

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

SMART PROVISION

1.0 Purpose

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

2.0 Definitions

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

- 2.1 Alternative On-Bill Credit (“AOBC”) shall mean the value of the net excess electricity generated and fed back to the Company by an AOBC Generation Unit on a monthly basis, calculated pursuant to Section 10.0 below.
- 2.2 AOBC Generation Unit shall mean a STGU that is eligible for an AOBC pursuant to the SMART Provision and is not compensated for energy generated pursuant to 220 CMR 8.00 or 220 CMR 18.00.
- 2.3 AOBC Payment/Credit Form shall mean a paper or electronic form provided by the Company on which the Owner or Authorized Agent must provide, prior to the Commercial Operation Date of the STGU, all required information for the Company to process the transfer of AOBCs. The Owner or Authorized Agent shall provide the AOBC Payment/Credit Form directly to the Company and the SPA. The AOBC Payment/Credit Form will be established and published by the Company from time to time on its website. The AOBC Payment/Credit Form may be updated no more than two times during a 12-month period, unless allowed by the Company to be updated more frequently.
- 2.4 Authorized Agent shall mean a person or entity that serves under an agreement entered into by each of the Owners of a STGU for all dealings with the DOER and the Company.
- 2.5 Avoided Energy Supply Component (“AESC”) Study refers to the study sponsored by electric and gas utilities and energy efficiency program administrators in support of the Company’s energy efficiency plans.
- 2.6 Behind-the-Meter STGU shall mean a Solar Tariff Generation Unit that serves On-Site Load other than parasitic or station load utilized to operate the generation unit.

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- 2.7 Company shall mean Massachusetts Electric Company and Nantucket Electric Company, as applicable.
- 2.8 Commercial Operation Date shall mean the date on which the Company grants permission to the STGU to operate in parallel with the Company's electric distribution system.
- 2.9 Compensation Rate Adder shall mean special rate adders specific to certain types of STGUs established pursuant to 225 CMR 20.07(4) and as set forth in Appendix A, II., herein.
- 2.10 Current Year shall mean the 12-month period for which a SMART Factor will be in effect.
- 2.11 Customer shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains delivery service at a customer delivery point and who is a customer of record of the Company.
- 2.12 Department shall mean the Massachusetts Department of Public Utilities.
- 2.13 DOER shall mean the Department of Energy Resources.
- 2.14 Energy Storage System ("ESS") shall mean a commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy, and that is co-located with a STGU that has qualified for the Energy Storage Adder pursuant to 225 CMR 20.07(4)(c).
- 2.15 Environmental Attributes shall mean all GIS Certificates and any other environmental benefits associated with the energy generation of a STGU.
- 2.16 Forward Capacity Market ("FCM") means the long-term wholesale electricity market, administered by ISO-NE, that assures resource adequacy, locally and systemwide. Capacity resources may be new or existing resources, and include supply from generators, import capacity, or demand resources.
- 2.17 Generation Attribute shall mean a Generation Attribute, as defined in 225 CMR 14.02.
- 2.18 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.
- 2.19 Incentive Payment shall mean the payment to a STGU, including an AOBC Generation Unit, for RPS class I Renewable Generation Attributes and/or Environmental Attributes produced by these units, calculated pursuant to Section 7.0 below.
- 2.20 Incentive Payment Effective Date shall mean the earliest date on or after the Commercial Operation Date on which electrical energy output of a STGU can result in the creation of RPS Class I Renewable Generation Attributes and also be eligible to begin receiving Incentive Payments.

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- 2.21 Incentive Payment/Credit Form shall mean a form or online application provided by the Company and submitted by the Owner or Authorized Agent prior to the Commercial Operation Date of the STGU. The Owner or Authorized Agent shall provide the Incentive Payment/Credit Form directly to the SPA. The Incentive Payment/Credit Form will be established and published by the Company from time to time on its website.
- 2.22 ISO-NE means ISO New England Inc., the independent system operator for New England, or its successor, authorized by the Federal Energy Regulatory Commission to operate the New England bulk power system and administer New England's organized wholesale electricity market pursuant to the ISO-NE Tariff and operation agreements with transmission owners.
- 2.23 Low Income Customer shall mean a Customer that is on a low-income discounted rate of the Company or a resident in a Low Income Eligible Area.
- 2.24 Low Income Eligible Area shall mean a neighborhood, as identified through American Community Survey data, that has household income equal to or less than 65 percent of the statewide median income for Massachusetts.
- 2.25 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 AOBC Generation Units greater than 60 kilowatts ("kW") or the market value of the energy generated by AOBC Generation Units greater than 60 kW used by the Company for Basic Service; (3) net proceeds received from ISO-NE for participation in the ISO-NE FCM by AOBC Generation Units; and (4) payments received under the Buyout Option described in Section 6.3.5. 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. For net proceeds received as a result of the Company's participation in the FCM, amounts shall be included in the annual SMART Factor as follows: (1) 80 percent of the net proceeds under Option 1 pursuant to Section 6.3.4(1); and (2) 100 percent of the net proceeds under Option 2 pursuant to Section 6.3.4(2).
- 2.26 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.
- 2.27 On-Site Load shall mean any new or existing electric load located at the site of a STGU including any parasitic load that may result from the installation of the STGU, and that is wired to receive a portion of the electrical energy output from the STGU before the balance of such output passes through the STGU's metered interconnection onto the electric distribution system.

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

3.0 Availability

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

Each Standalone STGU may be metered by the Company through a single metering point. All other STGUs must be separately metered by the Company for the purpose of measuring energy generated by the STGU, with the Company’s metering installed behind the Customer’s service meter. All STGUs must be electrically

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separate, and separately metered per Section 5.0, below, from any other existing electricity generating unit, whether taking service under the SMART Provision or not.

