



SUBMITTED ELECTRONICALLY

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Re: Clean Energy Group (CEG) comments on Massachusetts Solar Massachusetts Renewable Target (SMART) program (225 C.M.R. 20.00)

Clean Energy Group (CEG) appreciates this opportunity to comment on the Massachusetts SMART program. Clean Energy Group, a national nonprofit organization, works at the forefront of clean energy innovation to enable a just energy transition to address the urgency of the climate crisis. CEG fills a critical resource gap by advancing new energy initiatives and serving as a trusted source of technical expertise and independent analysis in support of communities, nonprofit advocates, and government leaders working on the frontlines of climate change and the clean energy transition. CEG collaborates with partners across the private, public, and nonprofit sectors to accelerate the equitable deployment of clean energy technologies and the development of inclusive clean energy programs, policies, and finance tools.

In these comments, CEG would like to address question 1 from DOER's document "SMART Stakeholder Questions":

1. The SMART program currently provides added incentives for certain project types, including building mounted, canopy mounted, landfill, brownfield, agricultural, floating, community solar, and projects serving low income or public entities, projects with energy storage, and axis tracking. DOER seeks additional feedback on changes or improvements that will advance achievement of the Commonwealth's 2050 GWSA mandates while balancing land use, equity, and economic considerations.
  - A. What project type incentive changes could improve program outcomes?
  - b. Should other project types also be prioritized?

CEG believes that significant changes are needed to the SMART program equity (low-income) incentives in order to meet program goals.

In 2021, the SMART program was expanded and revised. One goal of this program revision was to improve low-income participation in the program, which had been quite low. At that time, Clean Energy Group (CEG) recommended that the equity incentive adder be increased to lower cost barriers to participation by income-eligible residents of the Commonwealth. Instead, the program definition of "income eligible" was expanded.

Recently, CEG began a review of Massachusetts’ energy storage incentive and market-based programs, including SMART, to assess their equity provisions and the degree to which low-income and historically underserved communities are participating in these programs. We anticipate publishing this assessment in March, 2024. Here is our preliminary finding regarding the SMART program:

- The SMART program provides adders for solar or solar + storage units located on low-income property or shared within a low-income community. The program also reserves 5 percent of total capacity within each block for these groups and ensures that low-income projects produce net savings for customers.
- Based on January 2024 data, there are 50,494 approved and qualified SMART units. Of these units, only 44 are located on low-income property, and only 27 are on community shared low-income property (see tables below). In other words, only 0.14 percent of SMART approved units are eligible for the low-income property or low income shared community adder.
- The SMART program does not consider components of the Massachusetts environmental justice (EJ) definition outside of the low-income criteria, thereby excluding the 1,656 block group communities (33 percent of Massachusetts’ population) that do not meet the low-income criterion but do meet one or more of the other EJ criterion.

**Number of Projects**

	<b>BTM</b>	<b>Standalone</b>	<b>BTM + Standalone</b>
<b>Approved SMART units</b>	49,737	757	50,494
<b>Low-income property</b>	24	20	44
<b>Low-income community shared</b>	0	27	27

**Combined Solar Capacity (kW DC)**

	<b>BTM</b>	<b>Standalone</b>	<b>BTM + Standalone</b>
<b>Approved SMART units</b>	521,475	1,101,872	1,623,347
<b>Low-income property</b>	1,471	26,718	28,189
<b>Low-income community shared</b>	0	40,108	40,108

**Combined Storage Capacity (kW AC)**

	<b>BTM</b>	<b>Standalone</b>	<b>BTM + Standalone</b>
<b>Approved SMART units</b>	423,558	766,840	1,190,398
<b>Low-income property</b>	1,174	17,331	18,504
<b>Low-income community shared</b>	0	30,138	30,138

Given the above information, several conclusions seem evident:

1. Previous SMART program revisions intended to increase income-eligible participation have not been successful. The program is nowhere near filling its 5 percent carve-out for

low-income participation (and to be blunt, a 5 percent carve-out is quite modest when compared to other state efforts – for example, the Connecticut Energy Storage Solutions program has adopted a Justice40 commitment, meaning 40 percent of that program’s capacity is to be reserved for low-income and historically underserved communities).

2. Much of the Commonwealth’s EJ population is not eligible for SMART’s low-income incentive adder, but would be eligible for a non-income-based EJ adder, if such an adder existed within the SMART program.
3. The income-eligible incentive adder within SMART is very likely too low to be effective. Increasing the low-income adder has worked in other state energy storage incentive programs (e.g. the California SGIP program) and would likely be effective in Massachusetts, providing that the adder is set sufficiently high that it would help low-income participants, and developers interested in serving those communities, to overcome real cost barriers.

CEG therefore recommends the following revisions to the SMART program in order to increase low-income and EJ participation:

1. Increase the low-income adder sufficiently to help income-eligible participants overcome cost barriers and make investments in solar and storage assets.
2. Create a new adder for EJ populations not eligible under the low-income adder. This would broaden the equity provisions of the SMART program and help to address the many barriers – not all income-related – that affect historically underserved communities.
3. Increase the low-income carve-out and create a new EJ carve-out. This will set a higher bar for the SMART program and better reflect the relative size of low-income and EJ populations of the Commonwealth.

CEG appreciates the opportunity to present these stakeholder recommendations. We anticipate providing a more detailed set of recommendations upon publication of our upcoming report evaluating the equity provisions and performance of Massachusetts’ energy storage incentive and market-based programs, which we will submit to MassCEC and DOER at that time.

We will be happy to answer questions and provide more information upon request.

Sincerely,



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