an agricultural business and whether the facility is operated as part of that business.

Anaerobic Digestion Net Metering Facility means a facility that

- (a) generates electricity from a biogas produced by the accelerated biodegradation of organic materials under controlled anaerobic conditions;
- (b) has been determined by the Department of Energy Resources, in coordination with the Department of Environmental Protection, to qualify under the Department of Energy Resources’ regulations as a Class I renewable energy generating source under 225 CMR 14:00: *Renewable Energy Portfolio Standard-Class I* and M.G.L. c. 25A, § 11F; and
- (c) is interconnected to the Distribution Company.

Billing Period means the period of time set forth in the Distribution Company’s terms and conditions for which the Distribution Company bills a Customer for its electricity consumed or estimated to have been consumed.

Cap Allocation means an assurance from the Administrator that a Host Customer will receive Net Metering services upon a Host Customer’s receipt from the Distribution Company of a notice of authorization to interconnect.

Cap Exempt Facility means a Class I Net Metering Facility that:

- (a) is a renewable energy generating facility; and
- (b) has a nameplate capacity rating equal to or less than:
  - (i) 10 kilowatts on a single-phase circuit; or
  - (ii) 25 kilowatts on a three-phase circuit.

Class I Net Metering Facility means a plant or equipment that is used to produce, manufacture, or otherwise generate electricity, that has a design capacity of 60 kilowatts or less, and that is not a Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program.

**NET METERING**

Class II Net Metering Facility means an Agricultural Net Metering Facility, Anaerobic Digestion Net Metering Facility, Solar Net Metering Facility, or Wind Net Metering Facility with a generating capacity of more than 60 kilowatts but less than or equal to one megawatt; provided, however, that a Class II Net Metering Facility of a Municipality or Other Governmental Entity may have a generating capacity of more than 60 kilowatts but less than or equal to one megawatt per unit. Each Municipality or Other Governmental Entity may have an aggregate generating capacity of not more than 10 megawatts.

Class III Net Metering Facility means an Agricultural Net Metering Facility, Anaerobic Digestion Net Metering Facility, Solar Net Metering Facility, or Wind Net Metering Facility with a generating capacity of more than one megawatt but less than or equal to two megawatts; provided, however, that a Class III Net Metering Facility of a Municipality or Other Governmental Entity may have a generating capacity of more than one megawatt but less than or equal to two megawatts per unit. Each Municipality or Other Governmental Entity may have an aggregate generating capacity of not more than 10 megawatts.

Customer means any person, partnership, corporation, or any other entity, whether public or private, who obtains distribution service at a customer delivery point and who is a customer of record of the Distribution Company for its own electricity consumption.

Department means the Massachusetts Department of Public Utilities.

Distribution Company means NSTAR Electric Company d/b/a Eversource Energy.

Governmental Cooperative means a cooperative, organized pursuant to M.G.L. c. 164, § 136, whose members or shareholders are all Municipalities or Other Governmental Entities.

Grandfathered Facility means a Net Metering Facility that is not a Cap Exempt Facility and that was interconnected to the distribution system and was included in the Company's net metering caps on or before April 24, 2013 and therefore was exempted from the System of Assurance.

Host Customer means a Customer with a Class I Net Metering Facility, Class II Net Metering Facility, Class III Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program that generates electricity on the Customer's side of the meter.

Interconnection Tariff means the Distribution Company's Standards for Interconnecting Distributed Generation, M.D.P.U. No. 55, as may be amended from time to time.

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**NET METERING**

ISO-NE means ISO New England Inc., the independent system operator for New England, or its successor, authorized by the Federal Energy Regulatory Commission to operate the New England bulk power system and administer New England's organized wholesale electricity market pursuant to the ISO-NE Tariff and operation agreements with transmission owners.

Market Net Metering Credit means a Net Metering Credit, calculated pursuant to Section 1.06(3) below and summarized in Appendix B, provided by the Distribution Company for the net excess electricity generated and fed back to the Distribution Company by (i) a New Solar Net Metering Facility; and (ii) other Solar Net Metering Facilities that are not Cap Exempt Facilities after 25 years from the date that each Solar Net Metering Facility was first authorized to interconnect to the electric distribution system as provided by M.G.L.c.164, § 139(k).

Municipality means a city or town within the Distribution Company's service territory that is also a Customer of that Distribution Company. Electric accounts of a city or town are not eligible for net metering under this tariff unless they are accounts with the Distribution Company.

Neighborhood means a geographic area within a Municipality, subject to the right of the Department to grant exceptions pursuant to 220 CMR 18.09(7), that:

- (a) is recognized by the residents as including a unique community of interests;
- (b) falls within the service territory of the Distribution Company and within a single ISO-NE load zone; and
- (c) may encompass residential, commercial, and undeveloped properties.

Neighborhood Net Metering Facility means a Class I Net Metering Facility, Class II Net Metering Facility, or Class III Net Metering Facility that:

- (a) is owned by, or serves the energy needs of, a group of ten or more residential Customers that reside in a single Neighborhood and are served by a single distribution company;
- (b) may also be owned by, or serve the energy needs of, other Customers who reside in the same Neighborhood and are served by the same distribution company as the residential Customers that own or are served by the facility; and
- (c) is located within the same Neighborhood as the Customers that own or are served by the facility.

**NET METERING**

Net Metering means the process of measuring the difference between electricity delivered by the Distribution Company and electricity generated by a Class I Net Metering Facility, Class II Net Metering Facility, Class III Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program and fed back to the Distribution Company.

Net Metering Credit means any credit provided by the Distribution Company for the net excess electricity generated and fed back to the Distribution Company by a Class I Net Metering Facility, Class II Net Metering Facility, Class III Net Metering Facility, Neighborhood Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program calculated pursuant to Section 1.06 below.

Net Metering Facility of a Municipality or Other Governmental Entity means a Class II or Class III Net Metering Facility:

- (a) that is owned or operated by a Municipality or Other Governmental Entity that is a Host Customer; or
- (b) of which the Municipality or Other Governmental Entity is the Host Customer and is assigned 100% of the output.

New Solar Net Metering Facility means:

- (a) a Solar Net Metering Facility that submits an application for a Cap Allocation to the System of Assurance after the Notification Date for the entire capacity of the Solar Net Metering Facility; or
- (b) a Solar Net Metering Facility that submits an application for a Cap Allocation to the System of Assurance before the Notification Date, but which is subsequently deemed complete by the Administrator and does not receive a Cap Allocation from the Administrator until after January 8, 2017; or
- (c) the following types of Solar Net Metering Facilities that seek to expand after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or Class III Net Metering Facility: (i) a facility that submits an application for a Cap Allocation to the System of Assurance before the Notification Date, is subsequently deemed complete by the Administrator and receives a Cap Allocation on or before January 8, 2017, (ii) a Cap Exempt Facility interconnected on or before the Notification Date, or (iii) a Grandfathered Facility.

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Notification Date means September 26, 2016 at 2:00 p.m., after which all New Solar Net Metering Facilities that are not Cap Exempt Facilities shall generate Market Net Metering Credits as determined pursuant to M.G.L. c.164, § 139(b½).

Other Governmental Entity means a department or agency of the Federal government or of the Commonwealth of Massachusetts, and any other entity as approved by the Department.

Renewable Energy means energy generated from any source that qualifies as a Class I or Class II Renewable Energy generating source under M.G.L. c. 25A, § 11F; provided, however, that after conducting administrative proceedings, the Department of Energy Resources, in consultation with the Department of Agricultural Resources, may add technologies or technology categories.

Small Hydroelectric Net Metering Credit means a Net Metering Credit, calculated pursuant to Section 1.06(4) below and summarized in Appendix C, provided by the Distribution Company for the net excess electricity generated and fed back to the Distribution Company by a Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program.

Small Hydroelectric Net Metering Facility means a facility for the production of electrical energy that uses water to generate electricity, with a nameplate capacity of two megawatts or less, and is interconnected to a Distribution Company.

Small Hydroelectric Net Metering Program means a distinct technology-specific Net Metering program wherein each Small Hydroelectric Net Metering Facility that seeks to net meter while the program is open participates in a separate cap and generates a Small Hydroelectric Net Metering Credit pursuant to M.G.L. c. 164, § 139A.

Solar Net Metering Facility means a facility for the production of electrical energy that uses sunlight to generate electricity and is interconnected to the Distribution Company.

Standard Net Metering Credit means a Net Metering Credit, calculated pursuant to Section 1.06(1) below and summarized in Appendix A, provided for the net excess electricity generated and fed back to the Distribution Company by all net metering facilities except for the following:

- (a) New Solar Net Metering Facilities; and
- (b) Solar Net Metering Facilities that are not Cap Exempt Facilities.

**NET METERING**

System of Assurance means the Massachusetts System of Assurance of Net Metering Eligibility, as established by the Department pursuant to M.G.L. c. 164, § 139(g).

Wind Net Metering Facility means a facility for the production of electrical energy that uses wind to generate electricity and is interconnected to the Distribution Company.

**Section 1.02 Interconnection**

Interconnection of net metering facilities is governed by the terms of the Distribution Company's Interconnection Tariff, which sets forth the following information for net metering services:

- (1) Application procedures;
- (2) Information necessary for requests;
- (3) Metering and technical requirements; and
- (4) Termination and suspension provisions.

The Customer shall indicate its request for net metering on its application pursuant to the Interconnection Tariff.

**Section 1.03 Metering and Reporting of Generation**

- (1) Host Customers with a Class II Net Metering Facility or Class III Net Metering Facility, or Small Hydroelectric Net Metering Facility greater than 60 kW participating in the Small Hydroelectric Net Metering Program shall install at the Host Customer's expense revenue-grade meters to measure the generator's kilowatt-hour ("kWh") output. Unless otherwise agreed to in writing with the Distribution Company, the Host Customer will provide the actual metered output to the Distribution Company twice per calendar year: on or before January 31 and on or before September 30.
- (2) Unless otherwise agreed to in writing with the Distribution Company, a Host Customer with a Class I Net Metering Facility or a Small Hydro Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program who does not have a generation information system ("GIS") account at ISO-NE, will provide, if available, the inverter's generation information to the Distribution Company twice per calendar year: on or before January 31 and on or before September 30.

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**NET METERING**

- (3) Unless otherwise agreed to in writing with the Distribution Company, a Host Customer with a Class I Net Metering Facility or a Small Hydro Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program who does not have a GIS account at ISO-NE and does not otherwise have generation information available, shall provide all necessary information to, and cooperate with, the Distribution Company to enable the Distribution Company to estimate the annual generation of the Class I Net Metering Facility.

**Section 1.04 Qualifications for Neighborhood Net Metering Facilities**

The Host Customer of a Neighborhood Net Metering Facility shall fulfill the requirements of the Distribution Company's Interconnection Tariff, as noted in Section 1.02 above, and shall further provide and maintain on file with the Distribution Company written documentation demonstrating that all parties eligible to receive Net Metering Credits from the Neighborhood Net Metering Facility meet the terms of the definition of a Neighborhood Net Metering Facility, as provided herein and in the Department's regulations at 220 C.M.R. 18.02.

