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February 28, 2018

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

Re: Joint Petition of Massachusetts Electric Distribution Companies for Approval of Model
Solar Massachusetts Renewable Target (SMART) Program Tariff

Dear Secretary Marini:

On behalf of Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”), Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“National Grid”), and NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy (“Eversource”) (together, the “Distribution Companies”), enclosed for filing are the Distribution Companies’ responses to the Office of the Attorney General’s Fourth Set of Information Requests.

Please contact me with any questions. Thank you for the time and attention to this matter.

Sincerely,



Matthew S. Stern, Esq.

Enclosures

cc: Staci Rubin, Hearing Officer
Service List

Information Request AG-4-1

Refer to EDC response to Information Request AG-3-2, which states “BTM STGUs that are not directly monetized in the FCM by acquiring a CSO under Option 1 will lead to indirect benefits in the form of avoided capacity costs by reducing the amount of capacity that is procured by ISO-NE, and thus lower capacity costs for all distribution customers.”

- a. Please confirm whether distribution connected FTM STGUs can also lead to indirect benefits in the form of avoided capacity costs, by reducing the amount of capacity that is procured by ISO-NE (*i.e.*, can FTM STGUs serve as load reducers?).

Response

Yes, there would be indirect benefits for all New England customers (including a Distribution Company’s customers) if Solar Tariff Generation Units (“STGUs”) that are directly interconnected to the distribution system (without meeting any onsite customer load) as front of the meter (“FTM”) facilities were to serve as “load reducers” in the ISO-New England, Inc. (“ISO-NE”) energy market. However, as discussed in more detail below and in the response to Information Request AG 4-4, the indirect benefits from such facilities operating as “load reducers” will be lower and more disparate than if they were registered as Settlement Only Generators (“SOG”) or Generator assets in the ISO-NE markets and receiving direct benefits (in the form of energy and potentially capacity market revenue) for a Distribution Company’s customers.

Each year, ISO-NE conducts a Solar Photovoltaic (“Solar PV”) forecast as part of its net load forecasting process and identifies three types of Solar PV Resources: (1) Solar PV resources that have acquired a Capacity Supply Obligation in the FCM; (2) non-FCM Energy-Only Resources (*i.e.*, Solar PV resources that participate in the energy market, either as SOGs or Generation assets, but that are not enrolled in the FCM); and (3) behind-the-meter (“BTM PV”) (*i.e.*, Solar PV that is not enrolled in any ISO-NE market and reduces system load). Solar PV capacity that is modeled as BTM PV is incorporated into the net load forecast and reduces the Installed Capacity Requirement, thereby reducing the amount of capacity that New England customers must purchase through the FCM. However, ISO-NE does not reduce the Installed Capacity Requirement on the basis of FTM Solar PV capacity enrolled in the energy market and modeled as Energy Only Resources

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(i.e., because such resources are expected to participate directly in the FCM where their capacity can be monetized, similar to any other FTM generating resource).¹

Thus, under ISO-NE's forecasting method, FTM STGUs would lead to indirect benefits in the form of avoided capacity costs if, and only if, the STGUs were also not enrolled as SOG or Generator assets in the ISO-NE energy market. At present, as explained in more detail in the response to Information Request AG 4-2(b), this would automatically exclude all resources that are also taking service under the net metering or Qualifying Facility tariffs.

¹ Refer to ISO-NE's 2017 Solar PV Forecast at https://www.iso-ne.com/static-assets/documents/2017/05/2017_solar_forecast_details_final.pdf

Information Request AG-4-2

Refer to ISO-NE Operating Procedure No. 14, section II.A.2.c-d¹ which states that a generating facility less than 5 MW “May elect to not register if not participating in any New England Markets other than as a load reducer.”

- a. Are there any types of STGU’s that could not elect to be a load reducer (assuming they do not register as a Generator or as an SOG)?
- b. Please provide any MA-specific requirements that would require STGUs to register as either Generators or SOGs.

Response

- a. ISO New England, Inc. (“ISO-NE”) Operating Procedure No. 14 allows any generating facility with a nameplate capacity of less than 5 megawatts (“MW”) to operate as a “load reducer” in the region as long as the facility does not participate in any ISO-NE markets. However, the Distribution Companies have proposed to register all Solar Tariff Generation Units (“STGUs”) for which it holds title to the energy with a nameplate capacity greater than 60 kilowatts (“kW”) and less than 5 MW AC as a Settlement-Only Generator (“SOG”) or a Generator asset within the ISO-NE markets in order to recoup some ISO-NE market revenue and offset the cost of the SMART program for all of their customers. Similarly, as explained in the response to Information Request AG-2-10, energy procured by the Distribution Company under separate tariffs (Net Metering and the QF tariffs) would be settled similarly for the offset of costs of those tariffs. For energy storage systems that are part of an STGU in the SMART program, the Distribution Companies would only claim title to the capacity and environmental attributes of those facilities, and not energy or ancillary products, such as Frequency Response capability, or Reserve market participation.
- b. At present, in Massachusetts, the Distribution Companies are required to register all generating facilities with a nameplate capacity greater than 60 kW that are taking service under either a net metering tariff or a Qualifying Facility tariff within the

¹ https://www.iso-ne.com/static-assets/documents/rules_proceeds/operating/isone/op14/op14_rto_final.pdf

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ISO-NE energy market as an SOG or a Generator asset. See, e.g., G.L. c. 164, c. 139(d), which states “[b]efore providing net metering service under this section, a Class II or III net metering facility shall provide all necessary information to, and cooperate with, the distribution utility to which it is interconnected to enable the distribution utility to obtain the appropriate asset identification for reporting generation to ISO-NE”; Section 1.08(8) of the model Net Metering Provision, which states “[t]he 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”; and 220 C.M.R. § 8.03 (2)(a), which states that, “[a] Qualifying Facility shall comply with any and all applicable NEPOOL and ISO information requests, rules, and requirements that are necessary for a Qualifying Facility’s generation output to be sold to the ISO power exchange by a Distribution Company.”

Information Request AG-4-3

Refer to EDC response to Information Request AG-3-2, which states, “the Distribution Companies could monetize the capacity of any FTM STGU with nameplate capacity greater than 60 kW but less than 285 kW under Option 2, as outlined above.”

- a. Please explain what options are available (if any) to monetize the capacity benefits of FTM STGUs <60 kW.
- b. Please confirm that Performance Incentive Payments under the FCM are available to FTM resources that are less than 100 kW summer qualified capacity.