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

4.0 Other Tariff Applicability

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

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

5.0 Metering

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

6.0 Conditions for Participation

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

- 6.1 The Owner must obtain the Company's written authority to interconnect and operate in parallel with the Company's electric distribution system.
- 6.2 The Owner must provide final approval of a Statement of Qualification from the DOER for systems that have been constructed within the required timeline. This may be provided directly to the Company by the SPA with the permission of the Owner.

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- 6.3 During the period of time in which the STGU is receiving Incentive Payments pursuant to Section 7.0, the Company shall have the irrevocable rights and title to the RPS Class I Renewable Generation Attributes and/or Environmental Attributes of all STGUs. In addition, for those units that are also AOBC Generation Units, the Company will also have irrevocable rights and title to the energy and any market products associated with the sale of energy or energy services produced by the AOBC Generation Unit.
- 6.3.1 RPS Class I Renewable Generation Attributes in the form of Renewable Energy Certificates (“RECs”) must be delivered to the Company’s appropriate NEPOOL-GIS account. For STGUs greater than 60 kW, and that are not connected behind a meter measuring On Site Load, this will be accomplished through either the Company or the Owner registering the STGU with the NEPOOL-GIS and enrolling in a Forward Certificate Transfer of RECs to the appropriate Company NEPOOL-GIS account for the term of enrollment in this tariff. If the Owner is required to register the STGU and enroll in a Forward Certificate Transfer, evidence of such enrollment will be collected by the Company.
- 6.3.2 STGUs that are 60 kW or smaller, and those that are greater than 60 kW and are connected behind a meter measuring On Site Load, shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the STGU to the Company’s appropriate NEPOOL-GIS account. The Owner or Authorized Agent shall provide approvals or assignments, including, but not limited to, completing the Company’s Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the STGU’s participation in asset aggregation or other model of asset registration and reporting for the period of time in which the STGU is receiving Incentive Payments pursuant to Section 7.0. This form will be collected by the SPA and provided to the Company.
- 6.3.3 Energy: Energy produced by AOBC Generation Units must be delivered to the Company in the Company’s ISO-NE load zone at the delivery node associated with the STGU. As requested by the Company or ISO-NE, the Owner or Authorized Agent shall provide all necessary information as well as follow all requirements for all applicable market rules needed to establish as a settlement only generator. The Company will report all exported power from any AOBC Generation Unit greater than 60 kW to ISO-NE as a settlement only generator and will include such energy settlement revenue in the Company’s annual SMART reconciliation. If the Company elects to register any AOBC Generation Unit less than or equal to 60 kW, the associated energy settlement revenue shall also be included in the Company’s annual SMART reconciliation.
- 6.3.4 Capacity:
- (1) The Company does not hold title to the capacity associated with an ESS that

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is paired with an AOBC Generation Unit.

- (2) Except as consistent with the Company's QF and Net Metering tariffs, title to the capacity rights associated with an AOBC Generation Unit will automatically transfer to the Company upon enrollment in the SMART Program by the AOBC Generating Unit and the Company shall participate in the FCM with respect to capacity to which the Company has title under one of the following options:
 - (a) qualifying and bidding the capacity into the ISO-NE FCM to obtain a capacity supply obligation as defined by ISO-NE ("Option 1"); or
 - (b) registering for performance incentive payments under the ISO-NE FCM Pay-for-Performance Project ("Option 2").
- (3) The Company will be exempt from the requirement to participate in the FCM with respect to the capacity for a specific AOBC Generation Unit if the facility cannot be qualified for the ISO-NE FCM due to circumstances outside of the Company's control, and the Company can demonstrate that it made reasonable efforts to mitigate the issues preventing qualification.
- (4) Cooperation and Qualification of AOBC Generation Units for participation in the ISO-NE FCM. Consistent with Section 6.3.4 and Section 6.3.5, if requested by the Company, the Owner or Authorized Agent of an AOBC Generation Unit shall take all commercially reasonable means necessary to cooperate with the Company to qualify an AOBC Generation Unit for participation in the ISO-NE FCM.

If the Company has already participated in the ISO-NE FCM by qualifying and bidding the associated capacity for an existing AOBC Generation Unit that becomes an Eligible Facility as a result of being retrofitted with an ESS and subsequently exercises the Buyout Option, the Company shall transfer any associated capacity supply obligation, as defined by ISO-NE, to the facility owner upon receipt of full payment of the buyout.

The owner of an Eligible Facility electing the Buyout Option must make payment to the Company not later than 15 business days after the owner submits written notice of intent to exercise the Buyout Option to the Company. Within 15 business days after the Distribution Company receives the full buyout payment, it must provide the owner of the Eligible Facility with all necessary documents to transfer the title to the capacity rights to the owner.

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- 6.3.5 Buyout Option: The owner of an AOBC Generation Unit paired with an ESS (“Eligible Facility”) shall have a one-time option to purchase the capacity rights of such Eligible Facility from the Company (“Buyout Option”). Such Buyout Option may be exercised by these facility owners under the following conditions:
- (1) for new Eligible Facilities enrolled in the SMART Program under the provisions of this tariff on or after February 1, 2019, any time after the filing of an interconnection application and before the Company issues an authorization to interconnect;
 - (2) for existing Eligible Facilities enrolled in the SMART Program under the provisions of this tariff before February 1, 2019, at any time unless the Company either (a) has submitted a Show of Interest, as defined by ISO-NE, thereby beginning the process of qualifying the resource in the ISO-NE FCM or (b) has successfully qualified the resource in the ISO-NE FCM for the current qualification period; and
 - (3) for existing Eligible Facilities enrolled in the SMART Program under the provisions of this tariff before February 1, 2019 that retrofit with an ESS after the filing of a revised interconnection application and before the Company issues a new authorization to interconnect.
- 6.3.6 It is the responsibility of the Owner or the Authorized Agent to ensure that billing account information of the designated recipients of AOBCs and information necessary for distribution of Incentive Payments is accurately reflected on the AOBC Payment/Credit Form and provided on any forms required for taxpayer identification and reporting. AOBCs that cannot be applied to recipient accounts because of inaccurate information will remain on the STGU’s account and will be carried forward to subsequent billing months subject to Section 10.0 regarding the Company’s option to pay a lump sum amount. Changes to the Incentive Payment/Credit Form and/or AOBC Payment/Credit Form must be received by the Company at least 15 days prior to the next billing date of the STGU or the AOBC recipient, as applicable, to be reflected in the next billing period. Incentive Payments that cannot be paid to an Owner due to inaccurate or incomplete records will be available for 90 calendar days, after which they will be forfeited.