**Section 1.05 Administration of Net Metering Credits**

- (1) The Distribution Company shall calculate a Net Metering Credit as set forth in Section 1.06 below, and not bill a Host Customer for kWh usage, for any Billing Period in which the kWh generated by a Class I, II, or III Net Metering Facility, Neighborhood Net Metering Facility, New Solar Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program exceed the kWh usage of the Host Customer.
- (2) The Distribution Company shall bill a Host Customer for excess consumption for any Billing Period in which the kWh consumed by a Host Customer exceed the kWh generated by a Class I, II or III Net Metering Facility, Neighborhood Net Metering Facility, New Solar Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program.

**Section 1.06 Calculation of Net Metering Credits**

The Net Metering Credit based on the excess electricity generated by a Net Metering Facility shall be determined as either a Standard Net Metering Credit, Market Net Metering Credit, or Small Hydroelectric Net Metering Credit pursuant to this section.

**NET METERING**

(1) Standard Net Metering Credit

(a) The following Net Metering Facilities shall receive a Standard Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
Solar*		Not Applicable
Wind		Not Applicable
Anaerobic Digestion		Not Applicable
Agricultural		Not Applicable
Not Applicable	Municipality or Other Governmental Entity	
Cap Exempt	Not Applicable	

\* A Solar Net Metering Facility that is not a New Solar Net Metering Facility but that seeks to expand the generating capacity after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class I Net Metering Facility shall continue to receive the Standard Net Metering Credit. Facilities that expand such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or a Class III Net Metering Facility will generate Market Net Metering Credits.

(i) The Standard Net Metering Credit shall be calculated for each Billing Period as the product of:

- (1) 100% of the excess kWh, by time-of-use if applicable; and
- (2) the sum of the following Distribution Company kWh charges applicable to the rate class under which the Host Customer takes service:
  - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
  - b. the distribution charge;
  - c. the transmission charge; and
  - d. the transition charge.

**NET METERING**

- (ii) Solar Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to Section 1.06(1) for a period of 25 years from the date on which the Solar Net Metering Facility was first authorized to interconnect to the distribution system. After 25 years, any Solar Net Metering Facility that is not a Cap Exempt Facility shall receive Market Net Metering Credits pursuant to Section 1.06(3) below.
  - (iii) New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to this provision for a period of 25 years from the date on which the facility was first authorized to interconnect to the distribution system, and, thereafter shall receive Market Net Metering Credits pursuant to Section 1.06(3) below. Provided, however, that any New Solar Net Metering Facility that is also an Agricultural Net Metering Facility that ceases to be designated as an agricultural facility at any time during such 25-year period, shall immediately receive Market Net Metering Credits (instead of Standard Net Metering Credits) pursuant to Section 1.06(3) below.
- (b) The following Net Metering Facilities shall receive a Standard Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
Other than Solar, Wind, Anaerobic Digestion, or Agricultural, or Small Hydroelectric participating in the Small Hydroelectric Net Metering Program	Not Applicable	

- (i) The Standard Net Metering Credit shall be calculated for each Billing Period as the product of:
  - (1) 100% of the excess kWh, by time-of-use if applicable; and
  - (2) the average monthly clearing price at the ISO-NE.
- (ii) Electricity generated from any technology except Solar, Wind, Agricultural, Anaerobic Digestion, and Small Hydroelectric Net Metering Facilities

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**NET METERING**

Participating in the Small Hydroelectric Net Metering Program and which qualifies as a Class I Renewable Energy generating source under M.G.L. c. 25A, § 11F shall receive a Standard Net Metering Credit pursuant to this section; provided, however, that after conducting administrative proceedings, the Department of Energy Resources, in consultation with the Department of Agricultural Resources, may add technologies or technology categories.

- (c) Subject to Section 1.06(1)(c)(ii) below, the following Net Metering Facilities shall receive a Standard Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
Not Applicable		Solar
Not Applicable		Wind
Not Applicable		Anaerobic Digestion
Not Applicable		Agricultural
Neighborhood		

- (i) The Standard Net Metering Credit shall be calculated for each Billing Period as the product of:
- (1) 100% of the excess kWh, by time-of-use if applicable; and
  - (2) the sum of the following Distribution Company per-kWh charges applicable to the rate class under which the Host Customer takes service:
    - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
    - b. the transmission charge; and
    - c. the transition charge.
- (ii) Class III Solar Net Metering Facilities and Solar Net Metering Facilities that are also Neighborhood Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to this provision for a period of 25 years from the date on which the Net Metering Facility was first authorized



**NET METERING**

to interconnect to the distribution system. After 25 years, the Class III Solar Net Metering Facility and Solar Net Metering Facility that is also a Neighborhood Net Metering Facility shall receive Market Net Metering Credits pursuant to Section 1.06(3)(a) below.

- (iii) For rules applicable to New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities, see Section 1.06(1)(a)(iii).
  - (d) The calculation of Net Metering Credits under this section shall not include the demand side management and renewable energy kWh charges set forth in M.G.L. c. 25, §§ 19-20 and the Solar Massachusetts Renewable Target (“SMART”) Factor pursuant to M.D.P.U. No. 74, as may be amended from time to time.
  - (e) For any Billing Period for which the Distribution Company calculates a Net Metering Credit for a Host Customer, the Distribution Company shall apply the Net Metering Credit to the Host Customer’s account, unless the Host Customer provides otherwise pursuant to Section 1.07. The Distribution Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.
- (2) Customer Notification

The Distribution Company shall notify a Host Customer at least 30 days in advance of the transition from Standard Net Metering Credits to Market Net Metering Credits after 25 years from the date when the facility was first interconnected to the electric distribution system.

(3) Market Net Metering Credits

- (a) Subject to Section 1.06(3)(a)(ii) below, the following Net Metering Facilities shall receive a 60% Market Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
New Solar that is not a Municipality or Other Governmental Entity		
Non-Cap Exempt Solar*		

\*A Solar Net Metering Facility that is not a New Solar Net Metering Facility, but that seeks to expand the generating capacity at a later date after the Notification

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Date such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or a Class III Net Metering Facility will generate Market Net Metering Credits.

- (i) The Market Net Metering Credit shall be calculated for each Billing Period as the product of:
  - (1) 60% of the excess kWh, by time-of-use if applicable; and
  - (2) the sum of the following Distribution Company kWh charges applicable to the rate class under which the Host Customer takes service:
    - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
    - b. the distribution charge;
    - c. the transmission charge; and
    - d. the transition charge.
- (ii) Solar Net Metering Facilities that are not Cap Exempt Facilities are eligible to receive Standard Net Metering Credits pursuant to Section 1.06(1) for a period of 25 years from the date on which such Solar Net Metering Facility was first authorized to interconnect to the distribution system. After 25 years, such Solar Net Metering Facility must receive Market Net Metering Credits pursuant to Section 1.06(3).
- (iii) For rules applicable to New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities, see Section 1.06(1)(a)(iii).

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- (b) The following Net Metering Facilities shall receive a 100% Market Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
New Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity		
Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity, 25 years after date of authorization to interconnect		

- (i) The Market Net Metering Credit shall be calculated for each Billing Period as the product of:
- (1) 100% of the excess kWh, by time-of-use if applicable; and
  - (2) the sum of the following Distribution Company kWh charges applicable to the rate class under which the Host Customer takes service:
    - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
    - b. the distribution charge;
    - c. the transmission charge; and
    - d. the transition charge.

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- (c) Subject to Section 1.06(3)(c)(ii) below, the following Net Metering Facilities shall receive a 60% Market Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
New Solar that is also Neighborhood		
Solar that is also Neighborhood		

- (i) The Market Net Metering Credit shall be calculated for each Billing Period as the product of:
- (1) 60% of the excess kWh, by time-of-use if applicable; and
  - (2) the sum of the following Distribution Company per-kWh charges applicable to the rate class under which the Host Customer takes service:
    - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
    - b. the transmission charge; and
    - c. the transition charge.
- (ii) Solar Net Metering Facilities that are also Neighborhood Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to Section 1.06(1)(c) for a period of 25 years from the date on which the Solar Net Metering Facility was first authorized to interconnect to the distribution system. After 25 years, the Solar Net Metering Facility that is also a Neighborhood Net Metering Facility must receive Market Net Metering Credits pursuant to this provision.
- (d) Solar Net Metering Facilities, including New Solar Net Metering Facilities, that are Cap Exempt Facilities are not subject to Market Net Metering Credits and shall continue to receive Standard Net Metering Credits in accordance with Section 1.06(1) above. Provided, however, that if a Cap Exempt Facility that is a Solar Net Metering Facility was interconnected after the Notification Date and later expands such that the entire facility, including the expanded generating capacity, no longer

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qualifies as a Cap Exempt Facility, then the entire net metering facility would generate Market Net Metering Credits in accordance with this Section.

- (e) The calculation of Net Metering Credits under this section shall not include the demand side management and renewable energy kWh charges set forth in M.G.L. c. 25, §§ 19-20 and the Solar Massachusetts Renewable Target (“SMART”) Factor pursuant to M.D.P.U. No. 74, as may be amended from time to time.
  - (f) For any Billing Period for which the Distribution Company calculates a Net Metering Credit for a Host Customer, the Distribution Company shall apply the Net Metering Credit to the Host Customer’s account, unless the Host Customer provides otherwise pursuant to Section 1.07. The Distribution Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.
- (4) Small Hydroelectric Net Metering Credits
- (a) Small Hydroelectric Facilities participating in the Small Hydroelectric Net Metering Program shall receive a Small Hydroelectric Net Metering Credit:
    - (i) The Small Hydroelectric Net Metering Credit shall be calculated for each Billing Period as the product of:
      - (1) the excess kWh, by time-of-use, if applicable; and
      - (2) the basic service charge (in the ISO-NE load zone where the Host Customer is located).

Section 1.07 Allocation of Net Metering Credits

- (1) For a Class I, Class II, Class III Net Metering Facility or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program, the Distribution Company shall allocate Net Metering Credits, as designated in writing by the Host Customer, to other Customers who are in the Distribution Company’s service territory and are located in the same ISO-NE load zone. The manner and form of credit designation shall be as specified in this Net Metering provision pursuant to 220 CMR 18.09(2).
- (2) Notwithstanding Section 1.07(1), if the Host Customer of a Class I Net Metering Facility, Class II Net Metering Facility, or Class III Net Metering Facility is a Municipality or Other

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Governmental Entity, including a Governmental Cooperative, it may direct the Distribution Company to allocate Net Metering Credits only to other Customers that are Municipalities or Other Governmental Entities. Net Metering Credits can be allocated only within: (1) the Distribution Company's service territory and (2) the same ISO-NE load zone.