Response

- a. It is currently possible to monetize Front of the Meter (“FTM”) Solar Tariff Generation Units (“STGUs”) with a nameplate capacity less than 60 kW in the FCM under Option 2, as described in the response to Information Request AG 3-2. However, as indicated in the response to Information Request AG 3-2, there is a minimum size requirement in the FCM of 100 kW of summer qualified capacity, and the current ISO-NE FCM rules only allow for the aggregation of behind the meter (“BTM”) distributed generation facilities that are qualified as passive On-Peak Demand Resources in the FCM. As such, it is not currently possible to monetize these STGUs under Option 1.
- b. Performance Incentive Payments under the FCM Pay for Performance rules are available to all FCM resources, including those with less than 100 kW of summer qualified capacity. However, it would not be possible to assume a Capacity Supply Obligation for these unless the FCM rules regarding the aggregation of FTM resources or the minimum size requirement were to change in the future.

Information Request AG-4-4

Refer to EDC response to Information Request AG-3-2, which states “qualification in the FCM as a passive On-Peak Demand Resource would preclude such facilities from being compensated for any net energy exports in the ISO-NE energy market.”

- a. Would net energy exports from BTM STGUs still provide an indirect benefit to EDC customers, even if these benefits are not directly monetized through the ISO-NE energy market?

Response

Any solar generation that is not consumed by an onsite customer load or settled in the ISO-New England, Inc. (“ISO-NE”) energy market is treated as “incidental” and/or “unmetered load.” Unmetered load (or generation) is reconciled against the metered load in each ISO-NE Metering Domain and allocated to the wholesale energy commodity suppliers based on the percentage of load that each supplier serves in the respective Metering Domain. As a result, any net energy exports from BTM STGUs that are not directly monetized through the ISO-NE energy market would be reconciled with the metered loads and would result in indirect avoided energy supply costs that would be allocated to all customers within the same ISO-NE Metering Domain.

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Information Request AG-4-5

Refer to Exhibit JDT-Rebuttal, p. 5 lines 4-6.

- a. Would net energy exports from BTM STGUs still provide an indirect benefit to EDC customers, even if these benefits are not directly monetized through the ISO-NE energy market?

Response

Please see the response to Information Request AG 4-4.

Information Request AG-4-6

Refer to Exhibit JDT-Rebuttal, p. 7 lines 4-6.

- a. What fraction of the total SMART program costs do the EDCs estimate will be incremental administrative?

Response

Based on the assumptions applied in the Distribution Companies' response to Information Request DPU-1-17, Eversource anticipates it will be providing approximately \$170M in annual incentive payments and \$10M in annual Alternative On-Bill Credits to customers through the SMART Program once all eligible capacity as been enrolled.

National Grid anticipates it will be providing approximately \$130M in annual incentive payments and \$22M in annual Alternative On-Bill Credits to customers through the SMART Program once all eligible capacity as been enrolled.

Unitil is calculating its expected annual incentive payments and annual Alternative On-Bill Credit payments and will supplement this response.

The Distribution Companies will supplement this response with estimated incremental administrative costs once available, but expect those costs will represent a very small fraction of the incentive payment and Alternative On-Bill Credit amounts identified above.

Information Request AG-4-7

Refer to Exhibit JDT-Rebuttal, p. 11, lines 18-19, which states “The costs the Distribution Companies will incur through the SMART Program are firmly unrelated to volumetric energy consumption.”

- a. Are the costs the EDCs will incur through the SMART Program related to the number of customers served?
- b. Are the costs the EDCs will incur through the SMART Program related to the incremental costs to serve a new customer?

Response

- a. The significant majority of costs to be recovered through the SMART Factor will vary only based upon the enrollment of eligible generation in the program, which is capped at a fixed 1,600 MW. SMART Program costs will be unchanged by an increase or decrease in the number of customers of record served by the Distribution Companies just as they would be unchanged by an increase or decrease in energy consumption.
- b. Providing service to a new customer will not increase the costs recovered through the SMART Factor. However, the Distribution Companies find it appropriate that all customers who benefit from the receipt of electric service, whether they be new, existing or choose to install distributed generation, equitably support the costs of advancing State energy goals tied to the electric sector. The SMART Factor proposed by the Distribution Companies is the best available means of accomplishing equitable cost recovery.

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Information Request AG-4-8

Will the addition of SMART resources directly or indirectly affect the quantity of kWh or kW that must be procured by EDCs to provide Basic Service?

Response

The objectives of the SMART program do not include procuring supply for Basic Service and the Distribution Companies are not proposing to recover any costs of supplying Basic Service through the SMART Factor. Pursuant to Section 7.0 of the Proposed Tariff and 225 C.M.R. 20.08 the Value of Energy is excluded from compensation provided to net metered facilities and qualifying facilities through the SMART Tariff.

The installation of Solar Tariff Generation Units (“STGUs”) that serve on-site load or are otherwise not registered as settlement only generators (“SOGs”) will, all other things being held equal, reduce the metered electric load of the host customer or reduce the wholesale load served by all energy suppliers as described in the response to Information Request AG-4-4.

All STGUs not serving on-site load and greater than 60 kW are expected to be registered as SOGs and will not affect the quantity of kWh or kW, directly or indirectly, that must be procured by the Distribution Companies to provide Basic Service. In order to use such energy for Basic Service, changes to the Net Metering and QF tariffs, as well as the Basic Service procurement process, would be needed. Additionally, pursuant to Section 2.14 of the proposed SMART Tariff, the market value of any energy used by the Distribution Companies for Basic Service would be excluded from costs recovered through the SMART Tariff.

Information Request AG-4-9

Refer to Exhibit JDT-Rebuttal, p. 15, line 10.

- a. Would this construct work for other STGUs that are not net metered?

Response

For purposes of this response, the Distribution Companies are assuming that a “non-bypassable” per kilowatt-hour (“per kWh”) rate or charge would be a rate assessed on all kWh delivered by the Distribution Companies to a customer, as measured by the import channel of a bi-directional meter.

A per kWh rate based on delivered energy would result in some billing of SMART Program costs to stand-alone generators, based on the parasitic/station service/on-site use of the generator. In addition, all bill credit recipients of a stand-alone net metered or Alternative On-Bill Credit Generation Unit would be billed for SMART Program costs through a per kWh rate based on the on-site use of the recipient. However, if per kWh rates were assessed in this manner, it would be a departure from the Distribution Companies’ standard metering and billing practices, it would result in increased administrative costs, and it would likely confuse customers.

Typically, per kWh rates are assessed to net metered customers on the basis of kWh delivered in excess of kWh generated, as measured over a billing period. If net use during the period is negative, then no charges are assessed based on per kWh rates. Assessing per kWh rates on the basis of imported kWh only would require more complex and expensive metering and increased costs associated with data collection and system modifications. In addition, net metering customers and/or net metering bill credit recipients would see two per kWh values on their monthly bills -- one value as the basis for the billing the SMART Factor, and another value for the billing all other per kWh rates. This is very likely to result in customer confusion.

For these reasons, the Distribution Companies’ proposed method of cost recovery through a fixed monthly customer charge is the most administratively efficient and least confusing means of ensuring equitable cost recovery from all customers, both net metered and non-net metered customers, whether they are receiving net metering credits, AOBC bill credits, or not receiving either.