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7.0 Calculation of Incentive Payments

7.1 Standalone STGUs

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

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

Where

IP = Incentive Payment.

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

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

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

kWh_{gen} = kWh generated by the STGU during the billing period measured after the reduction for parasitic or station load.

VOE = Value of Energy, determined as set forth below

- (1) For Standalone STGUs that are net metered pursuant to the Company's Net Metering tariff, the VOE will be the applicable net metering credit.
- (2) For Standalone STGUs that are QFs or On-site Generating Facilities pursuant to 220 CMR 8.00 and are not net metered pursuant to the Company's Net Metering tariff, the VOE credit will be calculated based on the Company's QF tariff.
- (3) For AOBC Generation Units, the VOE credit will be calculated based on the Basic Service rate applicable to the AOBC Generation Unit's rate class in effect during the billing period, as established by the Company's Basic Service tariff.

Base Compensation Rates and, if applicable, Compensation Rate Adders, and/or Greenfield Subtractors are determined as authorized in the Statement of Qualification, and those rates will not change during the period of time in which the STGU is receiving Incentive Payments unless as directed by the DOER, SPA or the Department.

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7.2 Behind-the Meter STGUs

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

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

Where

IP = Incentive Payment.

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

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

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

kWh_{gen} = kWh generated by the STGU during the billing period, measured after the reduction for parasitic or station load, at the Generation or Production Meter.

VOEr = Value of Energy rate, determined as set forth below

- (1) For Behind-the-Meter STGUs that are net metered pursuant to the Company's Net Metering tariff, the VOE rate will be equal to the sum of the current applicable distribution kWh charge, transmission kWh charge, transition kWh charge and the average of the Basic Service kWh charge for the three calendar years immediately preceding the year in which the Statement of Qualification is issued. For purposes of this tariff, a Customer's current applicable distribution kWh charge, transmission kWh charge and transition kWh charge will be those charges in effect applicable to the Customer during the previous calendar year. The VOE rate applicable to the STGU will be specified on the Statement of Qualification, as provided by the Company in Appendix A to this tariff and will not change during the period of time during which the STGU is receiving Incentive Payments, unless directed to change by the DOER.
- (2) For Behind-the-Meter STGUs that are QFs or On-site Generating Facilities or AOBCs that are not taking service pursuant to the Company's Net Metering tariff and that were issued a Statement of Qualification prior to April 15, 2020, the VOE rate will be equal to the sum of the current applicable distribution kWh charge, transmission kWh charge, transition

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kWh charge and the average of the Basic Service kWh charge for the three calendar years immediately preceding the year in which the Statement of Qualification is issued. For purposes of this tariff, a Customer's current applicable distribution kWh charge, transmission kWh charge and transition kWh charge will be those charges in effect applicable to the Customer during the previous calendar year. The VOE applicable to the STGU will be specified on the Statement of Qualification, as provided by the Company in Appendix A to this tariff and will not change during the period of time during which the STGU is receiving Incentive Payments unless direct to change by the DOER.

- (3) For Behind-the-Meter STGUs that are QFs or On-site Generating Facilities pursuant to 220 CMR 8.00 and are not net metered pursuant to the Company's Net Metering tariff, or are AOBC Generation Units and were issued a Statement of Qualification on or after April 15, 2020, the VOE rate will be a weighted average equal to (a) 65% of the sum total of the current applicable distribution kWh charge, transmission kWh charge, transition kWh charge and the average of the Basic Service kWh charge for the three calendar years immediately preceding the year in which the Statement of Qualification is issued, and (b) 35% of the average of the Basic Service kWh charge for the three calendar years immediately preceding the year in which the Statement of Qualification is issued. For purposes of this tariff, a Customer's current applicable distribution kWh charge, transmission kWh charge and transition kWh charge will be those charges in effect applicable to the Customer during the previous calendar year. The VOE applicable to the STGU will be specified on the Statement of Qualification, as provided by the Company in Appendix A to this tariff and will not change during the period of time during which the STGU is receiving Incentive Payments, unless directed to change by the DOER.
- (4) Base Compensation Rates and, if applicable, Compensation Rate Adders, and/or Greenfield Subcontractors are determined as authorized in the Statement of Qualification, and those rates will not change during the period of time in which the STGU is receiving Incentive Payment unless directed by the DOER, SPA or the Department. The applicable distribution, transmission and transition charges, and the three-year average of Basic Service rates will change once annually in Appendix A to this tariff.

8.0 Distribution of Incentive Payments

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

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If the Incentive Payment is disbursed to an Authorized Agent, the Owner must indicate on the applicable Payment/Credit Form.