- (3) For a Neighborhood Net Metering Facility, the Distribution Company may only allocate Net Metering Credits to residential or other Customers who reside in the same Neighborhood in which the Neighborhood Net Metering Facility is located and have an ownership interest in, or are served by, the Neighborhood Net Metering Facility.
- (4) For any Billing Period that a Host Customer earns Net Metering Credits, the Distribution Company shall allocate Net Metering Credits by applying them to a designated Customer's account. The Distribution Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.
- (5) For a Class III Net Metering Facility and a Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program in accordance with the terms of this tariff and D.P.U. 17-10-A Order at 34, the Distribution Company may elect to purchase Net Metering Credits from the Host Customer, rather than allocating such credits. The Distribution Company must provide written notice to the Host Customer of its election to either purchase or allocate Net Metering Credits within 30 days of the Host Customer's request for Net Metering services. For Net Metering Credits purchased under this provision, the Distribution Company will make payment by issuing a check to the Host Customer each Billing Period, unless otherwise agreed in writing with the Host Customer. In addition, the Distribution Company shall continue to purchase such credits in accordance with the terms of this tariff for so long as the Host Customer takes service under this tariff or as mutually agreed in writing by the Distribution Company and the Host Customer.
- (6) The Distribution Company is responsible for accurately allocating Net Metering Credits consistent with a Host Customer's written designation in Schedule Z to the Distribution Company's Interconnection Tariff.

**Section 1.08 Net Metering Recovery Surcharge**

The charges listed below are non-bypassable and shall be applied to all kWh delivered by the Distribution Company to a Customer. The operation of the Net Metering Recovery Surcharge ("NMRS") is subject to all powers of suspension and investigation vested in the Department. If the Distribution Company operates under a revenue decoupling mechanism, the Distribution Company will recover the non-reconciling distribution portion of revenue displaced ("DDR")

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through a revenue decoupling mechanism and all other charges listed below through the operation of the NMRS. If the Distribution Company does not operate under a revenue decoupling mechanism, then the Distribution Company will recover the DDR and all other charges listed below through the operation of the NMRS. If the Distribution Company elects not to file an NMRS, the Distribution Company must file a net metering report in lieu of the NMRS. The net metering report shall be in a form approved by the Department. The net metering report is for informational purposes only.

(1) Rates

The purpose of the NMRS is to recover the Net Metering Credits applied to Customers and the non-reconciling distribution portion of revenue displaced by Customers who have installed on-site generation facilities in accordance with G.L. c. 164, §§ 138 and 139. This surcharge provides the Distribution Company with a mechanism to recover such credits and displaced distribution revenue, and to reconcile actual NMRS revenue amounts recovered from Customers with actual recoverable amounts.

(2) Applicability of NMRS

The NMRS shall be applicable to all distribution of electricity, as measured in kWh, delivered by the Distribution Company. Although the NMRS is a separate surcharge, it may be included in the Distribution Company's Distribution Charge for billing purposes.

(3) Effective Date of Annual Surcharge

The Distribution Company shall submit NMRS filings as outlined in Section 1.08(6) of this tariff.

(4) NMRS Formula

$$\text{NMRS}_x = (\text{NMC}_{x-1} + \text{DDR}_{x-1} + \text{PPRA}_{x-2} - \text{CR}_{x-1}) \div \text{FkWh}_x,$$

where

x = The year over which the surcharge applies;

NMRS<sub>x</sub> = The Net Metering Recovery Surcharge for year x;

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- $NMC_{x-1}$  = The Net Metering Credits for year x-1, based on actual data where available and estimated for the period where actual data is unavailable;
- $DDR_{x-1}$  = The non-reconciling distribution portion of revenue displaced, as defined in Section 1.08(5), by net metering facilities for year x-1, based on actual data where available and estimated for the period where actual data is unavailable;
- $PPRA_{x-2}$  = The Past Period Reconciliation Amount defined as the ending balance including interest, calculated on the average monthly reconciling balance using the customer deposit rate as outlined in 220 C.M.R. 26.09, of the difference between (a) the sum of the NMC and DDR based on actual data for year x-2 and (b) the revenues collected through the NMRS as approved by the Department for year x-1, based on actual data where available and estimated for the period where actual data is unavailable. Any balance between actual data and estimated data will be included in this component.
- $CR_{x-1}$  = Commodity Reconciliation, as determined by Section 1.08(8).
- $FkWh_x$  = The Forecasted kWh for year x, defined as the forecasted amount of electricity to be distributed to the Distribution Company's distribution customers.

The Distribution Revenue Allocator shall be derived from the Distribution Company's most recent general rate case as approved by the Department.

Effective February 1, 2018, the NMRS shall be calculated separately for the Eastern and Western Massachusetts territories. The revenue requirement calculated herein for Eastern Massachusetts and Western Massachusetts shall be allocated to all rate classes in each service area by applying the Distribution Revenue Allocator as follows:



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Service Territory/Area	Rate Classes	Distribution Revenue Allocator
Eastern Massachusetts	R-1/R-2	40.726%
Eastern Massachusetts	R-2/R-3	4.088%
Greater Boston	G-1/T-1	3.879%
Greater Boston	G-2/T-2	31.309%
Greater Boston	G-3/SBG3/WR	9.384%
Cambridge	G-0/G-1/G-6	0.972%
Cambridge	G-2	1.559%
Cambridge	G-3/SB1/SBG3	1.005%
Cambridge	G-4	0.014%
Cambridge	G-5	0.021%
South Shore, Cape Cod, Martha's Vineyard	G-1/G-7	4.612%
South Shore, Cape Cod, Martha's Vineyard	G-2	1.277%
South Shore, Cape Cod, Martha's Vineyard	G-3	0.715%
South Shore, Cape Cod, Martha's Vineyard	G-4	0.009%
South Shore, Cape Cod, Martha's Vineyard	G-5	0.062%
South Shore, Cape Cod, Martha's Vineyard	G-6	0.009%
Eastern Massachusetts	S-1/S-2	0.359%
<b>Total</b>		<b>100.000%</b>

Service Territory/Area	Rate Classes	Distribution Revenue Allocator
Western Massachusetts	R-1/R-2	48.027%
Western Massachusetts	R-2/R-3	8.114%
Western Massachusetts	23/24/G-0/T-0	19.596%
Western Massachusetts	G-2/T-4	8.650%
Western Massachusetts	T-2	11.156%
Western Massachusetts	T-5	3.720%
Western Massachusetts	S-1/S-2	0.707%
<b>Total</b>		<b>100.000%</b>

Effective January 1, 2019, the revenue requirement calculated herein for Eastern Massachusetts and Western Massachusetts shall be combined and allocated to all rate classes by applying the Distribution Revenue Allocator for each territory as shown below.

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Service Territory/Area	Rate Classes	Distribution Revenue Allocator
All	R-1/R-2	41.145%
All	R-2/R-3	4.575%
Greater Boston	G-1/T-1	3.446%
Greater Boston	G-2/T-2	27.907%
Greater Boston	G-3/SBG3/WR	7.998%
Cambridge	G-0/G-1/G-6	0.829%
Cambridge	G-2	1.329%
Cambridge	G-3/SB1/SBG3	0.856%
Cambridge	G-4	0.012%
Cambridge	G-5	0.018%
South Shore, Cape Cod, Martha's Vineyard	G-1/G-7	3.930%
South Shore, Cape Cod, Martha's Vineyard	G-2	1.088%
South Shore, Cape Cod, Martha's Vineyard	G-3	0.610%
South Shore, Cape Cod, Martha's Vineyard	G-4	0.008%
South Shore, Cape Cod, Martha's Vineyard	G-5	0.053%
South Shore, Cape Cod, Martha's Vineyard	G-6	0.008%
Western Massachusetts	23/24/G-0/T-0	2.626%
Western Massachusetts	G-2/T-4	1.159%
Western Massachusetts	T-2	1.495%
Western Massachusetts	T-5	0.498%
Eastern Massachusetts	S-1/S-2	0.315%
Western Massachusetts	S-1/S-2	0.095%
Total		100.000%

(5) Determination of Revenue Displaced by Net Metering Facilities

- (a) The distribution revenue displaced by Net Metering facilities is the non-reconciling distribution revenue associated with the displaced kWh. The quantity of displaced kWh is equal to the kWh generated by the Net Metering Facility minus the excess kWh, if any, delivered to the Distribution Company's distribution system. The kWh generated by the Net Metering Facility shall be determined by:
- (i) actual metering of the kWh output of the generating facility; or
  - (ii) estimating the kWh output of a generating facility when actual metering is not feasible.

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- (b) In determining DDR, the Distribution Company shall use actual metered data for those Host Customers with Class II and Class III Net Metering Facilities, or Small Hydroelectric Net Metering Facilities greater than 60 kW participating in the Small Hydroelectric Net Metering Program, and for those Host Customers with a Class I Net Metering Facility or Small Hydroelectric Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program when such data is available.
- (c) In determining DDR, the Distribution Company shall estimate the generator kWh output for those Host Customers that do not have actual metered data for the output of their Class I Net Metering Facility or Small Hydroelectric Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program. These estimates will be based upon available monthly capacity factor information associated with the size and type of net metering facility installed, or as otherwise specified below. Such information shall be obtained from publicly available sources such as ISO-NE, the Massachusetts Renewable Energy Trust and weather data outlets as determined by the Distribution Company and subject to Department review and approval.
- (i) For Class I Solar Net Metering Facilities, the estimate shall come directly from the generation information of the Solar Net Metering Facility's inverter if available. If no data is available to the Distribution Company, the estimate shall be calculated on a case-by-case basis with the best available data.
- (ii) For Class I Wind Net Metering Facilities:
- (1) the estimate shall come directly from the generation information of the Wind Net Metering Facility's meter, inverter, or other generator system if available; or
- (2) if generation information is not available, or no data is provided, the estimate shall be calculated on a case-by-case basis with the best available data.
- (iii) For all non-wind and non-solar Class I Net Metering Facilities, including Small Hydroelectric Net Metering Facilities that are 60 kW

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or less, the estimate shall be calculated on a case-by-case basis with the best available data.

(6) **Information Required to be Filed with the Department**

This information shall be submitted as part of the annual reconciliation filing, along with complete documentation of the reconciliation adjustment calculations. Such filing shall include preliminary reconciliation data for the year in which the filing is made, with final reconciliation amounts to be submitted the subsequent year. The reconciliation data will reflect detailed accounting of distribution Net Metering Credits paid to customers and displaced distribution revenue resulting from net metering facilities. This information will be submitted with each annual NMRS filing, along with complete documentation of the reconciliation-adjustment calculations.

(7) **Customer Notification**

The Distribution Company will notify Customers in simple terms of changes to the NMRS, including the nature of the change and the manner in which the NMRS is applied to the bill. In the absence of a standard format, the Distribution Company will submit this notice for approval at the time of each NMRS filing. Upon approval by the Department, the Distribution Company must immediately distribute these notices to all of its Customers either through direct mail or with its bills.

(8) **Commodity Reconciliation**

The Distribution Company will include the energy market payments received from ISO-NE for the electricity generated by Class II and Class III Net Metering Facilities and Small Hydroelectric Net Metering Facilities greater than 60 kW participating in the Small Hydroelectric Net Metering Program, in the Distribution Company's annual reconciliation of the NMRS. Host Customers with a Class II or Class III Net Metering Facility and Small Hydroelectric Net Metering Facilities greater than 60 kW participating in the Small Hydroelectric Net Metering Program shall provide all necessary information to, and cooperate with, the Distribution Company to enable the Distribution Company to obtain the appropriate asset identification for reporting generation to ISO-NE. The Distribution Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and credits earned against the amount of basic service commodity

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earned as a portion of the Net Metering Credits. The resulting amount will then be filed within the Distribution Company's annual NMRS reconciliation proceeding.