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Information Request AG-4-10

Refer to response to AG-3-4 which states, “For this reason, the Distribution Companies cannot envision how a volumetric rate could be non-bypassable and ensure that all customers with solar contribute to the cost of the SMART program on an equal basis as those customers without distributed generation.”

- a. Please provide the section of Chapter 75 of the Acts of 2016 or 225 CMR 20.00 that requires all customers with solar to contribute to the cost of the SMART program “on an equal basis” as customers without distributed generation.

Response

St. 2016, c. 75, s. 9(b) states that “[t]he department of energy resources shall develop a statewide solar incentive program to encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental and industrial electricity customers throughout the commonwealth. The department shall, after notice and the opportunity for public comment, promulgate rules and regulations implementing a solar incentive program which: . . . (xi) ensures that the costs of the program are shared collectively among all ratepayers of the distribution companies. . . .”

225 C.M.R. § 20.07(a)(11) does not specifically speak to how costs of the SMART program should be recovered and from which customers, but clearly, the intent of this section is to require a method of cost recovery that will ensure that all customers, which would include both customers with and without solar generation, contribute to the recovery of the program’s costs. The Distribution Companies believe that it is reasonable to expect that customers who receive direct benefits from participation in the SMART Program should be required to contribute to the cost recovery on the same basis as all other customers.

Information Request AG-4-11

Refer to Exhibit JDT-Rebuttal, p. 26, lines 19-22.

- a. Please provide a list of all products “in existence and known today” that could be monetized to directly reduce the SMART Factor on all bills.

Response

The Distribution Companies would list the following products and their respective regulatory bodies through which such products are regulated, monetized, and, in cases, created or minted, that owners of STGUs would need to register with, or their distribution company was doing on their behalf.

Product	Regulatory Body	Registration Responsibility
Energy (AOBC non-ESS only under SMART) and related ancillary products	ISO-NE	Distribution Companies
Capacity (all ESS components, all QF and all AOBC only under SMART)	ISO-NE	Distribution Companies
MA Class I RECs	DOER	Provided with enrollment and successful Statement of Qualification by DOER and Distribution Companies
RI New RECs	RI Public Utilities Commission	Enrollee/Owner
NH Class I RECs	NH Public Utilities Commission	Enrollee/Owner
CT Class I RECs	CT Public Utilities Regulatory Agency	Enrollee/Owner

At the present time, all environmental attributes associable with the generation of energy by solar resources are included in the REC under the definition of a REC in Massachusetts 225 CMR 14.00, but should regulatory compliance markets in the future allow for the monetization of individual components or attributes, such as CO2-ton equivalence, or nitrous oxide credit

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allowance creation by renewable resources, and such sub-components were worth more than the REC or Clean Energy Certificate in any of the above listed states, then the Distribution Companies would seek to have owners register in and would then monetize those attributes instead of RECs.

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Information Request AG-4-12

Refer to Exhibit JDT-Rebuttal, p. 27, lines 8-10.

- a. Please provide the clarifications described.

Response

Please see the proposed clarifications to the SMART tariff in redline and clean versions, provided as Attachment AG-4-12.

[INSERT COMPANY NAME]

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SMART PROVISION

1.0 Purpose

The operation of the SMART Provision is pursuant to the Solar Massachusetts Renewable Target (“SMART”) Program regulations at 225 C.M.R. 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 (“DOER”). 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 Generation Unit shall mean a Standalone Solar Tariff Generation Unit that is eligible for an Alternative On-Bill Credit pursuant to the SMART Provision, and is not compensated for energy generated pursuant to 220 CMR 8.0 or 220 CMR 18.00.
- 2.2 Alternative On-Bill Credit shall mean the value of the net excess electricity generated and fed back to the Company by an Alternative On-Bill Credit Generation Unit on a monthly basis, calculated pursuant to Section 9.0 below.
- 2.3 Authorized Agent shall mean a person or entity that serves under an agreement entered into by each of the Owners of a Solar Tariff Generation Unit for all dealings with the DOER and the Company.
- 2.4 Company shall mean [INSERT COMPANY NAME].
- 2.5 Commercial Operation Date shall mean the date on which the Company grants permission to the Solar Tariff Generation Unit to operate in parallel with the Company’s electric distribution system.
- 2.6 Current Year shall mean the 12-month period for which a SMART Factor will be in effect.
- 2.7 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.

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- 2.8 Department shall mean the Massachusetts Department of Public Utilities.
- 2.9 DOER shall mean the Department of Energy Resources.
- ~~2.10~~ 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 Solar Tariff Generation Unit that has qualified for the Energy Storage Adder pursuant to 225 CMR 20.07(4)(c).
- ~~2.102.11~~ Environmental Attributes shall mean any and all generation attributes ~~or, and all~~ energy services (to the extent the Company has received title to the energy of an STGU), established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Solar Tariff Generation Unit during the ~~term of service~~ period of time in which the Solar Tariff Generation Unit is receiving Incentive Payments pursuant to Section 7.
- ~~2.142.12~~ Generation Attribute shall mean a Generation Attribute, as defined in 225 CMR 14.02.
- ~~2.142.13~~ 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.
- ~~2.132.14~~ Incentive Payment shall mean the payment to a Solar Tariff Generation Unit, including an Alternative On-Bill Credit Generation Unit, for RPS class I Renewable Generation Attributes and/or Environmental Attributes produced by these units, calculated pursuant to Section 7.0 below.
- ~~2.142.15~~ 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; (2) net proceeds from the sale of energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW or the market value of the energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW used by the Company for Basic Service; and (3) if the Company elects to bid capacity into the ISO-NE Forward Capacity Market (“FCM”), the net proceeds received by the Company. 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.

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- ~~2.152.16~~ 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.
- ~~2.162.17~~ On-Site Load shall mean any new or existing electric load located at the site of a Solar Tariff Generation Unit including any parasitic load that may result from the installation of the Solar Tariff Generation Unit, and that is wired to receive a portion of the electrical energy output from the Solar Tariff Generation Unit before the balance of such output passes through the Solar Tariff Generation unit's metered interconnection onto the electric distribution system.
- ~~2.172.18~~ Owner shall mean any person or entity that, alone or in conjunction with others, has legal ownership of a Solar Tariff Generation Unit.
- ~~2.182.19~~ 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 Solar Tariff Generation Unit, and updated no more than two times during a 12-month period, unless allowed by the Company to be updated more frequently, containing all required information necessary to process monthly Incentive Payments and Alternative On-Bill Credits. The Payment/Credit Form will be established and published by the Company from time to time on its website.
- ~~2.192.20~~ Prior Year shall mean a 12-month period prior to the Current Year.
- ~~2.202.21~~ Qualifying Facility shall mean a Qualifying Facility, as defined by the Department in 220 CMR 8.02.
- ~~2.212.22~~ RPS shall mean the Massachusetts Renewable Portfolio Standard established in Mass. Gen. Laws c. 25A, § 11F.
- ~~2.222.23~~ RPS Class I Renewable Generation Attribute shall mean a RPS Class I Renewable Generation Attribute as defined in 225 C.M.R. 14.02.
- ~~2.232.24~~ Solar Tariff Generation Unit shall mean a Generation Unit, as defined in 225 CMR 14.02, 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, including any energy storage system or energy management, measurement, or inversion devices that are connected to the STGU.