9.0 Calculation of Buyout Payment

The Buyout Payment for the option pursuant to in Section 6.3.5 shall be calculated as follows:

$$\text{ACF} = [\text{FNC} * \text{CCR} * (60\% * \text{CP}) * (80\%) * \text{SE}] - \text{ADM}$$

$$\text{Buyout Payment} = \text{Net Present Value of ACF}$$

Where

ACF = Annual Cash Flow, determined based on a discount rate of 10 percent and a term of 20 years less the time the Eligible Facility has participated in the SMART Program

FNC = Facility Nameplate Capacity of the inverter using an AC rating

CCR= Capacity Contribution Rate of 31.8%, initially, and as updated in each year ISO-NE issues a new Report of Capacity, Energy, Loads, and Transmission (CELT)

CP = Capacity Price based on the levelized 15-year forecast of capacity prices under the AESC Study, updated in any year a new final AESC Study is issued

SE = 4 months of annual solar eligibility in the ISO-NE FCM

ADM = estimated long-term costs incurred by the Company in the administration of participation in the ISO-NE FCM, calculated at \$1,300/MW and escalated at two percent per year

If actual Administrative Costs differ significantly from those included in the Buyout Payment, the Company shall petition the Department for a revision to the Buyout Payment formula to more accurately reflect actual administrative costs.

10.0 Alternative On-Bill Credits

For AOBC Generation Units, the AOBC will be equal to the Basic Service rate applicable to the AOBC Generation Unit's rate class in effect during the billing period as established by the Company's Basic Service tariff, multiplied by the total kilowatt-hours (kWh) during a billing period for any STGU which elects to enroll as an AOBC Generation Unit. The AOBCs will be applied to the single host billing account associated with the AOBC Generation Unit.

The Owner of the AOBC Generation Unit must complete an Incentive Payment/Credit Form and AOBC Payment/Credit Form indicating how the AOBCs are to be transferred to other Customer accounts in the

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

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

11.0 Term of Tariff

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

12.0 Applicability of SMART Factor

The SMART Factor, as defined herein, shall be determined in accordance with Section 14.0 below, subject to the Department's review and approval. The SMART Factor shall be applied to all bills issued by the Company, shall be assessed to the billed kWh of all retail delivery service customers, and will be identified as "Distributed Solar Charge" on customer bills.

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

13.0 SMART Factor Effective Date

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

14.0 Calculation of SMART Factor

The SMART Factor, as defined herein, shall be determined in accordance with this Section in the form of a volumetric charge that varies by rate class, subject to the Department's review and approval. Costs that are ineligible for recovery through the SMART Factor include, but are not limited to: (1) SPA costs, and (2) overhead and burdens operations and maintenance ("O&M") expenses, unless the Department approves such

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expenses. Capitalized overhead and burdens are eligible for recovery provided the associated expenses meet the requirements of the test referenced in Section 16.0. The SMART Factor recovers the annual incremental costs that the Company incurs during the applicable 12-month period associated with the SMART Program. The SMART Factor shall include estimated Incentive Payments, AOBCs, and Market Revenue. The Company will reflect actual Incentive Payments, AOBCs, and Market Revenue, along with actual incremental administrative costs, in determining the amount it has under or over-recovered through the applicable year's SMART Factor.

The SMART Factor shall be calculated as follows:

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

Where

x = The Current Year.

s = A separate value for the following rate classes: R-1/R-2, G-1, G-2, G-3, and Streetlighting.

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 in the Current Year.

ADM_{x-1} = The incremental capital and O&M administrative cost the Company incurred in the Prior Year necessary to meet SMART Program objectives, including, but not limited to, billing system improvements, additional personnel required for ongoing operations, and those costs solely attributable to participation in the ISO-NE FCM as described in Section 6.3.4(2) and Section 6.3.5. Incremental administrative costs include the revenue requirement associated with cumulative capital improvements placed in service up through the Prior Year.

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

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

FkWh_x = Forecasted kWh for each rate class for the Current Year.

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

Rate R-1/R-2	57.7%
Rate G-1	12.9%
Rate G-2	11.9%
Rate G-3	16.9%
Streetlighting	0.6%

Interim SMART Factor Adjustments

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

15.0 Determination of Incremental Administrative Cost

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

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

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

16.0 Overhead and Burden Adjustments

The Company will perform an overhead and burdens test to demonstrate that actual overhead and burdens costs charged to SMART Program capital projects are incremental to amounts recovered in base distribution rates and other reconciling mechanisms. This test shall compare the actual O&M overhead and burdens and the amount included in base distribution rates in each year. If the actual O&M overhead and burdens exceed the amount included in base distribution rates, capitalized overheads and burdens recovered through a reconciling rate shall be reduced by the amount of the excess. The Company shall determine whether such reduction is required for all reconciling mechanisms that require such a determination once each year, and the determination shall be included in the Company's annual Grid Modernization Plan cost recovery filing. In addition, the percentage of capitalized overhead and burdens assigned to SMART Program capital projects shall be set equal to the ratio of SMART Program costs to total direct costs in any given year.

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17.0 Filing of SMART Factors for Department Approval

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

18.0 Additional Terms and Conditions of Service

18.1 Cooperation and Qualification of STGUs for Other Programs, Incentives, and Markets.

Consistent with Section 6.3, if requested by the Company, the Owner or Authorized Agent of an enrolled STGU shall take all commercially reasonable means necessary, and pay any costs or fees associated with such actions, to cooperate with the Company to qualify a STGU for other available federal, state, regional, local, and voluntary programs, incentives, and/or markets that would increase the value or marketability of the STGU's products and attributes including but not limited to registering the STGU with other states in order to qualify for such states' RPS or similar program(s). Such Owner or Authorized Agent shall comply with all rules of such programs, incentives, and markets including, without limitation, rules that relate to the creation, tracking, recording, and transfer of all Environmental Attributes that are to be transferred under this tariff.

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

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

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employees of the Company or the Owner or Authorized Agent, its suppliers, contractors, or others); delays, failure, and/or refusal of suppliers to supply materials or services; orders, acts or omissions of the NEPOOL GIS Administrator, as applicable; embargoes; sabotage; or any other cause of like or different kind, beyond the reasonable control of the Company or the Owner or Authorized Agent. Notwithstanding the foregoing, a Force Majeure Event shall not be based on Owner's ability to sell market products at a price greater than the rates applicable to the STGU or the Company's ability to purchase market products at prices below the applicable rates.

