

MASSACHUSETTS SOLAR INCENTIVES

These incentives make it easy to go solar in Massachusetts

Massachusetts offers a number of attractive solar incentives for commercial property owners who want to go solar. The state's Solar Massachusetts Renewable Target (SMART) program provides long-term fixed-price contracts for new solar installations, making it easier for businesses to budget for their energy costs. In addition, the Massachusetts Commercial Solar Property Tax Exemption offers a 100% exemption on the increased value of a property from a solar installation, making it an appealing option for businesses looking to lower their taxes. Finally, the Massachusetts Solar Business Development Incentive Program provides grants of up to \$250,000 for businesses that install new solar PV systems. With these programs in place, Massachusetts is an appealing state for commercial property owners who are considering going solar.

Solar Massachusetts Renewable Target (SMART) Program

The Solar Massachusetts Renewable Target (SMART) Program provides per-kWh incentives to solar PV projects up to 5 MW. The program is capped at an aggregate of 1,600 MW, and incentives are available in Eversource, National Grid, and Unitil territories.

The value of the incentive payment is equal to the following for standalone solar projects:

$(\text{Base compensation rate} + \text{compensation rate adders} - \text{greenfield subtractor}) * \text{total kWh generated} - \text{value of energy generated}$

The value of the incentive payment is equal to the following for behind-the-meter solar projects:

$(\text{Base compensation rate} + \text{compensation rate adders} - \text{greenfield subtractor}) - (\text{distribution kWh charge} + \text{transmission kWh charge} + \text{transition kWh charge} + \text{three-year average of basic service kWh charge})$

Base compensation rates vary by system size. The base compensation rate is multiplied by the following factors for projects 1 MW or less:

- Low-Income projects less than or equal to 25 kW AC: 230%

- Projects less than or equal to 25 kW AC: 200%
- Greater than 25 kW to 250 kW AC: 150%
- Greater than 250 kW to 500 kW AC: 125%
- Greater than 500 kW to 1 MW AC: 110%

The following compensation rate adders are available, with the adder value decreasing by 4% with each capacity block.

- Community shared solar project: \$0.05/kWh (initial adder value)
- Low-income property project: \$0.03/kWh (initial adder value)
- Low-income community shared solar project: \$0.06/kWh (initial adder value)
- Public entity project: \$0.02/kWh (initial adder value)
- Project co-located with energy storage: Varies based on formula in 225 CMR 20.00
- Project including solar tracking: \$0.01/kWh (initial adder value)

<https://programs.dsireusa.org/system/program/detail/22111/solar-massachusetts-renewable-target-smart-program>

PACE Massachusetts Financing

Property-Assessed Clean Energy (PACE) financing effectively allows property owners to borrow money to pay for energy improvements. The amount borrowed is typically repaid via a special assessment on the property over a period of years.

Participation is open to commercial buildings. Improvements eligible for financing include energy efficiency upgrades and renewable energy systems. Payback period for investments under this program is equal to the useful life of the longest-lived improvement financed, up to 20 years.

<https://programs.dsireusa.org/system/program/detail/22037/pace-massachusetts-financing>

Renewable Energy Property Tax Exemption

Massachusetts law provides that solar energy systems and wind energy systems used as a primary or auxiliary power system for the purpose of heating or otherwise supplying the energy needs of taxable property are exempt from local property tax for a 20-year period. 100% exemption for 20 years

<https://programs.dsireusa.org/system/program/detail/146/renewable-energy-property-tax-exemption>

Excise Tax Exemption for Solar or Wind Powered System

Massachusetts law exempts any “solar or wind powered climatic control unit and any solar or wind powered water heating unit or any other type unit or system powered thereby,” that qualifies for the state’s excise tax deduction for these systems from the tangible property measure of the state’s corporate excise tax. The exemption is in effect for the length of the system’s depreciation period.