The Distribution Company may elect to seek to obtain capacity payments from ISO-NE for the electricity generated by Class II and Class III Net Metering Facilities, in which case it will include any capacity payments received from ISO-NE in the Company's annual NMRS reconciliation.

**Section 1.09 Closure of Tariff to New Customers**

(a) **Private Cap**

Service under this cap is closed to new applicants upon determination by the Distribution Company, consistent with Department rules and regulations, that the aggregate capacity of all Class I, Class II, and Class III Net Metering Facilities that are not Net Metering Facilities of a Municipality or Other Governmental Entity and that are not Cap Exempt Facilities (i.e., the "private cap") authorized by 220 C.M.R. 18.07(1)(a), as may be amended from time to time, has been reached. If the private cap is full, customers may continue to submit applications for net metering services in case capacity becomes available.

(b) **Public Cap**

Service under this cap is closed to new applicants upon determination by the Distribution Company, consistent with Department rules and regulations, that the aggregate capacity of all Class II and Class III Net Metering Facilities of a Municipality or Other Governmental Entity (i.e., the "public cap") authorized by 220 C.M.R. 18.07(1)(b), as may be amended from time to time, has been reached. If the public cap is full, customers may continue to submit applications for net metering services in case capacity becomes available.

(c) **Small Hydro Cap**

No more than 60 megawatts of Small Hydroelectric Net Metering Facilities statewide can participate in the Small Hydroelectric Net Metering Program (i.e. the "small hydro cap"). The Distribution Company's allocated share of the small hydro cap is 32.4 megawatts (i.e. the "Company's small hydro cap"). While the Company's small hydro cap is open, any Small Hydroelectric Net Metering Facility that seeks Net Metering services must participate in the Small Hydroelectric Net Metering Program and generate Small Hydroelectric Net Metering Credits. Service under the Distribution Company's allocated share of the small hydro cap will remain open until such time as 32.4 megawatts of Small

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Hydroelectric Net Metering Facilities have been interconnected with the Distribution Company's electric distribution system. The Administrator will notify the Department and the electric distribution companies when it determines that the Distribution Company's allocated share of the small hydro cap has been filled. Once the Department receives notice from the Administrator that the Distribution Company's allocated share of the small hydro cap is filled, a Small Hydroelectric Net Metering Facility may: (i) submit an application for Net Metering services as a Class I Net Metering Facility or as an Agricultural Net Metering Facility (if it meets such qualifications); (ii) if it is not a Cap Exempt Facility, apply for a Cap Allocation from the System of Assurance, and (iii) generate the applicable Standard Net Metering Credits, if all Net Metering eligibility requirements have been met.

(d) Capacity of Net Metering Facilities of a Municipality or Other Governmental Entity

The maximum amount of generating capacity eligible for Net Metering by a Municipality or Other Governmental Entity shall be 10 megawatts, as determined by the sum of the nameplate ratings of Class II and Class III Net Metering Facilities for which the Municipality or Other Governmental Entity is the Host Customer, except as provided in 220 C.M.R. 18.07(6). While a Municipality or Other Governmental Entity may develop Class I Net Metering Facilities, such facilities are excluded from the public cap and will instead be counted against the private cap.

A Municipality or Other Governmental Entity that is a member of a Governmental Cooperative may transfer any or all of the net metering generating capacity associated with one or more Class II or Class III Net Metering Facilities to said Governmental Cooperative by providing written assent to the Governmental Cooperative and obtaining approval from the Department.

A Governmental Cooperative may serve as a Host Customer for a Net Metering Facility of a Municipality or Other Governmental Entity for all capacity allocated pursuant to 220 C.M.R. 18.07(6) and its own capacity as an Other Governmental Entity, provided that the Standard Net Metering Credits for which such Governmental Cooperative serves as Host Customer shall only be allocated to that same Governmental Cooperative or its members.

(e) Highest Historical Peak Load

Each year by February 1, the Distribution Company will update the Distribution Company's highest historical peak load on the Distribution Company's website and with an informational filing to the Department. Additional applications may be accepted for

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incremental aggregated capacity associated with increases in the Distribution Company's peak load.

(f) Aggregate Capacity

The calculation of aggregated capacity shall be in accordance with 220 C.M.R. 18.07.

Section 1.10 Renewable Energy and Environmental Attributes

The provision of Net Metering services does not entitle the Distribution Company to ownership of, or title to, the renewable energy or environmental attributes, including renewable energy certificates, associated with any electricity produced by a Net Metering Facility.

Section 1.11 Dispute Resolution

The Dispute Resolution provisions included in the Distribution Company's Interconnection Tariff in Section 9.0 shall be available for the purpose of resolving disputes related to the operation of this tariff between the Distribution Company and Host Customers, including whether the Distribution Company has accurately allocated Net Metering Credits consistent with a Host Customer's written designation in Schedule Z to the Distribution Company's Interconnection Tariff. The Distribution Company shall not be responsible for resolving disputes between the Host Customer and those Customers to whom the Host Customer is allocating Net Metering Credits.

Section 1.12 Classification as a Municipality or Other Governmental Entity

An entity that seeks Net Metering services and/or Standard Net Metering Credits from a Net Metering Facility of a Municipality or Other Governmental Entity must first apply to the Department to be classified as a Municipality or Other Governmental Entity for purposes of Net Metering. The Department will review applications on a case-by-case basis. The Distribution Company shall not be obligated to provide Net Metering services or allocate Standard Net Metering Credits or Market Net Metering Credits valued at 100 percent of net excess kilowatt-hours from a Net Metering Facility of a Municipality or Other Governmental Entity to a Municipality or Other Governmental Entity pursuant to this tariff until the Department has classified the entity as such.

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**APPENDIX A**

<b>STANDARD NET METERING CREDIT</b>			
<b>Description of Calculation</b>	<b>Net Metering Credit based on per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(1)(a))</b>	<b>Net Metering Credit based on per-kWh rates for Basic Service, Transmission, and Transition (Section 1.06(1)(c))</b>	<b>Net Metering Credit based on average monthly clearing price at the ISO-NE (Section 1.06(1)(b))</b>
<b>Eligible Net Metering Facilities</b>			
<b>Class I:</b>			
Solar*	X		
Wind	X		
Anaerobic Digestion	X		
Agricultural	X		
Cap Exempt	X		
Class I Other than: Solar, Wind, Anaerobic Digestion, Agricultural			X
Neighborhood		X	
<b>Class II:</b>			
Solar*	X		
Wind	X		
Anaerobic Digestion	X		
Agricultural	X		
Municipality or Other Government Entity	X		
Neighborhood		X	
<b>Class III:</b>			
Solar*		X	

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<b>STANDARD NET METERING CREDIT</b>			
<b>Description of Calculation</b>	Net Metering Credit based on per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(1)(a))	Net Metering Credit based on per-kWh rates for Basic Service, Transmission, and Transition (Section 1.06(1)(c))	Net Metering Credit based on average monthly clearing price at the ISO-NE (Section 1.06(1)(b))
<b>Eligible Net Metering Facilities</b>			
Wind		X	
Anaerobic Digestion		X	
Agricultural		X	
Municipality or Other Governmental Entity	X		
Neighborhood		X	

\*A Solar Net Metering Facility that is not a New Solar Net Metering Facility, but that seeks to expand the generating capacity after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class I Net Metering Facility shall continue to receive the Standard Net Metering Credit. However, if such facility expands such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or a Class III Net Metering Facility, such facility will generate Market Net Metering Credits.

A Solar Net Metering Facility that is not a New Solar Net Metering Facility and a New Solar Net Metering Facility that is also an Agricultural Net Metering Facility (and that retains its designation as an agricultural facility) will generate Standard Net Metering Credits for 25 years from the date the facility was first authorized to interconnect.

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**APPENDIX B**

<b>60% MARKET NET METERING CREDIT</b>		
<b>Description of Calculation</b>	<b>Net Metering Credit based on 60% of net excess generation and per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(3)(a))</b>	<b>Based on 60% of net excess generation and per-kWh rates for Basic Service, Transmission, and Transition (Section 1.06(3)(c))</b>
<b>Eligible Net Metering Facilities</b>		
New Solar (Class I Non-Cap Exempt, Class II, Class III), except as otherwise set forth in Appendix B and Agricultural*	X	
Non-Cap Exempt Solar* (Class I, Class II, Class III) except for Neighborhood Solar and as otherwise set forth in Appendix B, 25 Years After Date of Authorization to Interconnect	X	
New Neighborhood Solar		X
Neighborhood Solar 25 Years After Date of Authorization to Interconnect		X
New Solar Agricultural 25 years After the Date of Authorization to Interconnect.	X	

\*A Solar Net Metering Facility that is not a New Solar Net Metering Facility, but that seeks to expand the generating capacity after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class II or Class III Net Metering Facility, shall receive Market Net Metering Credits. New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities are eligible to receive Standard Net Metering Credits for a period of 25-years from the date on which the facility was first authorized to interconnect to the distribution system, and, thereafter shall receive Market Net Metering Credits. Provided, however, that any New Solar Net Metering Facility that is also an Agricultural Net Metering Facility that ceases to be designated as an agricultural facility at any time during such 25-year period shall immediately receive Market Net Metering Credits (instead of Standard Net Metering Credits under Appendix A).

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<b>100% MARKET NET METERING CREDIT</b>	
<b>Description of Calculation</b>	Net Metering Credit based on 100% of net excess generation and per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(3)(b))
<b>Eligible Net Metering Facilities</b>	
New Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity	X
Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity, 25 years after date of authorization to interconnect	X

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APPENDIX C

<b>SMALL HYDROELECTRIC NET METERING CREDIT</b>	
<b>Description of Calculation</b>	Net Metering Credit based on 100% of net excess generation and per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(4))
<b>Eligible Net Metering Facilities</b>	
Small Hydroelectric participating in the Small Hydroelectric Net Metering Program	X

## NET METERING

### Applicability

The following tariff provisions shall be applicable to a Host Customer, as defined herein, that requests Net Metering services from the Distribution Company, with the exception of a Host Customer that is an electric company, generation company, aggregator, supplier, energy marketer, or energy broker, as those terms are used in M.G.L. c. 164, §§ 1 and 1F and 220 C.M.R. 11.00. A Governmental Cooperative shall not be considered an electric company, generation company, aggregator, supplier, energy marketer, or energy broker, as those terms are used in M.G.L. c. 164, §§ 1 and 1F and 220 C.M.R. 11.00: *Rules Governing the Restructuring of the Electric Industry*. Service under this rate to any Host Customer is subject to the Distribution Company's printed requirements and the Distribution Company's Terms and Conditions for Distribution Service, each as in effect from time to time. The interconnection date of a Net Metering Facility shall have no bearing on a Host Customer's eligibility to request Net Metering services under this tariff.

### Section 1.01 Definitions

The terms set forth below shall be defined as follows, unless the context otherwise requires.

Administrator means the qualified entity selected by the Department to administer the Massachusetts System of Assurance of Net Metering Eligibility, as established by the Department pursuant to M.G.L. c. 164, § 139(g).