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

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

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I. Base Compensation Rates

a. Massachusetts Electric Company

Standalone Generation Unit Capacity	Base Compensation Rate Factor	Term Length	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6	Block 7	Block 8
Low Income ≤ 25 kW AC	230%	10-year	\$0.35795	\$0.34363	\$0.32989	\$0.31669	\$0.30402	\$0.29186	\$0.28019	\$0.26898
≤ 25 kW AC	200%	10-year	\$0.31126	\$0.29881	\$0.28686	\$0.27538	\$0.26437	\$0.25379	\$0.24364	\$0.23390
> 25 kW, ≤ 250 kW AC	150%	20-year	\$0.23345	\$0.22411	\$0.21514	\$0.20654	\$0.19828	\$0.19034	\$0.18273	\$0.17542
> 250 kW, ≤ 500 kW AC	125%	20-year	\$0.19454	\$0.18676	\$0.17929	\$0.17211	\$0.16523	\$0.15862	\$0.15228	\$0.14618
> 500 kW, ≤ 1,000 kW AC	110%	20-year	\$0.17119	\$0.16435	\$0.15777	\$0.15146	\$0.14540	\$0.13959	\$0.13400	\$0.12864
> 1,000 kW, ≤ 5,000 kW AC*	100%	20-year	\$0.15563	\$0.14940	\$0.14343	\$0.13769	\$0.13218	\$0.12690	\$0.12182	\$0.11695

Standalone Generation Unit Capacity	Base Compensation Rate Factor	Term Length	Block 9	Block 10	Block 11	Block 12	Block 13	Block 14	Block 15	Block 16
Low Income ≤ 25 kW AC	230%	10-year	\$0.25822	\$0.24789	\$0.23798	\$0.22846	\$0.21932	\$0.21055	\$0.20212	\$0.19404
≤ 25 kW AC	200%	10-year	\$0.22454	\$0.21556	\$0.20694	\$0.19866	\$0.19071	\$0.18308	\$0.17576	\$0.16873
> 25 kW, ≤ 250 kW AC	150%	20-year	\$0.16840	\$0.16167	\$0.15520	\$0.14899	\$0.14303	\$0.13731	\$0.13182	\$0.12655
> 250 kW, ≤ 500 kW AC	125%	20-year	\$0.14034	\$0.13472	\$0.12933	\$0.12416	\$0.11920	\$0.11443	\$0.10985	\$0.10546
> 500 kW, ≤ 1,000 kW AC	110%	20-year	\$0.12350	\$0.11856	\$0.11381	\$0.10926	\$0.10489	\$0.10070	\$0.09667	\$0.09280
> 1,000 kW, ≤ 5,000 kW AC	100%	20-year	\$0.11227	\$0.10778	\$0.10347	\$0.09933	\$0.09536	\$0.09154	\$0.08788	\$0.08436
> 1,000 kW, ≤ 5,000 kW*		20-year								

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Behind the Meter Generation Unit Capacity	Base Compensation Rate Factor	Term Length	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6	Block 7	Block 8
Low Income \leq 25 kW AC	230%	10-year	\$0.35795	\$0.34363	\$0.32989	\$0.31669	\$0.30402	\$0.29186	\$0.28019	\$0.26898
\leq 25 kW AC	200%	10-year	\$0.31126	\$0.29881	\$0.28686	\$0.27538	\$0.26437	\$0.25379	\$0.24364	\$0.23390
> 25 kW, \leq 250 kW AC	150%	20-year	\$0.23345	\$0.22411	\$0.21514	\$0.20654	\$0.19828	\$0.19034	\$0.18273	\$0.17542
> 250 kW, \leq 500 kW AC	125%	20-year	\$0.19454	\$0.18676	\$0.17929	\$0.17211	\$0.16523	\$0.15862	\$0.15228	\$0.14618
> 500 kW, \leq 1,000 kW AC	110%	20-year	\$0.17119	\$0.16435	\$0.15777	\$0.15146	\$0.14540	\$0.13959	\$0.13400	\$0.12864
> 1,000 kW, \leq 5,000 kW AC	100%	20-year	\$0.15563	\$0.14940	\$0.14343	\$0.13769	\$0.13218	\$0.12690	\$0.12182	\$0.11695
> 1,000 kW, \leq 5,000 kW*		20-year								

Behind the Meter Generation Unit Capacity	Base Compensation Rate Factor	Term Length	Block 9	Block 10	Block 11	Block 12	Block 13	Block 14	Block 15	Block 16
Low Income \leq 25 kW AC	230%	10-year	\$0.26360	\$0.25833	\$0.25316	\$0.24810	\$0.24314	\$0.23827	\$0.23351	\$0.22884
\leq 25 kW AC	200%	10-year	\$0.22922	\$0.22463	\$0.22014	\$0.21574	\$0.21142	\$0.20719	\$0.20305	\$0.19899
> 25 kW, \leq 250 kW AC	150%	20-year	\$0.17191	\$0.16847	\$0.16511	\$0.16180	\$0.15857	\$0.15540	\$0.15229	\$0.14924
> 250 kW, \leq 500 kW AC	125%	20-year	\$0.14326	\$0.14040	\$0.13759	\$0.13484	\$0.13214	\$0.12950	\$0.12691	\$0.12437
> 500 kW, \leq 1,000 kW AC	110%	20-year	\$0.12607	\$0.12355	\$0.12108	\$0.11866	\$0.11628	\$0.11396	\$0.11168	\$0.10944
> 1,000 kW, \leq 5,000 kW AC	100%	20-year	\$0.11461	\$0.11232	\$0.11007	\$0.10787	\$0.10571	\$0.10360	\$0.10153	\$0.09949

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

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b. Nantucket Electric Company