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2.242.25 Standalone Solar Tariff Generation Unit shall mean a Solar Tariff Generation Unit that serves no associated On-Site Load other than parasitic or station load utilized to operate the Generation Unit.

2.252.26 Statement of Qualification shall mean a document issued by the DOER that qualifies a Solar Tariff Generation Unit to participate in the SMART Program pursuant to 225 CMR 20.00.

3.0 Availability

Incentive Payments and, as applicable, Alternative On-Bill Credits provided under this SMART Provision are available to the Owner or Authorized Agent of a Solar Tariff Generation Unit that has received a Statement of Qualification from the DOER, has met all eligibility requirements from 225 C.M.R. 20.00, has a total installed capacity of less than or equal to five megawatts (measured in 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 Solar Tariff Generation Units selected under the one-time competitive procurement described in 225 CMR 20.07(3), no Solar Tariff Generation Unit 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 Solar Tariff Generation Units). Applications will be accepted on a first-come first-served basis.

Each Standalone Solar Tariff Generation Unit may be metered by the Company through a single metering point. All other Solar Tariff Generation Units must be separately metered by the Company for the purpose of measuring energy generated by the Solar Tariff Generation Unit, with the Company's metering installed behind the Customer's service meter. All Solar Tariff Generation Units must be electrically separate, and separately metered per Section 5, below, from any other existing electricity generating unit, whether taking service under the SMART Provision or not.

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.

Solar Tariff Generation Units that are served on the Company's Net Metering tariff pursuant to 220 C.M.R. 18.00 or qualifying facilities tariff pursuant to 220 C.M.R. 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 Solar Tariff Generation Unit that complies with the metering standards applicable to the size of the Solar Tariff Generation Unit as defined in the Company's Interconnection Tariff, or a meter which is specified by the Company to meet operational and/or planning requirements. 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. For a Solar Tariff Generation Unit located behind a Customer's electric service meter that has On-Site Load other than parasitic or station load, the Company may assess the Customer for the installed cost of the meter or include the cost in the calculation of the SMART Factor. The cost may appear as a one-time charge on the Customer's bill following installation of the meter. The Company may assess service fees for ongoing maintenance of the meter, which shall be established and published by the Company from time to time on its website.

6.0 Conditions for Participation

Owners or Authorized Agents of a Solar Tariff Generation Unit must demonstrate compliance with the following conditions prior to receiving Incentive Payments and Alternative On-Bill Credits, if applicable. Incentive Payments and Alternative On-Bill Credits 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 Solar Program Administrator ("SPA") with the permission of the Owner.
- 6.3 ~~For the term of this tariff~~During the period of time in which the Solar Tariff Generation Unit 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 Solar Tariff Generation Units. In addition, for those units that are also Alternative On-Bill Credit Generation Units, the Company will also have irrevocable rights and title to the capacity, energy and any market products associated with the sale of energy or energy services produced by the Alternative On-Bill Credit Generation Unit. The Company will also have irrevocable rights and title to the capacity of Qualifying Facilities and any energy storage systems that are qualified to receive the Energy Storage Adder as part of a Solar Tariff Generation Unit that choose to participate in the SMART Program.

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- 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 Solar Tariff Generation Units greater than 60 kW, and that are not connected behind a meter measuring On Site Load, this will be accomplished through the Owner registering the Solar Tariff Generation Unit 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. Evidence of such enrollment will be collected by the SPA and provided to the Company.
- 6.3.2 Solar Tariff Generation Units smaller than 60 kW, and those that are 60 kW or greater 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 Solar Tariff Generation Unit 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 Solar Tariff Generation Unit’s participation in asset aggregation or other model of asset registration and reporting for the ~~term of enrollment in this tariff.~~ period of time in which the Solar Tariff Generation Unit 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 Alternative On-Bill Credit Generation Units must be delivered to the Company in the Company’s ISO–NE load zone at the delivery node associated with the Solar Tariff Generation Unit. 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: The Company, at its option, may qualify Qualifying Facility or Alternative On-Bill Credit Generation Units as an Existing Capacity Resource in the FCM after the Commercial Operation Date to participate in the FCM. As requested by the Company or ISO-NE, the Owner or Authorized Agent shall furnish all necessary information as well as follow all requirements for all applicable market rules needed to set up, register, qualify, or participate in the FCM within five (5) Business Days of a request for information or action, and also shall provide any data within two (2) Business Days of a request. Owners or Authorized Agents are required to take

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commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

- 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 Alternative On-Bill Credits and information necessary for distribution of Incentive Payments is accurately reflected on the Payment/Credit Form, and provided on any forms required for taxpayer identification and reporting. Alternative On-Bill Credits that cannot be applied to recipient accounts because of inaccurate information will remain on the Solar Tariff Generation Unit's account and will be carried forward to subsequent billing months. Changes to the Payment/Credit Form must be received by the Company at least 15 days prior to the next billing date of the Solar Tariff Generation Unit or the Alternative On-Bill Credit 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 Solar Tariff Generation Units will be in accordance with the formula specified in 225 CMR 20.08 and will be calculated for each monthly billing period as follows:

$$IP = (BCR + CRA - GS - VOE) * kWhgen$$

Where

IP = Incentive Payment.

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

CRA = Compensation Rate Adder applicable to the Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification.

GS = Greenfield Subtractor applicable to the Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification.

kWhgen = kWh generated during the billing period. For Standalone Solar Tariff Generation Units, kWhgen 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 Solar Tariff Generation Units that are net metered pursuant to the Company's Net Metering tariff, the VOE will be the applicable net metering credit.
- (2) For Standalone Solar Tariff Generation Units that are Qualifying Facilities or On-site Generating Facilities pursuant to 220 C.M.R. 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 qualifying facility tariff.
- (3) For Solar Tariff Generation Units 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 Commercial Operation Date of the Solar Tariff Generation Unit occurs. 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 Solar Tariff Generation Unit 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 ~~term of the tariff~~period of time during which the Solar Tariff Generation Unit is receiving Incentive Payment pursuant to Section 7.0, unless directed to change by DOER.
- (4) For Alternative On-Bill Credit Generation Units, the VOE will be equal to the ~~total kilowatt-hours (kWh) generated during a billing period multiplied by the rate for Basic Service~~Basic Service rate applicable to the Alternative On-Bill Credit 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 ~~Adder~~Adders, and/or Greenfield Subcontractors are determined as authorized in the Statement of Qualification, and those rates will not change during the ~~uninterrupted period of time in which the~~ Solar Tariff Generation ~~Unit's participation in the SMART Program,~~Unit is receiving Incentive Payment pursuant to Section 7.0 unless as directed by the DOER, SPA or the Department. The ~~three year averages of applicable~~

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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 Payment/Credit Form, to the Solar Tariff Generation Unit's Owner or Authorized Agent. If the Incentive Payment is disbursed to an Authorized Agent, the Owner must indicate on the Payment/Credit Form.