Agricultural Net Metering Facility means a Renewable Energy generating facility that

- (a) is operated as part of an agricultural business and is not participating in the Small Hydroelectric Net Metering Program;
- (b) generates electricity;
- (c) does not have a generation capacity of more than two megawatts;
- (d) is located on land owned or controlled by the agricultural business;
- (e) is used to provide energy to metered accounts of the business; and

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(f) is interconnected to the Distribution Company.

“Agriculture” has the same meaning as provided in M.G.L. c. 128, § 1A; provided that, when necessary, the Commissioner of the Department of Agricultural Resources shall determine if a business is an agricultural business and whether the facility is operated as part of that business.

Anaerobic Digestion Net Metering Facility means a facility that

- (a) generates electricity from a biogas produced by the accelerated biodegradation of organic materials under controlled anaerobic conditions;
- (b) has been determined by the Department of Energy Resources, in coordination with the Department of Environmental Protection, to qualify under the Department of Energy Resources’ regulations as a Class I renewable energy generating source under 225 CMR 14:00: *Renewable Energy Portfolio Standard-Class I* and M.G.L. c. 25A, § 11F; and
- (c) is interconnected to the Distribution Company.

Billing Period means the period of time set forth in the Distribution Company’s terms and conditions for which the Distribution Company bills a Customer for its electricity consumed or estimated to have been consumed.

Cap Allocation means an assurance from the Administrator that a Host Customer will receive Net Metering services upon a Host Customer’s receipt from the Distribution Company of a notice of authorization to interconnect.

Cap Exempt Facility means a Class I Net Metering Facility that:

- (a) is a renewable energy generating facility; and
- (b) has a nameplate capacity rating equal to or less than:
  - (i) 10 kilowatts on a single-phase circuit; or

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- (ii) 25 kilowatts on a three-phase circuit.

Class I Net Metering Facility means a plant or equipment that is used to produce, manufacture, or otherwise generate electricity, that has a design capacity of 60 kilowatts or less, and that is not a Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program.

Class II Net Metering Facility means an Agricultural Net Metering Facility, Anaerobic Digestion Net Metering Facility, Solar Net Metering Facility, or Wind Net Metering Facility with a generating capacity of more than 60 kilowatts but less than or equal to one megawatt; provided, however, that a Class II Net Metering Facility of a Municipality or Other Governmental Entity may have a generating capacity of more than 60 kilowatts but less than or equal to one megawatt per unit. Each Municipality or Other Governmental Entity may have an aggregate generating capacity of not more than 10 megawatts.

Class III Net Metering Facility means an Agricultural Net Metering Facility, Anaerobic Digestion Net Metering Facility, Solar Net Metering Facility, or Wind Net Metering Facility with a generating capacity of more than one megawatt but less than or equal to two megawatts; provided, however, that a Class III Net Metering Facility of a Municipality or Other Governmental Entity may have a generating capacity of more than one megawatt but less than or equal to two megawatts per unit. Each Municipality or Other Governmental Entity may have an aggregate generating capacity of not more than 10 megawatts.

Customer means any person, partnership, corporation, or any other entity, whether public or private, who obtains distribution service at a customer delivery point and who is a customer of record of the Distribution Company for its own electricity consumption.

Department means the Massachusetts Department of Public Utilities.

Distribution Company means NSTAR Electric Company d/b/a Eversource Energy.

Governmental Cooperative means a cooperative, organized pursuant to M.G.L. c. 164, § 136, whose members or shareholders are all Municipalities or Other Governmental Entities.

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Grandfathered Facility means a Net Metering Facility that is not a Cap Exempt Facility and that was interconnected to the distribution system and was included in the Company's net metering caps on or before April 24, 2013 and therefore was exempted from the System of Assurance.

Host Customer means a Customer with a Class I Net Metering Facility, Class II Net Metering Facility, Class III Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program that generates electricity on the Customer's side of the meter.

Interconnection Tariff means the Distribution Company's Standards for Interconnecting Distributed Generation, M.D.P.U. No. 55, as may be amended from time to time.

ISO-NE means ISO New England Inc., the independent system operator for New England, or its successor, authorized by the Federal Energy Regulatory Commission to operate the New England bulk power system and administer New England's organized wholesale electricity market pursuant to the ISO-NE Tariff and operation agreements with transmission owners.

Market Net Metering Credit means a Net Metering Credit, calculated pursuant to Section 1.06(3) below and summarized in Appendix B, provided by the Distribution Company for the net excess electricity generated and fed back to the Distribution Company by (i) a New Solar Net Metering Facility; and (ii) other Solar Net Metering Facilities that are not Cap Exempt Facilities after 25 years from the date that each Solar Net Metering Facility was first authorized to interconnect to the electric distribution system as provided by M.G.L.c.164, § 139(k).

Municipality means a city or town within the Distribution Company's service territory that is also a Customer of that Distribution Company. Electric accounts of a city or town are not eligible for net metering under this tariff unless they are accounts with the Distribution Company.

Neighborhood means a geographic area within a Municipality, subject to the right of the Department to grant exceptions pursuant to 220 CMR 18.09(7), that:

- (a) is recognized by the residents as including a unique community of interests;
- (b) falls within the service territory of the Distribution Company and within a single ISO-NE load zone; and

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(c) may encompass residential, commercial, and undeveloped properties.

Neighborhood Net Metering Facility means a Class I Net Metering Facility, Class II Net Metering Facility, or Class III Net Metering Facility that:

- (a) is owned by, or serves the energy needs of, a group of ten or more residential Customers that reside in a single Neighborhood and are served by a single distribution company;
- (b) may also be owned by, or serve the energy needs of, other Customers who reside in the same Neighborhood and are served by the same distribution company as the residential Customers that own or are served by the facility; and
- (c) is located within the same Neighborhood as the Customers that own or are served by the facility.

Net Metering means the process of measuring the difference between electricity delivered by the Distribution Company and electricity generated by a Class I Net Metering Facility, Class II Net Metering Facility, Class III Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program and fed back to the Distribution Company.

Net Metering Credit means any credit provided by the Distribution Company for the net excess electricity generated and fed back to the Distribution Company by a Class I Net Metering Facility, Class II Net Metering Facility, Class III Net Metering Facility, Neighborhood Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program calculated pursuant to Section 1.06 below.

Net Metering Facility of a Municipality or Other Governmental Entity means a Class II or Class III Net Metering Facility:

- (a) that is owned or operated by a Municipality or Other Governmental Entity that is a Host Customer; or
- (b) of which the Municipality or Other Governmental Entity is the Host Customer and is assigned 100% of the output.

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New Solar Net Metering Facility means:

- (a) a Solar Net Metering Facility that submits an application for a Cap Allocation to the System of Assurance after the Notification Date for the entire capacity of the Solar Net Metering Facility; or
- (b) a Solar Net Metering Facility that submits an application for a Cap Allocation to the System of Assurance before the Notification Date, but which is subsequently deemed complete by the Administrator and does not receive a Cap Allocation from the Administrator until after January 8, 2017; or
- (c) the following types of Solar Net Metering Facilities that seek to expand after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or Class III Net Metering Facility: (i) a facility that submits an application for a Cap Allocation to the System of Assurance before the Notification Date, is subsequently deemed complete by the Administrator and receives a Cap Allocation on or before January 8, 2017, (ii) a Cap Exempt Facility interconnected on or before the Notification Date, or (iii) a Grandfathered Facility.

Notification Date means September 26, 2016 at 2:00 p.m., after which all New Solar Net Metering Facilities that are not Cap Exempt Facilities shall generate Market Net Metering Credits as determined pursuant to M.G.L. c.164, § 139(b½).

Other Governmental Entity means a department or agency of the Federal government or of the Commonwealth of Massachusetts, and any other entity as approved by the Department.

Renewable Energy means energy generated from any source that qualifies as a Class I or Class II Renewable Energy generating source under M.G.L. c. 25A, § 11F; provided, however, that after conducting administrative proceedings, the Department of Energy Resources, in consultation with the Department of Agricultural Resources, may add technologies or technology categories.

Small Hydroelectric Net Metering Credit means a Net Metering Credit, calculated pursuant to Section 1.06(4) below and summarized in Appendix C, provided by the Distribution Company for the net excess electricity generated and fed back to the Distribution Company by a Small

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Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program.

Small Hydroelectric Net Metering Facility means a facility for the production of electrical energy that uses water to generate electricity, with a nameplate capacity of two megawatts or less, and is interconnected to a Distribution Company.

Small Hydroelectric Net Metering Program means a distinct technology-specific Net Metering program wherein each Small Hydroelectric Net Metering Facility that seeks to net meter while the program is open participates in a separate cap and generates a Small Hydroelectric Net Metering Credit pursuant to M.G.L. c. 164, § 139A.

Solar Net Metering Facility means a facility for the production of electrical energy that uses sunlight to generate electricity and is interconnected to the Distribution Company.

Standard Net Metering Credit means a Net Metering Credit, calculated pursuant to Section 1.06(1) below and summarized in Appendix A, provided for the net excess electricity generated and fed back to the Distribution Company by all net metering facilities except for the following:

- (a) New Solar Net Metering Facilities; and
- (b) Solar Net Metering Facilities that are not Cap Exempt Facilities.

System of Assurance means the Massachusetts System of Assurance of Net Metering Eligibility, as established by the Department pursuant to M.G.L. c. 164, § 139(g).

Wind Net Metering Facility means a facility for the production of electrical energy that uses wind to generate electricity and is interconnected to the Distribution Company.

### Section 1.02 Interconnection

Interconnection of net metering facilities is governed by the terms of the Distribution Company's Interconnection Tariff, which sets forth the following information for net metering services:

- (1) Application procedures;

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- (2) Information necessary for requests;
- (3) Metering and technical requirements; and
- (4) Termination and suspension provisions.

The Customer shall indicate its request for net metering on its application pursuant to the Interconnection Tariff.

**Section 1.03 Metering and Reporting of Generation**

- (1) Host Customers with a Class II Net Metering Facility or Class III Net Metering Facility, or Small Hydroelectric Net Metering Facility greater than 60 kW participating in the Small Hydroelectric Net Metering Program shall install at the Host Customer's expense revenue-grade meters to measure the generator's kilowatt-hour ("kWh") output. Unless otherwise agreed to in writing with the Distribution Company, the Host Customer will provide the actual metered output to the Distribution Company twice per calendar year: on or before January 31 and on or before September 30.
- (2) Unless otherwise agreed to in writing with the Distribution Company, a Host Customer with a Class I Net Metering Facility or a Small Hydro Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program who does not have a generation information system ("GIS") account at ISO-NE, will provide, if available, the inverter's generation information to the Distribution Company twice per calendar year: on or before January 31 and on or before September 30.
- (3) Unless otherwise agreed to in writing with the Distribution Company, a Host Customer with a Class I Net Metering Facility or a Small Hydro Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program who does not have a GIS account at ISO-NE and does not otherwise have generation information available, shall provide all necessary information to, and cooperate with, the Distribution Company to enable the Distribution Company to estimate the annual generation of the Class I Net Metering Facility.

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**Section 1.04 Qualifications for Neighborhood Net Metering Facilities**

The Host Customer of a Neighborhood Net Metering Facility shall fulfill the requirements of the Distribution Company's Interconnection Tariff, as noted in Section 1.02 above, and shall further provide and maintain on file with the Distribution Company written documentation demonstrating that all parties eligible to receive Net Metering Credits from the Neighborhood Net Metering Facility meet the terms of the definition of a Neighborhood Net Metering Facility, as provided herein and in the Department's regulations at 220 C.M.R. 18.02.