Standalone Generation Unit Capacity	Base Compensation Rate Factor	Term Length	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6	Block 7	Block 8
Low Income ≤ 25 kW AC	230%	10-year	\$0.39100	\$0.32844	\$0.27589	\$0.23175	<u>Not Applicable</u>			
≤ 25 kW AC	200%	10-year	\$0.34000	\$0.28560	\$0.23990	\$0.20152				
> 25 kW, ≤ 250 kW AC	150%	20-year	\$0.25500	\$0.21420	\$0.17993	\$0.15114				
> 250 kW, ≤ 500 kW AC	125%	20-year	\$0.21250	\$0.17850	\$0.14994	\$0.12595				
> 500 kW, ≤ 1,000 kW AC	110%	20-year	\$0.18700	\$0.15708	\$0.13195	\$0.11084				
> 1,000 kW, ≤ 5,000 kW AC*	100%	20-year	\$0.17000	\$0.14280	\$0.11995	\$0.10076				

Behind-the-Meter Generation Unit Capacity	Base Compensation Rate Factor	Term Length	Block 1	Block 2	Block 3	Block 4	Block 5	Block 6	Block 7	Block 8
Low Income ≤ 25 kW AC	230%	10-year	\$0.39100	\$0.32844	\$0.29560	\$0.26604	<u>Not Applicable</u>			
≤ 25 kW AC	200%	10-year	\$0.34000	\$0.28560	\$0.25704	\$0.23134				
> 25 kW, ≤ 250 kW AC	150%	20-year	\$0.25500	\$0.21420	\$0.19278	\$0.17350				
> 250 kW, ≤ 500 kW AC	125%	20-year	\$0.21250	\$0.17850	\$0.16065	\$0.14459				
> 500 kW, ≤ 1,000 kW AC	110%	20-year	\$0.18700	\$0.15708	\$0.14137	\$0.12723				
> 1,000 kW, ≤ 5,000 kW AC*	100%	20-year	\$0.17000	\$0.14280	\$0.12852	\$0.11567				

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

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Notes:

- (a) Each Capacity Block shall have a minimum of 20% and a maximum of 35% of its total available capacity reserved for Solar Tariff Generation Units with nameplate capacities less than or equal to 25 kW.
- (b) 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.
- (c) Each Capacity Block, starting with the first full capacity block after April 15, 2020, shall have a minimum of 20% of its total available capacity reserved for Solar Tariff Generation Units with nameplate capacities greater than 25 kW and less than or equal to 500 kW.
- (d) Each Capacity Block, starting with the first full capacity block after April 15, 2020, shall have a minimum of 5% of its total available capacity reserved for Low Income Community Shared and Low Income Property Solar Tariff Generation Units.

II. Compensation Rate Adders

Pursuant to 225 CMR 20.07(4)(f)1., 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 of 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 five categories listed in 225 CMR 20.07(4)(a) through (e), provided it meets the eligibility criteria to qualify for each of the Compensation Rate Adders.

Pursuant to 225 CMR 20.07(2), the first tranche of capacity available to each adder shall be 80 MW, with DOER establishing tranche sizes thereafter as tranches are filled. With the exception of Location Based Adders, Compensation Rate Adders will decline by 4% when moving from one tranche to the next.

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a. Location Based Adders

Adder Type	Generation Unit Type	Value (\$/kWh) For All Tranches
Location Based	Building Mounted Solar Tariff Generation Unit	\$0.01920
	Floating Solar Tariff Generation Unit	\$0.03000
	Solar Tariff Generation Unit on a Brownfield	\$0.03000
	Solar Tariff Generation Unit on an Eligible Landfill	\$0.04000
	Canopy Solar Tariff Generation Unit	\$0.06000
	Agricultural Solar Tariff Generation Unit	\$0.06000

b. Off-Taker Based Adders: Low Income Property STGU, Low Income Community Shared STGU, Public Entity STGU – Tranches 1 through 7

Adder Type	Generation Unit Type	Adder Tranche 1 (80 MW)	Adder Tranche 2 (80 MW)	Adder Tranche 3 (80 MW)	Adder Tranche 4 (80 MW)	Adder Tranche 5 (80 MW)	Adder Tranche 6 (80 MW)	Adder Tranche 7 (80 MW)
Off-Taker Based	Low Income Property Solar Tariff Generation Unit	\$0.03000	\$0.02880	\$0.02765	\$0.02654	\$0.02548	\$0.02446	\$0.02348
	Low Income Community Shared Solar Tariff Generation Unit	\$0.06000	\$0.05760	\$0.05530	\$0.05308	\$0.05096	\$0.04892	\$0.04697
	Public Entity Solar Tariff Generation Unit	\$0.04000	\$0.03840	\$0.03686	\$0.03539	\$0.03397	\$0.03261	\$0.03131

c. Off-Taker Based Adders: Low Income Property STGU, Low Income Community Shared STGU, Public Entity STGU – Tranches 8 through 14

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Adder Type	Generation Unit Type	Adder Tranche 8 (80 MW)	Adder Tranche 9 (80 MW)	Adder Tranche 10 (80 MW)	Adder Tranche 11 (80 MW)	Adder Tranche 12 (80 MW)	Adder Tranche 13 (80 MW)	Adder Tranche 14 (80 MW)
Off-Taker Based	Low Income Property Solar Tariff Generation Unit	\$0.02254	\$0.02164	\$0.02078	\$0.01994	\$0.01915	\$0.01838	\$0.01765
	Low Income Community Shared Solar Tariff Generation Unit	\$0.04509	\$0.04328	\$0.04155	\$0.03989	\$0.03829	\$0.03676	\$0.03529
	Public Entity Solar Tariff Generation Unit	\$0.03006	\$0.02886	\$0.02770	\$0.02659	\$0.02553	\$0.02451	\$0.02353

d. Off-Taker Based Adders: Low Income Property STGU, Low Income Community Shared STGU, Public Entity STGU – Tranches 15 and 16