9.0 Alternative On-Bill Credits

The Alternative On-Bill Credits shall be the Value of Energy of the Alternative On-Bill Credit Generation Unit as specified in Section 7.0(4) above multiplied the total kilowatt-hours (kWh) during a billing period for any Standalone Solar Tariff Generation Unit which elects to enroll as an Alternative On-Bill Credit Generation Unit. The Alternative On-Bill Credits will be applied to the single billing account associated with the Alternative On-Bill Credit Generation Unit.

The Owner of the Alternative On-Bill Credit Generation Unit must complete a Payment/Credit Form indicating the estimated annual production from the Alternative On-Bill Credit Generation Unit and how the Alternative On-Bill Credits are to be transferred to other Customer accounts in the Company's service area. Alternative On-Bill Credits may be transferred across ISO-NE load zones within the Company's service territory. The Company shall not transfer Alternative On-Bill Credits without a completed Payment/Credit Form. The Payment/Credit Form must include the annual average usage of each Alternative On-Bill Credit recipient. For recipient accounts that have not established 12 months of on-site usage history, annual use will be estimated by the Company. The Company will require the allocation to Alternative On-Bill Credit recipients be based on the annual average usage of the recipient divided by the estimated annual production of the Alternative On-Bill Credit Generation Unit.

At its option, the Company may pay to a designated recipient, in a lump sum amount, any Alternative On-Bill Credit remaining on the Alternative On-bill Credit Generation Unit billing account at the end of a 12-month period adjusted by the ratio of the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output of Solar Tariff Generation Units with ISO-NE over the course of the year divided by the average Basic Service rate for the year.

10.0 Term of Tariff

All Solar Tariff Generation Units with capacities larger than 25 kW AC will be eligible to receive compensation under this tariff for 20 years from the Solar Tariff Generation Unit's Commercial Operation Date. All Solar Tariff Generation Units with capacities less than or equal to 25 kW AC will be eligible to receive compensation under this tariff for 10 years from the Solar Tariff Generation Unit's Commercial Operation Date. This tariff will remain in effect until the costs incurred to

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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 applied to all bills issued by the Company and shall be determined in accordance with section 13.0 below, subject to the Department's review and approval.

12.0 SMART Factor Effective Date

The SMART Factor shall be effective [INSERT DATE FOR APPLICABLE COMPANY] of each year, unless otherwise ordered by the Department.

13.0 Calculation of SMART Factor

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, Alternative On-Bill Credits, and Market Revenue. The Company will reflect actual Incentive Payments, Alternative On-Bill Credits, 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 applicable to all retail delivery service customers and will be in the form of a monthly fixed charge that varies by rate class. The SMART Factor shall remain in effect until adjusted in the Company's annual reconciliation filing pursuant to Section 14.0 below.

The SMART Factor shall be calculated as follows:

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

Where

x = The Current Year.

s = A separate value for the following rate classes: **[list each company's rate classes]**

SF_{xs} = The SMART Factor for the Current Year for each rate class.

IP_x = Estimated Incentive Payments issued in the Current Year.

ABC_x = Estimated Alternative On-Bill Credits issued in the Current Year.

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- MR_x = Estimated Market Revenue associated with IPs and ABCs in the Current Year.
- ADM_{x-1} = The incremental administrative cost the Company incurred in the Prior Year necessary to meet SMART Program objectives, including, but not limited to, costs associated with administering the SMART Program through a third-party administrator, billing system improvements, and additional personnel required for ongoing operations.
- 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.
- Fbill_xs = Forecasted number of bills for each rate class for the Current Year except that for streetlighting, the forecasted number of lights shall be used to establish a charge per light.

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:

Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Streetlighting	x.x%

14.0 Information Required to be filed with the Department

Changes to the SMART Factors shall be filed with the Department as part of the Company's annual reconciliation filing at least [insert number] days before the date on which the SMART Factor is proposed to become effective. Such filing shall include the reconciliation of the amount recoverable through prior SMART Factors, as appropriate.

15.0 Additional Terms and Conditions of Service

- 15.1 Cooperation and Qualification of Solar Tariff Generation Units for Other Programs, Incentives, and Markets. Consistent with Section 6.3, if requested by the Company,

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the Owner or Authorized Agent of an enrolled Solar Tariff Generation Unit shall take all commercially reasonable means necessary, and pay any costs or fees associated with such actions, to cooperate with the Company and to qualify a Solar Tariff Generation Unit for other available federal, state, regional, local, and voluntary programs, incentives, and/or markets that would increase the value or marketability of the Solar Tariff Generation Unit's products and attributes including but not limited to registering the Solar Tariff Generation Unit with other states in order to qualify for such states' Renewable Portfolio Standard 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.

- 15.2 Non-Compliance. The Owner or Authorized Agent of a Solar Tariff Generation Unit shall comply with the provisions of this tariff through the end of the ~~applicable term specified in Section 10.0~~ period during which the Solar Tariff Generation Unit is eligible to receive Incentive Payments pursuant to Section 7.0. Only the Solar Tariff Generation Unit described on the Statement of Qualification is eligible to participate under this tariff. In no event shall a Solar Tariff Generation Unit's nameplate capacity exceed what is allowed by the Statement of Qualification. If a Solar Tariff Generation Unit 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 Alternative On-Bill Credits, 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 ~~during the term~~ 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

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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 Solar Tariff Generation Unit 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 ~~term of the tariff~~ Solar Generation Tariff Unit's eligibility to receive Incentive Payments pursuant to Section 7.0.

- 15.3 Termination Provisions. 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.
- 15.4 Governing Law. This tariff is governed by the provisions of 225 CMR 20.00 and Chapter 164 of the General Laws.
- 15.5 Dispute Resolution. The dispute resolution provisions included in the Company's Interconnection Tariff, Section 9.0, shall be available for the purpose of resolving disputes related to the operation of this tariff between the Company and the Owner, including whether the Company has accurately transferred Alternative On-Bill Credits consistent with the Owner's written designation in the Payment/Credit Form. The Company shall not be responsible for resolving disputes between the Owner of an Alternative On-Bill Credit Generation Unit and those Customers to whom the Owner is transferring Alternative On-Bill Credits.

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APPENDIX A

I. Base Compensation Rates

	Term	Capacity Block ¢/kWh							
		1	2	3	4	5	6	7	8
Block Size		tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
Low Income ≤ 25 kW	10 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
≤ 25 kW	10 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 25 kW, ≤ 250 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 250 kW, ≤ 500 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 500 kW, ≤ 1,000 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 1,000 kW, ≤ 5,000 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 1,000 kW, ≤ 5,000 kW*	20 years	tbd	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.