<https://programs.dsireusa.org/system/program/detail/147/excise-tax-exemption-for-solar-or-wind-powered-systems>

Excise Tax Deduction for Solar or Wind Powered Systems

Businesses may deduct from net income, for state excise tax purposes, expenditures paid or incurred from the installation of any “solar or wind powered climatic control unit and any solar or wind powered water heating unit or any other type unit or system powered thereby,” including labor expenditures.

<https://programs.dsireusa.org/system/program/detail/148/excise-tax-deduction-for-solar-or-wind-powered-systems>

Alternative Energy and Energy Conservation Patent Income Tax Deduction (Corporate)

Massachusetts offers a corporate income tax deduction for (1) any income — including royalty income — received from the sale or lease of a U.S. (2) Any income received from the sale or lease of personal or real property or materials manufactured in Massachusetts and subject to the approved patent.

<https://programs.dsireusa.org/system/program/detail/149/alternative-energy-and-energy-conservation-patent-income-tax-deduction-corporate>

Holyoke Gas & Electric – Commercial Energy Conservation Loan Program

Holyoke Gas & Electric’s Commercial Energy Conservation Program offers zero interest loans to its commercial customers who are making energy efficiency improvements to facilities.

Multi-Family Investment Properties: \$20,000 (\$2,500 maximum per unit)

Solar: \$10,000

<https://programs.dsireusa.org/system/program/detail/1338/holyoke-gas-electric-commercial-energy-conservation-loan-program>

Concord Municipal Light Plant

Solar Photovoltaic Rebate Program-Concord Municipal Light Plant (CMLP) offers rebates to customers who install solar photovoltaic (PV) systems that are designed to offset the customer’s electrical needs. The incentive is 625.00 \$/kW, The incentive has a maximum of \$3125.00

<https://programs.dsireusa.org/system/program/detail/3728/concord-municipal-light-plant-solar-photovoltaic-rebate-program>

Green Communities Grant Program

The Green Communities Grant Program offers funding for communities investing in energy efficiency upgrades and policies, renewable energy technologies, and energy management systems and services.

The basic steps required for this designation include:

- Stipulate “as-of-right” siting for renewable energy (or alternative energy) generation, manufacturing, or research and development (via ordinance)
- Provide for expedited application and permitting processes for those facilities sited in “as-of-right” designated locations
- Establish an energy baseline and adopt a five-year Energy Reduction Plan (ERP) to reduce energy use by 20%
- Adopt a policy and procure only fuel-efficient vehicles
- Establish requirements to minimize life-cycle energy costs for new construction

<https://programs.dsireusa.org/system/program/detail/4067/green-communities-grant-program>

Local Option – Energy Revolving Loan Fund

Property-Assessed Clean Energy (PACE) financing effectively allows property owners to borrow money to pay for energy improvements. The amount borrowed is typically repaid via a special assessment on the property over a period of years.

<https://programs.dsireusa.org/system/program/detail/4283/local-option-energy-revolving-loan-fund>

Reading Municipal Light Department – Business Energy Efficiency Rebate Program

Reading Municipal Light Department (RMLD) offers energy efficiency incentives to eligible commercial and industrial customers. Rebates of up to \$50,000 are available to customers who wish to reduce energy consumption in their facilities through the Commercial Energy Initiative Rebate Program.

Commercial Renewable Energy Rebate Program: \$1.00/watt

Commercial Renewable Energy Rebate Program: \$50,000 per year or 50% of cost, whichever is less

<https://programs.dsireusa.org/system/program/detail/4595/reading-municipal-light-department-business-energy-efficiency-rebate-program>

Hudson Light & Power – Photovoltaic Incentive Program

Hudson Light & Power Department, the municipal utility for the Town of Hudson, offers a limited number of solar photovoltaic (PV) rebates for residential, commercial, industrial, and municipal customers.

The system size has a maximum of 100.00 kW-DC, The incentive is 1.00 \$/W, The incentive has a maximum of \$10000.00

<https://programs.dsireusa.org/system/program/detail/5189/hudson-light-power-photovoltaic-incentive-program>