Adder Type	Generation Unit Type	Adder Tranche 15 (80 MW)	Adder Tranche 16 (80 MW)
Off-Taker Based	Low Income Property Solar Tariff Generation Unit	\$0.01694	\$0.01626
	Low Income Community Shared Solar Tariff Generation Unit	\$0.03388	\$0.03253
	Public Entity Solar Tariff Generation Unit	\$0.02259	\$0.02168

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e. Off-Taker Based Adders: Community Shared STGU – Tranches 1 through 7

Adder Type	Generation Unit Type	Adder Tranche 1 (80 MW)	Adder Tranche 2 (60 MW)	Adder Tranche 3 (60 MW)	Adder Tranche 4 (60 MW)	Adder Tranche 5 (60 MW)	Adder Tranche 6 (60 MW)	Adder Tranche 7 (60 MW)
Off-Taker Based	Community Shared Solar Tariff Generation Unit	\$0.05000	\$0.04800	\$0.04608	\$0.04424	\$0.04247	\$0.04077	\$0.03914

f. Off-Taker Based Adders: Community Shared STGU – Tranches 8 through 14

Adder Type	Generation Unit Type	Adder Tranche 8 (60 MW)	Adder Tranche 9 (60 MW)	Adder Tranche 10 (60 MW)	Adder Tranche 11 (60 MW)	Adder Tranche 12 (60 MW)	Adder Tranche 13 (60 MW)	Adder Tranche 14 (60 MW)
Off-Taker Based	Community Shared Solar Tariff Generation Unit	\$0.03757	\$0.03607	\$0.03463	\$0.03324	\$0.03191	\$0.03064	\$0.02941

g. Off-Taker Based Adders: Community Shared STGU – Tranches 15 and 16

Adder Type	Generation Unit Type	Adder Tranche 15 (60 MW)	Adder Tranche 16 (60 MW)
Off-Taker Based	Community Shared Solar Tariff Generation Unit	\$0.02823	\$0.02710

h. Solar Tracking Adder – Tranches 1 through 7

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Adder Type	Generation Unit Type	Adder Tranche 1 (80 MW)	Adder Tranche 2 (80 MW)	Adder Tranche 3 (80 MW)	Adder Tranche 4 (80 MW)	Adder Tranche 5 (80 MW)	Adder Tranche 6 (80 MW)	Adder Tranche 7 (80 MW)
Solar Tracking	Solar Tracking Generation Unit	\$0.01000	\$0.00960	\$0.00922	\$0.00885	\$0.00849	\$0.00815	\$0.00783

i. Solar Tracking Adder – Tranches 8 through 14

Adder Type	Generation Unit Type	Adder Tranche 8 (80 MW)	Adder Tranche 9 (80 MW)	Adder Tranche 10 (80 MW)	Adder Tranche 11 (80 MW)	Adder Tranche 12 (80 MW)	Adder Tranche 13 (80 MW)	Adder Tranche 14 (80 MW)
Solar Tracking	Solar Tracking Generation Unit	\$0.00751	\$0.00721	\$0.00693	\$0.00665	\$0.00638	\$0.00613	\$0.00588

j. Solar Tracking Adder – Tranches 15 and 16

Adder Type	Generation Unit Type	Adder Tranche 15 (80 MW)	Adder Tranche 16 (80 MW)
Solar Tracking	Solar Tracking Generation Unit	\$0.00565	\$0.00542

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k. The Energy Storage Adder shall be calculated using the following formula:

$$\begin{aligned} & \text{Energy Storage Adder} \\ &= \left[\frac{\left(\frac{\text{Nominal Rated Power Capacity of Energy Storage System}}{\text{DC Rated Capacity of the Solar Photovoltaic System}} \right)}{\left(\left(\frac{\text{Nominal Rated Power Capacity of Energy Storage System}}{\text{DC Rated Capacity of the Solar Photovoltaic System}} \right) + \exp \left(0.7 - \left(8 * \left(\frac{\text{Nominal Rated Power Capacity of Energy Storage System}}{\text{DC Rated Capacity of the Solar Photovoltaic System}} \right) \right) \right) \right]} * \left[0.8 + \left(0.5 * \ln \left(\frac{\text{Nominal Rated Useful Energy of the Energy Storage System}}{\text{Nominal Rated Power Capacity of Energy Storage System}} \right) \right) \right] * \text{Energy Storage Adder Multiplier} \end{aligned}$$

Where the Energy Storage Adder Multiplier shall be \$0.045/kWh for the first available Energy Storage Adder tranche. For each additional tranche after the first 80 MW, the Storage Adder Multiplier shall decline by 4 percent from the value of the preceding tranche.

The DOER's Guideline on Energy Storage at <https://www.mass.gov/info-details/solar-massachusetts-renewable-target-smart-program#smart-program-guidelines> includes an Energy Storage Adder calculator.