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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.

II. Compensation Rate Adders

Please refer to 225 C.M.R. §20.07(4) for currently effective Compensation Rate Adders, and to DOER’s Guideline on Energy Storage at [INSERT WEBPAGE ADDRESS] that provides an Energy Storage Adder calculator.

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

Rate Class	Applicable Three Year Average by Commercial Operation Year ¢/kWh	
	2018	2019
Rate []	tbd	tbd
Rate []	tbd	tbd
Rate []	tbd	tbd
Rate []	tbd	tbd

IV. Base Basic Service Rates

[INSERT ADDRESS TO COMPANY’S EXTERNAL WEBSITE FOR SUMMARY OF RATES]

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SMART PROVISION

1.0 Purpose

The operation of the SMART Provision is pursuant to the Solar Massachusetts Renewable Target (“SMART”) Program regulations at 225 C.M.R. 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 (“DOER”). 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 Generation Unit shall mean a Standalone Solar Tariff Generation Unit that is eligible for an Alternative On-Bill Credit pursuant to the SMART Provision, and is not compensated for energy generated pursuant to 220 CMR 8.0 or 220 CMR 18.00.
- 2.2 Alternative On-Bill Credit shall mean the value of the net excess electricity generated and fed back to the Company by an Alternative On-Bill Credit Generation Unit on a monthly basis, calculated pursuant to Section 9.0 below.
- 2.3 Authorized Agent shall mean a person or entity that serves under an agreement entered into by each of the Owners of a Solar Tariff Generation Unit for all dealings with the DOER and the Company.
- 2.4 Company shall mean [INSERT COMPANY NAME].
- 2.5 Commercial Operation Date shall mean the date on which the Company grants permission to the Solar Tariff Generation Unit to operate in parallel with the Company’s electric distribution system.
- 2.6 Current Year shall mean the 12-month period for which a SMART Factor will be in effect.
- 2.7 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.

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- 2.8 Department shall mean the Massachusetts Department of Public Utilities.
- 2.9 DOER shall mean the Department of Energy Resources.
- 2.10 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 Solar Tariff Generation Unit that has qualified for the Energy Storage Adder pursuant to 225 CMR 20.07(4)(c).
- 2.11 Environmental Attributes shall mean any and all generation attributes, and all energy services (to the extent the Company has received title to the energy of an STGU), established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Solar Tariff Generation Unit during the period of time in which the Solar Tariff Generation Unit is receiving Incentive Payments pursuant to Section 7.
- 2.12 Generation Attribute shall mean a Generation Attribute, as defined in 225 CMR 14.02.
- 2.13 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.
- 2.14 Incentive Payment shall mean the payment to a Solar Tariff Generation Unit, including an Alternative On-Bill Credit Generation Unit, for RPS class I Renewable Generation Attributes and/or Environmental Attributes produced by these units, calculated pursuant to Section 7.0 below.
- 2.15 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; (2) net proceeds from the sale of energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW or the market value of the energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW used by the Company for Basic Service; and (3) if the Company elects to bid capacity into the ISO-NE Forward Capacity Market ("FCM"), the net proceeds received by the Company. 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.

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- 2.16 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.
- 2.17 On-Site Load shall mean any new or existing electric load located at the site of a Solar Tariff Generation Unit including any parasitic load that may result from the installation of the Solar Tariff Generation Unit, and that is wired to receive a portion of the electrical energy output from the Solar Tariff Generation Unit before the balance of such output passes through the Solar Tariff Generation unit's metered interconnection onto the electric distribution system.
- 2.18 Owner shall mean any person or entity that, alone or in conjunction with others, has legal ownership of a Solar Tariff Generation Unit.
- 2.19 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 Solar Tariff Generation Unit, and updated no more than two times during a 12-month period, unless allowed by the Company to be updated more frequently, containing all required information necessary to process monthly Incentive Payments and Alternative On-Bill Credits. The Payment/Credit Form will be established and published by the Company from time to time on its website.
- 2.20 Prior Year shall mean a 12-month period prior to the Current Year.
- 2.21 Qualifying Facility shall mean a Qualifying Facility, as defined by the Department in 220 CMR 8.02.
- 2.22 RPS shall mean the Massachusetts Renewable Portfolio Standard established in Mass. Gen. Laws c. 25A, § 11F.
- 2.23 RPS Class I Renewable Generation Attribute shall mean a RPS Class I Renewable Generation Attribute as defined in 225 C.M.R. 14.02.
- 2.24 Solar Tariff Generation Unit shall mean a Generation Unit, as defined in 225 CMR 14.02, 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, including any energy storage system or energy management, measurement, or inversion devices that are connected to the STGU.

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- 2.25 Standalone Solar Tariff Generation Unit shall mean a Solar Tariff Generation Unit that serves no associated On-Site Load other than parasitic or station load utilized to operate the Generation Unit.
- 2.26 Statement of Qualification shall mean a document issued by the DOER that qualifies a Solar Tariff Generation Unit to participate in the SMART Program pursuant to 225 CMR 20.00.

3.0 Availability

Incentive Payments and, as applicable, Alternative On-Bill Credits provided under this SMART Provision are available to the Owner or Authorized Agent of a Solar Tariff Generation Unit that has received a Statement of Qualification from the DOER, has met all eligibility requirements from 225 C.M.R. 20.00, has a total installed capacity of less than or equal to five megawatts (measured in 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 Solar Tariff Generation Units selected under the one-time competitive procurement described in 225 CMR 20.07(3), no Solar Tariff Generation Unit 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 Solar Tariff Generation Units). Applications will be accepted on a first-come first-served basis.

Each Standalone Solar Tariff Generation Unit may be metered by the Company through a single metering point. All other Solar Tariff Generation Units must be separately metered by the Company for the purpose of measuring energy generated by the Solar Tariff Generation Unit, with the Company's metering installed behind the Customer's service meter. All Solar Tariff Generation Units must be electrically separate, and separately metered per Section 5, below, from any other existing electricity generating unit, whether taking service under the SMART Provision or not.

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.

Solar Tariff Generation Units that are served on the Company's Net Metering tariff pursuant to 220 C.M.R. 18.00 or qualifying facilities tariff pursuant to 220 C.M.R. 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 Solar Tariff Generation Unit that complies with the metering standards applicable to the size of the Solar Tariff Generation Unit as defined in the Company's Interconnection Tariff, or a meter which is specified by the Company to meet operational and/or planning requirements. 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. For a Solar Tariff Generation Unit located behind a Customer's electric service meter that has On-Site Load other than parasitic or station load, the Company may assess the Customer for the installed cost of the meter or include the cost in the calculation of the SMART Factor. The cost may appear as a one-time charge on the Customer's bill following installation of the meter. The Company may assess service fees for ongoing maintenance of the meter, which shall be established and published by the Company from time to time on its website.