**Section 1.05 Administration of Net Metering Credits**

- (1) The Distribution Company shall calculate a Net Metering Credit as set forth in Section 1.06 below, and not bill a Host Customer for kWh usage, for any Billing Period in which the kWh generated by a Class I, II, or III Net Metering Facility, Neighborhood Net Metering Facility, New Solar Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program exceed the kWh usage of the Host Customer.
- (2) The Distribution Company shall bill a Host Customer for excess consumption for any Billing Period in which the kWh consumed by a Host Customer exceed the kWh generated by a Class I, II or III Net Metering Facility, Neighborhood Net Metering Facility, New Solar Net Metering Facility, or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program.

**Section 1.06 Calculation of Net Metering Credits**

The Net Metering Credit based on the excess electricity generated by a Net Metering Facility shall be determined as either a Standard Net Metering Credit, Market Net Metering Credit, or Small Hydroelectric Net Metering Credit pursuant to this section.

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**NET METERING**

(1) Standard Net Metering Credit

(a) The following Net Metering Facilities shall receive a Standard Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
Solar*		Not Applicable
Wind		Not Applicable
Anaerobic Digestion		Not Applicable
Agricultural		Not Applicable
Not Applicable	Municipality or Other Governmental Entity	
Cap Exempt	Not Applicable	

\* A Solar Net Metering Facility that is not a New Solar Net Metering Facility but that seeks to expand the generating capacity after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class I Net Metering Facility shall continue to receive the Standard Net Metering Credit. Facilities that expand such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or a Class III Net Metering Facility will generate Market Net Metering Credits.

(i) The Standard Net Metering Credit shall be calculated for each Billing Period as the product of:

- (1) 100% of the excess kWh, by time-of-use if applicable; and
- (2) the sum of the following Distribution Company kWh charges applicable to the rate class under which the Host Customer takes service:
  - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
  - b. the distribution charge;

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- c. the transmission charge; and
  - d. the transition charge.
- (ii) Solar Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to Section 1.06(1) for a period of 25 years from the date on which the Solar Net Metering Facility was first authorized to interconnect to the distribution system. After 25 years, any Solar Net Metering Facility that is not a Cap Exempt Facility shall receive Market Net Metering Credits pursuant to Section 1.06(3) below.
- (iii) New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to this provision for a period of 25 years from the date on which the facility was first authorized to interconnect to the distribution system, and, thereafter shall receive Market Net Metering Credits pursuant to Section 1.06(3) below. Provided, however, that any New Solar Net Metering Facility that is also an Agricultural Net Metering Facility that ceases to be designated as an agricultural facility at any time during such 25-year period, shall immediately receive Market Net Metering Credits (instead of Standard Net Metering Credits) pursuant to Section 1.06(3) below.
- (b) The following Net Metering Facilities shall receive a Standard Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
Other than Solar, Wind, Anaerobic Digestion, or Agricultural, or Small Hydroelectric participating in the Small Hydroelectric Net Metering Program	Not Applicable	

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- (i) The Standard Net Metering Credit shall be calculated for each Billing Period as the product of:
  - (1) 100% of the excess kWh, by time-of-use if applicable; and
  - (2) the average monthly clearing price at the ISO-NE.
- (ii) Electricity generated from any technology except Solar, Wind, Agricultural, Anaerobic Digestion, and Small Hydroelectric Net Metering Facilities Participating in the Small Hydroelectric Net Metering Program and which qualifies as a Class I Renewable Energy generating source under M.G.L. c. 25A, § 11F shall receive a Standard Net Metering Credit pursuant to this section; provided, however, that after conducting administrative proceedings, the Department of Energy Resources, in consultation with the Department of Agricultural Resources, may add technologies or technology categories.
- (c) Subject to Section 1.06(1)(c)(ii) below, the following Net Metering Facilities shall receive a Standard Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
Not Applicable		Solar
Not Applicable		Wind
Not Applicable		Anaerobic Digestion
Not Applicable		Agricultural
Neighborhood		

- (i) The Standard Net Metering Credit shall be calculated for each Billing Period as the product of:
  - (1) 100% of the excess kWh, by time-of-use if applicable; and

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- (2) the sum of the following Distribution Company per-kWh charges applicable to the rate class under which the Host Customer takes service:
- a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
  - b. the transmission charge; and
  - c. the transition charge.
- (ii) Class III Solar Net Metering Facilities and Solar Net Metering Facilities that are also Neighborhood Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to this provision for a period of 25 years from the date on which the Net Metering Facility was first authorized to interconnect to the distribution system. After 25 years, the Class III Solar Net Metering Facility and Solar Net Metering Facility that is also a Neighborhood Net Metering Facility shall receive Market Net Metering Credits pursuant to Section 1.06(3)(a) below.
- (iii) For rules applicable to New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities, see Section 1.06(1)(a)(iii).
- (d) The calculation of Net Metering Credits under this section shall not include the demand side management and renewable energy kWh charges set forth in M.G.L. c. 25, §§ 19-20 and the Solar Massachusetts Renewable Target (“SMART”) Factor pursuant to M.D.P.U. No. 74, as may be amended from time to time.
- (e) For any Billing Period for which the Distribution Company calculates a Net Metering Credit for a Host Customer, the Distribution Company shall apply the Net Metering Credit to the Host Customer’s account, unless the Host Customer provides otherwise pursuant to Section 1.07. The Distribution Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.

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(2) Customer Notification

The Distribution Company shall notify a Host Customer at least 30 days in advance of the transition from Standard Net Metering Credits to Market Net Metering Credits after 25 years from the date when the facility was first interconnected to the electric distribution system.

(3) Market Net Metering Credits

(a) Subject to Section 1.06(3)(a)(ii) below, the following Net Metering Facilities shall receive a 60% Market Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
New Solar that is not a Municipality or Other Governmental Entity		
Non-Cap Exempt Solar*		

\*A Solar Net Metering Facility that is not a New Solar Net Metering Facility, but that seeks to expand the generating capacity at a later date after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or a Class III Net Metering Facility will generate Market Net Metering Credits.

(i) The Market Net Metering Credit shall be calculated for each Billing Period as the product of:

- (1) 60% of the excess kWh, by time-of-use if applicable; and
- (2) the sum of the following Distribution Company kWh charges applicable to the rate class under which the Host Customer takes service:
  - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);

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- b. the distribution charge;
  - c. the transmission charge; and
  - d. the transition charge.
- (ii) Solar Net Metering Facilities that are not Cap Exempt Facilities are eligible to receive Standard Net Metering Credits pursuant to Section 1.06(1) for a period of 25 years from the date on which such Solar Net Metering Facility was first authorized to interconnect to the distribution system. After 25 years, such Solar Net Metering Facility must receive Market Net Metering Credits pursuant to Section 1.06(3).
- (iii) For rules applicable to New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities, see Section 1.06(1)(a)(iii).

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- (b) The following Net Metering Facilities shall receive a 100% Market Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
New Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity		
Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity, 25 years after date of authorization to interconnect		

- (i) The Market Net Metering Credit shall be calculated for each Billing Period as the product of:
- (1) 100% of the excess kWh, by time-of-use if applicable; and
  - (2) the sum of the following Distribution Company kWh charges applicable to the rate class under which the Host Customer takes service:
    - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
    - b. the distribution charge;
    - c. the transmission charge; and
    - d. the transition charge.

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- (c) Subject to Section 1.06(3)(c)(ii) below, the following Net Metering Facilities shall receive a 60% Market Net Metering Credit:

Net Metering Facility Size		
Class I	Class II	Class III
New Solar that is also Neighborhood		
Solar that is also Neighborhood		

- (i) The Market Net Metering Credit shall be calculated for each Billing Period as the product of:
- (1) 60% of the excess kWh, by time-of-use if applicable; and
  - (2) the sum of the following Distribution Company per-kWh charges applicable to the rate class under which the Host Customer takes service:
    - a. the basic service charge (in the ISO-NE load zone where the Host Customer is located);
    - b. the transmission charge; and
    - c. the transition charge.
- (ii) Solar Net Metering Facilities that are also Neighborhood Net Metering Facilities are eligible to receive Standard Net Metering Credits pursuant to Section 1.06(1)(c) for a period of 25 years from the date on which the Solar Net Metering Facility was first authorized to interconnect to the distribution system. After 25 years, the Solar Net Metering Facility that is also a Neighborhood Net Metering Facility must receive Market Net Metering Credits pursuant to this provision.
- (d) Solar Net Metering Facilities, including New Solar Net Metering Facilities, that are Cap Exempt Facilities are not subject to Market Net Metering Credits and shall

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continue to receive Standard Net Metering Credits in accordance with Section 1.06(1) above. Provided, however, that if a Cap Exempt Facility that is a Solar Net Metering Facility was interconnected after the Notification Date and later expands such that the entire facility, including the expanded generating capacity, no longer qualifies as a Cap Exempt Facility, then the entire net metering facility would generate Market Net Metering Credits in accordance with this Section.

- (e) The calculation of Net Metering Credits under this section shall not include the demand side management and renewable energy kWh charges set forth in M.G.L. c. 25, §§ 19-20 and the Solar Massachusetts Renewable Target (“SMART”) Factor pursuant to M.D.P.U. No. 74, as may be amended from time to time.
  - (f) For any Billing Period for which the Distribution Company calculates a Net Metering Credit for a Host Customer, the Distribution Company shall apply the Net Metering Credit to the Host Customer’s account, unless the Host Customer provides otherwise pursuant to Section 1.07. The Distribution Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.
- (4) Small Hydroelectric Net Metering Credits
- (a) Small Hydroelectric Facilities participating in the Small Hydroelectric Net Metering Program shall receive a Small Hydroelectric Net Metering Credit:
    - (i) The Small Hydroelectric Net Metering Credit shall be calculated for each Billing Period as the product of:
      - (1) the excess kWh, by time-of-use, if applicable; and
      - (2) the basic service charge (in the ISO-NE load zone where the Host Customer is located).

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**Section 1.07 Allocation of Net Metering Credits**

- (1) For a Class I, Class II, Class III Net Metering Facility or Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program, the Distribution Company shall allocate Net Metering Credits, as designated in writing by the Host Customer, to other Customers who are in the Distribution Company's service territory and are located in the same ISO-NE load zone. The manner and form of credit designation shall be as specified in this Net Metering provision pursuant to 220 CMR 18.09(2).
- (2) Notwithstanding Section 1.07(1), if the Host Customer of a Class I Net Metering Facility, Class II Net Metering Facility, or Class III Net Metering Facility is a Municipality or Other Governmental Entity, including a Governmental Cooperative, it may direct the Distribution Company to allocate Net Metering Credits only to other Customers that are Municipalities or Other Governmental Entities. Net Metering Credits can be allocated only within: (1) the Distribution Company's service territory and (2) the same ISO-NE load zone.
- (3) For a Neighborhood Net Metering Facility, the Distribution Company may only allocate Net Metering Credits to residential or other Customers who reside in the same Neighborhood in which the Neighborhood Net Metering Facility is located and have an ownership interest in, or are served by, the Neighborhood Net Metering Facility.
- (4) For any Billing Period that a Host Customer earns Net Metering Credits, the Distribution Company shall allocate Net Metering Credits by applying them to a designated Customer's account. The Distribution Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.
- (5) For a Class III Net Metering Facility and a Small Hydroelectric Net Metering Facility participating in the Small Hydroelectric Net Metering Program in accordance with the terms of this tariff and D.P.U. 17-10-A Order at 34, the Distribution Company may elect to purchase Net Metering Credits from the Host Customer, rather than allocating such credits. The Distribution Company must provide written notice to the Host Customer of its election to either purchase or allocate Net Metering Credits within 30 days of the Host Customer's request for Net Metering services. For Net Metering Credits purchased under this provision, the Distribution Company will make payment by issuing a check to the Host Customer each Billing Period, unless otherwise agreed in writing with the Host Customer.