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III. Greenfield Subtractor Calculation

A Solar Tariff Generation Unit that is classified as Category 2 Land Use or Category 3 Land Use, as prescribed in 225 CMR 20.05(5)(e)2. or 3., shall have value subtracted from its Base Compensation Rate as follows:

1. Category 2 Land Use Solar Tariff Generation Units. A Solar Tariff Generation Unit that is classified as a Category 2 Land Use, as prescribed in 225 CMR 20.05(5)(e)3. or that meets the exception established in 225 CMR 20.05(5)(e)1.c, shall have its Base Compensation Rate reduced by a Greenfield Subtractor of \$0.0005/kWh per acre of land that the Solar Tariff Generation Unit occupies.
2. Post April 15, 2020 Category 2 Land Use Solar Tariff Generation Units. A Solar Tariff Generation Unit that is classified as a Category 2 Land Use, as prescribed in 225 CMR 20.05(5)(e)3 and 225 CMR 20.05(5)(e)7.b, after April 15, 2020 shall have its Base Compensation Rate reduced by a Greenfield Subtractor of \$0.00125/kWh per acre of land that the Solar Tariff Generation Unit occupies.
3. Category 3 Land Use Solar Tariff Generation Units. A Solar Tariff Generation Unit that is classified as a Category 3 Land Use, as prescribed in 225 CMR 20.05(5)(e)4., or that meets the exception established in 225 CMR 20.05(5)(e)1.c, shall have its Base Compensation Rate reduced by a Greenfield Subtractor of \$0.001/kWh per acre of land that the Solar Tariff Generation Unit occupies.
4. Post April 15, 2020 Category 3 Land Use Solar Tariff Generation Units. A Solar Tariff Generation Unit that is classified as a Category 3 Land Use, as prescribed in 225 CMR 20.05(5)(e)4 after April 15, 2020 shall have its Base Compensation Rate reduced by a Greenfield Subtractor of \$0.0025/kWh per acre of land that the Solar Tariff Generation Unit occupies.
5. Exceptions to Greenfield Subtractors. A Solar Tariff Generation Unit that is classified as Category 2 Land Use or Category 3 Land Use, as prescribed in 225 CMR 20.05(5)(e)3. or 4., or 225 CMR 20.05(5)(e)7 shall not have its Base Compensation Rate reduced by a Greenfield Subtractor, as prescribed in 225 CMR 20.07(4)(g), if it can demonstrate to the DOER's satisfaction that: a. documentation required to meet the criteria set forth in 225 CMR 20.06(1)(c) was obtained prior to June 5, 2017; or b. it should be granted an exception to the provisions of 225 CMR 20.07(4)(g) for good cause.
6. Determination of Acreage of Land Occupied. For the purposes of 225 CMR 20.07(4)(g)1 through 4, the acreage of land that a Solar Tariff Generation Unit occupies shall be determined by calculating the square footage occupied by the solar photovoltaic modules that are part of the Solar Tariff Generation Unit.

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IV. Sum of Applicable Distribution, Transmission, Transition, and Three Year Average of Basic Service Rates for Behind-the-Meter STGUs pursuant to Sections 7.2 (1) and 7.2 (2).

Applicable Average by Rate Class and Commercial Operation Year (¢/kWh)									
	Rate R-1/R-2	Rate R-4	Rate G-1	Rate G-2 NEMA	Rate G-2 WCMA	Rate G-2 SEMA	Rate G-3 NEMA	Rate G-3 WCMA	Rate G-3 SEMA
2018	\$0.19905	\$0.20848	\$0.17761	\$0.13761	\$0.13161	\$0.13261	\$0.13091	\$0.12491	\$0.12591
2019	\$0.19942	\$0.20538	\$0.17668	\$0.13885	\$0.12940	\$0.13265	\$0.13342	\$0.12397	\$0.12722
2020	\$0.21031	n/a	\$0.18337	\$0.14951	\$0.13897	\$0.14650	\$0.14338	\$0.13284	\$0.14037
2021	\$0.22300	n/a	\$0.19317	\$0.15087	\$0.14355	\$0.15183	\$0.14243	\$0.13511	\$0.14339
2022	\$0.23274	n/a	\$0.19975	\$0.15488	\$0.15041	\$0.15758	\$0.14393	\$0.13946	\$0.14663
2023	\$0.24323	n/a	\$0.21144	\$0.17173	\$0.16806	\$0.17152	\$0.16253	\$0.15886	\$0.16232
2024	\$0.28224	n/a	\$0.24867	\$0.19857	\$0.19355	\$0.19668	\$0.18939	\$0.18437	\$0.18750

*Note rate R-4 was discontinued November 1, 2019 per Department order in D.P.U. 18-150

V. Sum of Applicable Distribution, Transmission, Transition, and Three Year Average of Basic Service Rates (Weighted Average) for Behind-the-Meter STGUs pursuant to Section 7.2 (3).

Applicable Weighted Average by Rate Class and Commercial Operation Year (¢/kWh)								
	Rate R-1/R-2	Rate G-1	Rate G-2 NEMA	Rate G-2 WCMA	Rate G-2 SEMA	Rate G-3 NEMA	Rate G-3 WCMA	Rate G-3 SEMA
2020	\$0.17675	\$0.15643	\$0.13595	\$0.12541	\$0.13294	\$0.13196	\$0.12142	\$0.12895
2021	\$0.18683	\$0.16355	\$0.13680	\$0.12948	\$0.13776	\$0.13131	\$0.12399	\$0.13227
2022	\$0.19259	\$0.16634	\$0.13798	\$0.13351	\$0.14068	\$0.13086	\$0.12639	\$0.13356
2023	\$0.20347	\$0.17825	\$0.15635	\$0.15268	\$0.15614	\$0.15037	\$0.14670	\$0.15016
2024	\$0.24082	\$0.21444	\$0.18323	\$0.17821	\$0.18134	\$0.17226	\$0.17224	\$0.17537

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

SMART PROVISION
APPENDIX A

VI. Basic Service Rates

Currently effective Basic Service pricing may be found at the below web addresses:

a. Residential

<https://www.nationalgridus.com/media/pdfs/billing-payments/electric-rates/ma/resitable.pdf>

b. Small Commercial and Industrial

<https://www.nationalgridus.com/media/pdfs/billing-payments/electric-rates/ma/commtable.pdf>

c. Medium and Large Commercial and Industrial

<https://www.nationalgridus.com/media/pdfs/billing-payments/electric-rates/ma/indtable.pdf>

Nantucket Electric Company's medium and large commercial and industrial customers are subject to the Basic Service rates applicable to the Southeastern Massachusetts ("SEMA") ISO-NE load zone.