6.0 Conditions for Participation

Owners or Authorized Agents of a Solar Tariff Generation Unit must demonstrate compliance with the following conditions prior to receiving Incentive Payments and Alternative On-Bill Credits, if applicable. Incentive Payments and Alternative On-Bill Credits 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 Solar Program Administrator ("SPA") with the permission of the Owner.
- 6.3 During the period of time in which the Solar Tariff Generation Unit 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 Solar Tariff Generation Units. In addition, for those units that are also Alternative On-Bill Credit Generation Units, the Company will also have irrevocable rights and title to the capacity, energy and any market products associated with the sale of energy or energy services produced by the Alternative On-Bill Credit Generation Unit. The Company will also have irrevocable rights and title to the capacity of Qualifying Facilities and any energy storage systems that are qualified to receive the Energy Storage Adder as part of a Solar Tariff Generation Unit that choose to participate in the SMART Program.

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- 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 Solar Tariff Generation Units greater than 60 kW, and that are not connected behind a meter measuring On Site Load, this will be accomplished through the Owner registering the Solar Tariff Generation Unit 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. Evidence of such enrollment will be collected by the SPA and provided to the Company.
- 6.3.2 Solar Tariff Generation Units smaller than 60 kW, and those that are 60 kW or greater 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 Solar Tariff Generation Unit 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 Solar Tariff Generation Unit’s participation in asset aggregation or other model of asset registration and reporting for the period of time in which the Solar Tariff Generation Unit 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 Alternative On-Bill Credit Generation Units must be delivered to the Company in the Company’s ISO–NE load zone at the delivery node associated with the Solar Tariff Generation Unit. 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: The Company, at its option, may qualify Qualifying Facility or Alternative On-Bill Credit Generation Units as an Existing Capacity Resource in the FCM after the Commercial Operation Date to participate in the FCM. As requested by the Company or ISO-NE, the Owner or Authorized Agent shall furnish all necessary information as well as follow all requirements for all applicable market rules needed to set up, register, qualify, or participate in the FCM within five (5) Business Days of a request for information or action, and also shall provide any data within two (2) Business Days of a request. Owners or Authorized Agents are required to take

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commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

- 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 Alternative On-Bill Credits and information necessary for distribution of Incentive Payments is accurately reflected on the Payment/Credit Form, and provided on any forms required for taxpayer identification and reporting. Alternative On-Bill Credits that cannot be applied to recipient accounts because of inaccurate information will remain on the Solar Tariff Generation Unit's account and will be carried forward to subsequent billing months. Changes to the Payment/Credit Form must be received by the Company at least 15 days prior to the next billing date of the Solar Tariff Generation Unit or the Alternative On-Bill Credit 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 Solar Tariff Generation Units 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 Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification. The Base Compensation Rates by capacity block are provided in Appendix A.

CRA = Compensation Rate Adder applicable to the Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification.

GS = Greenfield Subtractor applicable to the Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification.

kWh_{gen} = kWh generated during the billing period. For Standalone Solar Tariff Generation Units, kWh_{gen} 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 Solar Tariff Generation Units that are net metered pursuant to the Company's Net Metering tariff, the VOE will be the applicable net metering credit.
- (2) For Standalone Solar Tariff Generation Units that are Qualifying Facilities or On-site Generating Facilities pursuant to 220 C.M.R. 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 qualifying facility tariff.
- (3) For Solar Tariff Generation Units 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 Commercial Operation Date of the Solar Tariff Generation Unit occurs. 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 Solar Tariff Generation Unit 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 Solar Tariff Generation Unit is receiving Incentive Payment pursuant to Section 7.0, unless directed to change by DOER.
- (4) For Alternative On-Bill Credit Generation Units, the VOE will be equal to the Basic Service rate applicable to the Alternative On-Bill Credit 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 Solar Tariff Generation Unit 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

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

9.0 Alternative On-Bill Credits

The Alternative On-Bill Credits shall be the Value of Energy of the Alternative On-Bill Credit Generation Unit as specified in Section 7.0(4) above multiplied the total kilowatt-hours (kWh) during a billing period for any Standalone Solar Tariff Generation Unit which elects to enroll as an Alternative On-Bill Credit Generation Unit. The Alternative On-Bill Credits will be applied to the single billing account associated with the Alternative On-Bill Credit Generation Unit.

The Owner of the Alternative On-Bill Credit Generation Unit must complete a Payment/Credit Form indicating the estimated annual production from the Alternative On-Bill Credit Generation Unit and how the Alternative On-Bill Credits are to be transferred to other Customer accounts in the Company's service area. Alternative On-Bill Credits may be transferred across ISO-NE load zones within the Company's service territory. The Company shall not transfer Alternative On-Bill Credits without a completed Payment/Credit Form. The Payment/Credit Form must include the annual average usage of each Alternative On-Bill Credit recipient. For recipient accounts that have not established 12 months of on-site usage history, annual use will be estimated by the Company. The Company will require the allocation to Alternative On-Bill Credit recipients be based on the annual average usage of the recipient divided by the estimated annual production of the Alternative On-Bill Credit Generation Unit.

At its option, the Company may pay to a designated recipient, in a lump sum amount, any Alternative On-Bill Credit remaining on the Alternative On-bill Credit Generation Unit billing account at the end of a 12-month period adjusted by the ratio of the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output of Solar Tariff Generation Units with ISO-NE over the course of the year divided by the average Basic Service rate for the year.

10.0 Term of Tariff

All Solar Tariff Generation Units with capacities larger than 25 kW AC will be eligible to receive compensation under this tariff for 20 years from the Solar Tariff Generation Unit's Commercial Operation Date. All Solar Tariff Generation Units with capacities less than or equal to 25 kW AC will be eligible to receive compensation under this tariff for 10 years from the Solar Tariff Generation Unit's Commercial Operation 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

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The SMART Factor, as defined herein, shall be applied to all bills issued by the Company and shall be determined in accordance with section 13.0 below, subject to the Department's review and approval.

12.0 SMART Factor Effective Date

The SMART Factor shall be effective [INSERT DATE FOR APPLICABLE COMPANY] of each year, unless otherwise ordered by the Department.

13.0 Calculation of SMART Factor

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, Alternative On-Bill Credits, and Market Revenue. The Company will reflect actual Incentive Payments, Alternative On-Bill Credits, 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 applicable to all retail delivery service customers and will be in the form of a monthly fixed charge that varies by rate class. The SMART Factor shall remain in effect until adjusted in the Company's annual reconciliation filing pursuant to Section 14.0 below.

The SMART Factor shall be calculated as follows:

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

Where

x = The Current Year.

s = A separate value for the following rate classes: **[list each company's rate classes]**

SF_x = The SMART Factor for the Current Year for each rate class.