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In addition, the Distribution Company shall continue to purchase such credits in accordance with the terms of this tariff for so long as the Host Customer takes service under this tariff or as mutually agreed in writing by the Distribution Company and the Host Customer.

- (6) The Distribution Company is responsible for accurately allocating Net Metering Credits consistent with a Host Customer’s written designation in Schedule Z to the Distribution Company’s Interconnection Tariff.

**Section 1.08 Net Metering Recovery Surcharge**

The charges listed below are non-bypassable and shall be applied to all kWh delivered by the Distribution Company to a Customer. The operation of the Net Metering Recovery Surcharge (“NMRS”) is subject to all powers of suspension and investigation vested in the Department. If the Distribution Company operates under a revenue decoupling mechanism, the Distribution Company will recover the non-reconciling distribution portion of revenue displaced (“DDR”) through a revenue decoupling mechanism and all other charges listed below through the operation of the NMRS. If the Distribution Company does not operate under a revenue decoupling mechanism, then the Distribution Company will recover the DDR and all other charges listed below through the operation of the NMRS. If the Distribution Company elects not to file an NMRS, the Distribution Company must file a net metering report in lieu of the NMRS. The net metering report shall be in a form approved by the Department. The net metering report is for informational purposes only.

(1) **Rates**

The purpose of the NMRS is to recover the Net Metering Credits applied to Customers and the non-reconciling distribution portion of revenue displaced by Customers who have installed on-site generation facilities in accordance with G.L. c. 164, §§ 138 and 139. This surcharge provides the Distribution Company with a mechanism to recover such credits and displaced distribution revenue, and to reconcile actual NMRS revenue amounts recovered from Customers with actual recoverable amounts.

(2) **Applicability of NMRS**

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The NMRS shall be applicable to all distribution of electricity, as measured in kWh, delivered by the Distribution Company. Although the NMRS is a separate surcharge, it may be included in the Distribution Company's Distribution Charge for billing purposes.

(3) Effective Date of Annual Surcharge

The Distribution Company shall submit NMRS filings as outlined in Section 1.08(6) of this tariff.

(4) NMRS Formula

$$NMRS_x = (NMC_{x-1} + DDR_{x-1} + PPRA_{x-2} - CR_{x-1}) \div FkWh_x,$$

where

- x = The year over which the surcharge applies;
- NMRS<sub>x</sub> = The Net Metering Recovery Surcharge for year x;
- NMC<sub>x-1</sub> = The Net Metering Credits for year x-1, based on actual data where available and estimated for the period where actual data is unavailable;
- DDR<sub>x-1</sub> = The non-reconciling distribution portion of revenue displaced, as defined in Section 1.08(5), by net metering facilities for year x-1, based on actual data where available and estimated for the period where actual data is unavailable;
- PPRA<sub>x-2</sub> = The Past Period Reconciliation Amount defined as the ending balance including interest, calculated on the average monthly reconciling balance using the customer deposit rate as outlined in 220 C.M.R. 26.09, of the difference between (a) the sum of the NMC and DDR based on actual data for year x-2 and (b) the revenues collected through the NMRS as approved by the Department for year x-1, based on actual data where available and estimated for the period where actual data is unavailable.

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Any balance between actual data and estimated data will be included in this component.

CR<sub>x</sub>-1 = Commodity Reconciliation, as determined by Section 1.08(8).

FkWh<sub>x</sub> = The Forecasted kWh for year x, defined as the forecasted amount of electricity to be distributed to the Distribution Company's distribution customers.

The Distribution Revenue Allocator shall be derived from the Distribution Company's most recent general rate case as approved by the Department.

Effective February 1, 2018, the NMRS shall be calculated separately for the Eastern and Western Massachusetts territories. The revenue requirement calculated herein for Eastern Massachusetts and Western Massachusetts shall be allocated to all rate classes in each service area by applying the Distribution Revenue Allocator as follows:

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Service Territory/Area	Rate Classes	Distribution Revenue Allocator
Eastern Massachusetts	R-1/R-2	40.726%
Eastern Massachusetts	R-2/R-3	4.088%
Greater Boston	G-1/T-1	3.879%
Greater Boston	G-2/T-2	31.309%
Greater Boston	G-3/SBG3/WR	9.384%
Cambridge	G-0/G-1/G-6	0.972%
Cambridge	G-2	1.559%
Cambridge	G-3/SB1/SBG3	1.005%
Cambridge	G-4	0.014%
Cambridge	G-5	0.021%
South Shore, Cape Cod, Martha's Vineyard	G-1/G-7	4.612%
South Shore, Cape Cod, Martha's Vineyard	G-2	1.277%
South Shore, Cape Cod, Martha's Vineyard	G-3	0.715%
South Shore, Cape Cod, Martha's Vineyard	G-4	0.009%
South Shore, Cape Cod, Martha's Vineyard	G-5	0.062%
South Shore, Cape Cod, Martha's Vineyard	G-6	0.009%
Eastern Massachusetts	S-1/S-2	0.359%
Total		100.000%

Service Territory/Area	Rate Classes	Distribution Revenue Allocator
Western Massachusetts	R-1/R-2	48.027%
Western Massachusetts	R-2/R-3	8.114%
Western Massachusetts	23/24/G-0/T-0	19.596%
Western Massachusetts	G-2/T-4	8.650%
Western Massachusetts	T-2	11.156%
Western Massachusetts	T-5	3.720%
Western Massachusetts	S-1/S-2	0.707%
Total		100.000%

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Effective January 1, 2019, the revenue requirement calculated herein for Eastern Massachusetts and Western Massachusetts shall be combined and allocated to all rate classes by applying the Distribution Revenue Allocator for each territory as shown below.

Service Territory/Area	Rate Classes	Distribution Revenue Allocator
All	R-1/R-2	41.145%
All	R-2/R-3	4.575%
Greater Boston	G-1/T-1	3.446%
Greater Boston	G-2/T-2	27.907%
Greater Boston	G-3/SBG3/WR	7.998%
Cambridge	G-0/G-1/G-6	0.829%
Cambridge	G-2	1.329%
Cambridge	G-3/SB1/SBG3	0.856%
Cambridge	G-4	0.012%
Cambridge	G-5	0.018%
South Shore, Cape Cod, Martha's Vineyard	G-1/G-7	3.930%
South Shore, Cape Cod, Martha's Vineyard	G-2	1.088%
South Shore, Cape Cod, Martha's Vineyard	G-3	0.610%
South Shore, Cape Cod, Martha's Vineyard	G-4	0.008%
South Shore, Cape Cod, Martha's Vineyard	G-5	0.053%
South Shore, Cape Cod, Martha's Vineyard	G-6	0.008%
Western Massachusetts	23/24/G-0/T-0	2.626%
Western Massachusetts	G-2/T-4	1.159%
Western Massachusetts	T-2	1.495%
Western Massachusetts	T-5	0.498%
Eastern Massachusetts	S-1/S-2	0.315%
Western Massachusetts	S-1/S-2	0.095%
Total		100.000%

(5) Determination of Revenue Displaced by Net Metering Facilities

- (a) The distribution revenue displaced by Net Metering facilities is the non-reconciling distribution revenue associated with the displaced kWh. The

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quantity of displaced kWh is equal to the kWh generated by the Net Metering Facility minus the excess kWh, if any, delivered to the Distribution Company's distribution system. The kWh generated by the Net Metering Facility shall be determined by:

- (i) actual metering of the kWh output of the generating facility; or
  - (ii) estimating the kWh output of a generating facility when actual metering is not feasible.
- (b) In determining DDR, the Distribution Company shall use actual metered data for those Host Customers with Class II and Class III Net Metering Facilities, or Small Hydroelectric Net Metering Facilities greater than 60 kW participating in the Small Hydroelectric Net Metering Program, and for those Host Customers with a Class I Net Metering Facility or Small Hydroelectric Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program when such data is available.
- (c) In determining DDR, the Distribution Company shall estimate the generator kWh output for those Host Customers that do not have actual metered data for the output of their Class I Net Metering Facility or Small Hydroelectric Net Metering Facility that is 60 kW or less participating in the Small Hydroelectric Net Metering Program. These estimates will be based upon available monthly capacity factor information associated with the size and type of net metering facility installed, or as otherwise specified below. Such information shall be obtained from publicly available sources such as ISO-NE, the Massachusetts Renewable Energy Trust and weather data outlets as determined by the Distribution Company and subject to Department review and approval.
- (i) For Class I Solar Net Metering Facilities, the estimate shall come directly from the generation information of the Solar Net Metering Facility's inverter if available. If no data is available to the Distribution Company, the estimate shall be calculated on a case-by-case basis with the best available data.

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- (ii) For Class I Wind Net Metering Facilities:
- (1) the estimate shall come directly from the generation information of the Wind Net Metering Facility's meter, inverter, or other generator system if available; or
  - (2) if generation information is not available, or no data is provided, the estimate shall be calculated on a case-by-case basis with the best available data.
- (iii) For all non-wind and non-solar Class I Net Metering Facilities, including Small Hydroelectric Net Metering Facilities that are 60 kW or less, the estimate shall be calculated on a case-by-case basis with the best available data.

(6) Information Required to be Filed with the Department

This information shall be submitted as part of the annual reconciliation filing, along with complete documentation of the reconciliation adjustment calculations. Such filing shall include preliminary reconciliation data for the year in which the filing is made, with final reconciliation amounts to be submitted the subsequent year. The reconciliation data will reflect detailed accounting of distribution Net Metering Credits paid to customers and displaced distribution revenue resulting from net metering facilities. This information will be submitted with each annual NMRS filing, along with complete documentation of the reconciliation-adjustment calculations.

(7) Customer Notification

The Distribution Company will notify Customers in simple terms of changes to the NMRS, including the nature of the change and the manner in which the NMRS is applied to the bill. In the absence of a standard format, the Distribution Company will submit this notice for approval at the time of each NMRS filing. Upon approval by the Department, the Distribution Company must immediately

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distribute these notices to all of its Customers either through direct mail or with its bills.