IP_x = Estimated Incentive Payments issued in the Current Year.

ABC_x = Estimated Alternative On-Bill Credits issued in the Current Year.

MR_x = Estimated Market Revenue associated with IPs and ABCs in the Current Year.

ADM_{x-1} = The incremental administrative cost the Company incurred in the Prior Year necessary to meet SMART Program objectives, including, but not limited to,

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costs associated with administering the SMART Program through a third-party administrator, billing system improvements, and additional personnel required for ongoing operations.

- 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.
- Fbillxs = Forecasted number of bills for each rate class for the Current Year except that for streetlighting, the forecasted number of lights shall be used to establish a charge per light.

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:

Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Streetlighting	x.x%

14.0 Information Required to be filed with the Department

Changes to the SMART Factors shall be filed with the Department as part of the Company's annual reconciliation filing at least [insert number] days before the date on which the SMART Factor is proposed to become effective. Such filing shall include the reconciliation of the amount recoverable through prior SMART Factors, as appropriate.

15.0 Additional Terms and Conditions of Service

- 15.1 Cooperation and Qualification of Solar Tariff Generation Units for Other Programs, Incentives, and Markets. Consistent with Section 6.3, if requested by the Company, the Owner or Authorized Agent of an enrolled Solar Tariff Generation Unit shall take all commercially reasonable means necessary, and pay any costs or fees associated with such actions, to cooperate with the Company and to qualify a Solar Tariff Generation Unit for other available federal, state, regional, local, and voluntary

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programs, incentives, and/or markets that would increase the value or marketability of the Solar Tariff Generation Unit's products and attributes including but not limited to registering the Solar Tariff Generation Unit with other states in order to qualify for such states' Renewable Portfolio Standard 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.

- 15.2 Non-Compliance. The Owner or Authorized Agent of a Solar Tariff Generation Unit shall comply with the provisions of this tariff through the end of the period during which the Solar Tariff Generation Unit is eligible to receive Incentive Payments pursuant to Section 7.0. Only the Solar Tariff Generation Unit described on the Statement of Qualification is eligible to participate under this tariff. In no event shall a Solar Tariff Generation Unit's nameplate capacity exceed what is allowed by the Statement of Qualification. If a Solar Tariff Generation Unit 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 Alternative On-Bill Credits, 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 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 Solar

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Tariff Generation Unit 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 Solar Generation Tariff Unit's eligibility to receive Incentive Payments pursuant to Section 7.0.

- 15.3 Termination Provisions. 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.
- 15.4 Governing Law. This tariff is governed by the provisions of 225 CMR 20.00 and Chapter 164 of the General Laws.
- 15.5 Dispute Resolution. The dispute resolution provisions included in the Company's Interconnection Tariff, Section 9.0, shall be available for the purpose of resolving disputes related to the operation of this tariff between the Company and the Owner, including whether the Company has accurately transferred Alternative On-Bill Credits consistent with the Owner's written designation in the Payment/Credit Form. The Company shall not be responsible for resolving disputes between the Owner of an Alternative On-Bill Credit Generation Unit and those Customers to whom the Owner is transferring Alternative On-Bill Credits.

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SMART PROVISION
APPENDIX A

I. Base Compensation Rates

	Term	Capacity Block ¢/kWh							
		1	2	3	4	5	6	7	8
Block Size		tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
Low Income ≤ 25 kW	10 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
≤ 25 kW	10 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 25 kW, ≤ 250 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 250 kW, ≤ 500 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 500 kW, ≤ 1,000 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 1,000 kW, ≤ 5,000 kW	20 years	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 1,000 kW, ≤ 5,000 kW*	20 years	tbd	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.

II. Compensation Rate Adders

Please refer to 225 C.M.R. §20.07(4) for currently effective Compensation Rate Adders, and to DOER's Guideline on Energy Storage at [INSERT WEBPAGE ADDRESS] that provides an Energy Storage Adder calculator.

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APPENDIX A

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

Rate Class	Applicable Three Year Average by Commercial Operation Year ¢/kWh	
	2018	2019
Rate []	tbd	tbd
Rate []	tbd	tbd
Rate []	tbd	tbd
Rate []	tbd	tbd

IV. Base Basic Service Rates

[INSERT ADDRESS TO COMPANY'S EXTERNAL WEBSITE FOR SUMMARY OF RATES]

Information Request AG-4-13

Refer to Exhibit JDT-Rebuttal, p. 32, line 5 which states, “At present, the SMART regulations provide no cap for either of these adders, and they can be combined for an attractive rate.”

- a. Please reconcile this statement with 225 CMR 20.07(2) which states, “The first tranche of capacity available to each adder shall be 80 MW, with the Department establishing the sizes of additional tranches as they are filled.”
- b. Please reconcile this statement with 225 CMR 20.07(4)(e) which states, “A Solar Tariff Generation Unit with a capacity of 25 kW AC or less may only combine its Base Compensation Rate with the Energy Storage Adder, provided it meets the eligibility criteria in 225 CMR 20.06(1)(e). A Solar Tariff Generation Unit with a capacity larger than 25 kW AC can combine its Base Compensation Rate with no more than one Compensation Rate Adder from each of the four categories listed in 225 CMR 20.07(4)(a) through (d), provided it meets the eligibility criteria to qualify for each of the Compensation Rate Adders.”

Response

- a. 225 CMR § 20.07(2) does not impose a cap on the Community Shared Solar or Low-Income Community Shared Solar adders. Section 20.07(2) provides that the value of each “Compensation Rate Adder will decline by 4% for every tranche of capacity established by the Department.”

The DOER’s June 5, 2017 emergency regulations for the SMART program included a provision under 225 CMR § 20.07(5), entitled “Adder Caps,” which provided that “no individual Compensation Rate Adders listed in 225 CMR § 20.07(4) shall be provided to more than 320 MW of Solar Tariff Generation Units across all Distribution Company service territories and Capacity Blocks.” That provision was removed from the final regulations.

- b. The Distribution Companies are aware that the Community Shared Solar Adder and Low-Income Community Shared Solar adders cannot both be claimed by a single STGU because both adders are Generation Unit Type adders under 225 CMR §

Fitchburg Gas and Electric Light Company d/b/a Unitil
Massachusetts Electric Company and Nantucket Electric Company,
each d/b/a National Grid
NSTAR Electric Company and Western Massachusetts Electric Company,
each d/b/a Eversource Energy
Department of Public Utilities
D.P.U. 17-140
Information Request: **AG-4-13**
February 28, 2018
Person Responsible: Brian J. Rice, Jeanne A. Llyod, Karen M. Asbury
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20.07(4)(b). An STGU can, however, combine its Base Compensation Rate with either of those Compensation Rate Adders for an attractive rate. As noted in the Distribution Companies' response to Information Request DPU-1-31, the Community Shared Solar and Low-Income Community Shared Solar adders represent a 30-40% premium to Block 1 compensation rates.