(8) **Commodity Reconciliation**

The Distribution Company will include the energy market payments received from ISO-NE for the electricity generated by Class II and Class III Net Metering Facilities and Small Hydroelectric Net Metering Facilities greater than 60 kW participating in the Small Hydroelectric Net Metering Program, in the Distribution Company's annual reconciliation of the NMRS. Host Customers with a Class II or Class III Net Metering Facility and Small Hydroelectric Net Metering Facilities greater than 60 kW participating in the Small Hydroelectric Net Metering Program shall provide all necessary information to, and cooperate with, the Distribution Company to enable the Distribution Company to obtain the appropriate asset identification for reporting generation to ISO-NE. The Distribution Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and credits earned against the amount of basic service commodity earned as a portion of the Net Metering Credits. The resulting amount will then be filed within the Distribution Company's annual NMRS reconciliation proceeding.

The Distribution Company may elect to seek to obtain capacity payments from ISO-NE for the electricity generated by Class II and Class III Net Metering Facilities, in which case it will include any capacity payments received from ISO-NE in the Company's annual NMRS reconciliation.

**Section 1.09 Closure of Tariff to New Customers**

(a) **Private Cap**

Service under this cap is closed to new applicants upon determination by the Distribution Company, consistent with Department rules and regulations, that the aggregate capacity of all Class I, Class II, and Class III Net Metering Facilities that are not Net Metering Facilities of a Municipality or Other Governmental Entity and that are not Cap Exempt Facilities (i.e., the "private cap") authorized by 220 C.M.R. 18.07(1)(a), as may be amended from

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time to time, has been reached. If the private cap is full, customers may continue to submit applications for net metering services in case capacity becomes available.

(b) Public Cap

Service under this cap is closed to new applicants upon determination by the Distribution Company, consistent with Department rules and regulations, that the aggregate capacity of all Class II and Class III Net Metering Facilities of a Municipality or Other Governmental Entity (i.e., the “public cap”) authorized by 220 C.M.R. 18.07(1)(b), as may be amended from time to time, has been reached. If the public cap is full, customers may continue to submit applications for net metering services in case capacity becomes available.

(c) Small Hydro Cap

No more than 60 megawatts of Small Hydroelectric Net Metering Facilities statewide can participate in the Small Hydroelectric Net Metering Program (i.e. the “small hydro cap”). The Distribution Company’s allocated share of the small hydro cap is 32.4 megawatts (i.e. the “Company’s small hydro cap”). While the Company’s small hydro cap is open, any Small Hydroelectric Net Metering Facility that seeks Net Metering services must participate in the Small Hydroelectric Net Metering Program and generate Small Hydroelectric Net Metering Credits. Service under the Distribution Company’s allocated share of the small hydro cap will remain open until such time as 32.4 megawatts of Small Hydroelectric Net Metering Facilities have been interconnected with the Distribution Company’s electric distribution system. The Administrator will notify the Department and the electric distribution companies when it determines that the Distribution Company’s allocated share of the small hydro cap has been filled. Once the Department receives notice from the Administrator that the Distribution Company’s allocated share of the small hydro cap is filled, a Small Hydroelectric Net Metering Facility may: (i) submit an application for Net Metering services as a Class I Net Metering Facility or as an Agricultural Net Metering Facility (if it meets such qualifications); (ii) if it is not a Cap Exempt Facility, apply for a Cap Allocation from the System of Assurance, and (iii) generate the applicable Standard Net Metering Credits, if all Net Metering eligibility requirements have been met.

(d) Capacity of Net Metering Facilities of a Municipality or Other Governmental Entity

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The maximum amount of generating capacity eligible for Net Metering by a Municipality or Other Governmental Entity shall be 10 megawatts, as determined by the sum of the nameplate ratings of Class II and Class III Net Metering Facilities for which the Municipality or Other Governmental Entity is the Host Customer, except as provided in 220 C.M.R. 18.07(6). While a Municipality or Other Governmental Entity may develop Class I Net Metering Facilities, such facilities are excluded from the public cap and will instead be counted against the private cap.

A Municipality or Other Governmental Entity that is a member of a Governmental Cooperative may transfer any or all of the net metering generating capacity associated with one or more Class II or Class III Net Metering Facilities to said Governmental Cooperative by providing written assent to the Governmental Cooperative and obtaining approval from the Department.

A Governmental Cooperative may serve as a Host Customer for a Net Metering Facility of a Municipality or Other Governmental Entity for all capacity allocated pursuant to 220 C.M.R. 18.07(6) and its own capacity as an Other Governmental Entity, provided that the Standard Net Metering Credits for which such Governmental Cooperative serves as Host Customer shall only be allocated to that same Governmental Cooperative or its members.

(e) Highest Historical Peak Load

Each year by February 1, the Distribution Company will update the Distribution Company's highest historical peak load on the Distribution Company's website and with an informational filing to the Department. Additional applications may be accepted for incremental aggregated capacity associated with increases in the Distribution Company's peak load.

(f) Aggregate Capacity

The calculation of aggregated capacity shall be in accordance with 220 C.M.R. 18.07.

#### Section 1.10 Renewable Energy and Environmental Attributes

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The provision of Net Metering services does not entitle the Distribution Company to ownership of, or title to, the renewable energy or environmental attributes, including renewable energy certificates, associated with any electricity produced by a Net Metering Facility.

**Section 1.11 Dispute Resolution**

The Dispute Resolution provisions included in the Distribution Company's Interconnection Tariff in Section 9.0 shall be available for the purpose of resolving disputes related to the operation of this tariff between the Distribution Company and Host Customers, including whether the Distribution Company has accurately allocated Net Metering Credits consistent with a Host Customer's written designation in Schedule Z to the Distribution Company's Interconnection Tariff. The Distribution Company shall not be responsible for resolving disputes between the Host Customer and those Customers to whom the Host Customer is allocating Net Metering Credits.

**Section 1.12 Classification as a Municipality or Other Governmental Entity**

An entity that seeks Net Metering services and/or Standard Net Metering Credits from a Net Metering Facility of a Municipality or Other Governmental Entity must first apply to the Department to be classified as a Municipality or Other Governmental Entity for purposes of Net Metering. The Department will review applications on a case-by-case basis. The Distribution Company shall not be obligated to provide Net Metering services or allocate Standard Net Metering Credits or Market Net Metering Credits valued at 100 percent of net excess kilowatt-hours from a Net Metering Facility of a Municipality or Other Governmental Entity to a Municipality or Other Governmental Entity pursuant to this tariff until the Department has classified the entity as such.

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APPENDIX A

<b>STANDARD NET METERING CREDIT</b>			
<b>Description of Calculation</b>	Net Metering Credit based on per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(1)(a))	Net Metering Credit based on per-kWh rates for Basic Service, Transmission, and Transition (Section 1.06(1)(c))	Net Metering Credit based on average monthly clearing price at the ISO-NE (Section 1.06(1)(b))
<b>Eligible Net Metering Facilities</b>			
<b>Class I:</b>			
Solar*	X		
Wind	X		
Anaerobic Digestion	X		
Agricultural	X		
Cap Exempt	X		
Class I Other than: Solar, Wind, Anaerobic Digestion, Agricultural			X
Neighborhood		X	
<b>Class II:</b>			
Solar*	X		
Wind	X		
Anaerobic Digestion	X		
Agricultural	X		
Municipality or Other Government Entity	X		

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<b>STANDARD NET METERING CREDIT</b>			
<b>Description of Calculation</b>	Net Metering Credit based on per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(1)(a))	Net Metering Credit based on per-kWh rates for Basic Service, Transmission, and Transition (Section 1.06(1)(c))	Net Metering Credit based on average monthly clearing price at the ISO-NE (Section 1.06(1)(b))
<b>Eligible Net Metering Facilities</b>			
Neighborhood		X	
<b>Class III:</b>			
Solar*		X	
Wind		X	
Anaerobic Digestion		X	
Agricultural		X	
Municipality or Other Governmental Entity	X		
Neighborhood		X	

\*A Solar Net Metering Facility that is not a New Solar Net Metering Facility, but that seeks to expand the generating capacity after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class I Net Metering Facility shall continue to receive the Standard Net Metering Credit. However, if such facility expands such that the entire facility, including the expanded generating capacity, is a Class II Net Metering Facility or a Class III Net Metering Facility, such facility will generate Market Net Metering Credits.

A Solar Net Metering Facility that is not a New Solar Net Metering Facility and a New Solar Net Metering Facility that is also an Agricultural Net Metering Facility (and that retains its designation as an agricultural facility) will generate Standard Net Metering Credits for 25 years from the date the facility was first authorized to interconnect.

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**NET METERING**

**APPENDIX B**

<b>60% MARKET NET METERING CREDIT</b>		
<b>Description of Calculation</b>	<b>Net Metering Credit based on 60% of net excess generation and per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(3)(a))</b>	<b>Based on 60% of net excess generation and per-kWh rates for Basic Service, Transmission, and Transition (Section 1.06(3)(c))</b>
<b>Eligible Net Metering Facilities</b>		
New Solar (Class I Non-Cap Exempt, Class II, Class III), except as otherwise set forth in Appendix B and Agricultural*	X	
Non-Cap Exempt Solar* (Class I, Class II, Class III) except for Neighborhood Solar and as otherwise set forth in Appendix B, 25 Years After Date of Authorization to Interconnect	X	
New Neighborhood Solar		X
Neighborhood Solar 25 Years After Date of Authorization to Interconnect		X
New Solar Agricultural 25 years After the Date of Authorization to Interconnect.	X	

\*A Solar Net Metering Facility that is not a New Solar Net Metering Facility, but that seeks to expand the generating capacity after the Notification Date such that the entire facility, including the expanded generating capacity, is a Class II or Class III Net Metering Facility, shall receive Market Net Metering Credits. New Solar Net Metering Facilities that are also Agricultural Net Metering Facilities are eligible to receive Standard Net Metering Credits for a period of 25-years from the date on which the facility was first authorized to interconnect to the distribution system, and, thereafter shall receive Market Net Metering Credits. Provided, however, that any New Solar

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Net Metering Facility that is also an Agricultural Net Metering Facility that ceases to be designated as an agricultural facility at any time during such 25-year period shall immediately receive Market Net Metering Credits (instead of Standard Net Metering Credits under Appendix A).

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**NET METERING**

<b>100% MARKET NET METERING CREDIT</b>	
<b>Description of Calculation</b>	Net Metering Credit based on 100% of net excess generation and per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(3)(b))
<b>Eligible Net Metering Facilities</b>	
New Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity	X
Solar where the Host Customer is a Municipality or Other Governmental Entity and only allocates Net Metering Credits to the accounts of other customers that could also qualify as a Municipality or Other Governmental Entity, 25 years after date of authorization to interconnect	X

Issued by: Craig A. Hallstrom  
~~11~~December 3, 2018  
President  
December 13, 2018

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Effective: ~~October~~



NSTAR ELECTRIC COMPANY  
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d/b/a EVERSOURCE ENERGY  
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    M.D.P.U. No.  
Cancels M.D.P.U. No.

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**NET METERING**

APPENDIX C

<b>SMALL HYDROELECTRIC NET METERING CREDIT</b>	
<b>Description of Calculation</b>	Net Metering Credit based on 100% of net excess generation and per-kWh rates for Basic Service, Distribution, Transmission, and Transition (Section 1.06(4))
<b>Eligible Net Metering Facilities</b>	
Small Hydroelectric participating in the Small Hydroelectric Net Metering Program	X

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