

## SOLAR CAPACITY BUYOUT OPTION

Pursuant to Eversource’s SMART and net metering tariffs, owners of Class II and III net metering facilities and SMART facilities that are receiving Alternative On-Bill Credits (AOBCs) have the option to buyout their capacity rights from Eversource under certain eligibility requirements and conditions. If your facility meets these eligibility requirements and conditions and you intend to exercise this buyout option, please complete and sign the attached Notice of Intent (NOI) form and email it in PDF format to the attention of Julia Danahy and Grace Weller at [SMART@eversource.com](mailto:SMART@eversource.com). In the email’s subject line, please include “Capacity Buyout”, Eversource Project (Interconnection Service Agreement) number, and if applicable, SMART application (SMAES#) number.

Along with your completed and signed NOI form, please also provide the results of your calculation of the buyout payment for Eversource’s review.

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

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

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 (effective date of SMART Final Statement of Qualification (“SOQ”))

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)

Up to date value is 22.631% from ISO-NE [2022 CELT Report](#), Table 3.2, row 27, average of 2022-2031

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

Up to date value is \$3,510/MW-month (from [2021 AESC report](#), Table 40, Counterfactual #1)

SE = 4 months of annual solar eligibility in the ISO-NE Forward Capacity Market (“FCM”)

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

Upon final agreement and Eversource’s validation of the buyout payment amount and receipt of your completed and signed NOI reflecting that buyout payment amount, Eversource will issue you an invoice for the buyout payment amount, to be remitted within 15 business days of the NOI’s date. Within 15 business days after receipt of the full buyout payment, Eversource will provide you the necessary information and documents to assume or transfer the title to the capacity rights, such as the information and data elements known to Eversource for initiating the ISO-NE’s Generator Asset Registration Form (“Generator ARF”) for new “Eligible Facilities” or

completing the Asset Relationship Change (“ARC” form) for existing “Eligible Facilities” (as “Eligible Facilities” are defined in Eversource’s SMART and Net Metering tariffs). By transferring title to the capacity rights, Eversource makes no representations or warranties as to the ability of the generator to bid or clear in the ISO-NE FCM. If a generating facility is interconnected to a distribution facility or circuit with a prior wholesale use, participation in the ISO-NE FCM may trigger FERC jurisdiction over the interconnection and require an interconnection agreement with ISO-NE prior to FCM qualification.

**NOTICE OF INTENT  
TO EXERCISE CAPACITY BUYOUT OPTION**

This Notice of Intent to Exercise Capacity Buyout Option (“Notice of Intent”), dated and effective as of the execution date noted below (the “Effective Date”) is intended as written notice to NSTAR Electric Company d/b/a Eversource Energy (“Eversource”) of Facility Owner’s intent to exercise the one-time buyout option for the capacity (“Buyout Option”) of the Facility Owner’s (defined below) facility identified below (“Facility”) pursuant to Eversource’s Solar Massachusetts Renewable Target (SMART) Tariff, M.D.P.U. No. 74C, Section 6.3.5 and/or Eversource’s Net Metering Tariff, M.D.P.U. No. 68H, Section 1.08(8)(f) (“Tariffs”), as those Tariffs may be amended from time to time.

By submitting this Notice of Intent, the undersigned represents that: the undersigned is the owner of the Facility (“Facility Owner” or “you”) with full authority to exercise the Buyout Option; the Facility is an Eligible Facility as defined under the Tariffs and meets one of the qualifying conditions as defined in the Tariffs; if applicable, the Facility has received a Statement of Qualification (“SOQ”) as defined in the SMART Tariff; the undersigned is responsible for understanding and complying with its obligations under the Tariffs and the ISO New England (“ISO-NE”) tariffs; that the information in this Notice of Intent is true, accurate, and complete to the best of your knowledge; and you understand and acknowledge that Eversource is relying on these representations.

This Notice of Intent relates to Facility Owner’s Facility with the unique Eversource Project Number identified below.

<b>Eversource Project (Interconnection Service Agreement) Number</b>	
Facility Name	
Facility Address	
Facility Nameplate Capacity, Solar Generation Unit (kW-AC)	
Interconnection Date or Anticipated Interconnection Date (Permission to Operate (“PTO”) Date), Solar Generation Unit	
Interconnection Date or Anticipated Interconnection Date (Permission to Operate (“PTO”) Date), Energy Storage System	
<b>SMART</b> Application Number (SMAES#) Enter “N/A” if not SMART	
SMART Preliminary SOQ Issuance Date	
SMART Final SOQ Issuance Date Enter “N/A” if FSOQ has not been issued yet	
SMART Final SOQ Effective Date Enter “N/A” if FSOQ has not been issued yet	
SMART Storage Addendum SOQ Issuance Date (If applicable)	
Buyout Payment Amount	

**Legal Name and Address of Facility Owner**

Facility Owner (print)	
Contact Person	
Mailing Address	
Telephone	
Email Address	

**Eligible Facility Type (check one):**

Alternative On-Bill Credit (“AOBC”) Generation Unit paired with Energy Storage System	
Behind-the-Meter Class II or Class III Net Metered	
Front-of-the-Meter Class II or Class III Net Metered paired with Energy Storage System	

**Qualifying Condition (check one):**

1. new Eligible facility enrolled in the SMART Program or Net Metering under the provisions of the tariffs on or after February 1, 2019, after the filing of an interconnection application and before Eversource issues an authorization to interconnect (or permission to operate, “PTO”)	
2. existing Eligible facility enrolled in the SMART Program or Net Metering under the provisions of the tariffs before February 1, 2019, and Eversource either (a) has not submitted a Show of Interest, as defined by ISO-NE, thereby beginning the process of qualifying the resource in the ISO-NE Forward Capacity Market (FCM) or (b) has not successfully qualified the resource in the ISO-NE FCM for the current qualification period	
3. existing Eligible facility enrolled in the SMART Program or Net Metering under the provisions of the tariffs before February 1, 2019 that is being retrofitted with an energy storage system, after the filing of a revised interconnection application and before Eversource issues a new authorization to interconnect (or permission to operate, “PTO”)	

Facility Owner acknowledges that Facility Owner must make payment for the Buyout Option no later than 15 business days after the Effective Date of this Notice of Intent, which is to include the Eversource-approved buyout payment amount. Buyout Payment will be calculated in accordance with the terms of M.D.P.U. No. 74C, Section 9.0 or M.D.P.U. No. 68H, Section 1.08(8)(f), as applicable. Eversource will provide Facility Owner with the necessary information and documents to assume or transfer the title to the capacity rights for the above-referenced project within 15 business days after receipt of the full buyout payment (for example, information and data elements known to Eversource for initiating the ISO-NE’s Generator Asset Registration Form (“Generator ARF”) for new “Eligible Facilities” or completing the Asset Relationship Change (“ARC” form) for existing “Eligible Facilities” (as “Eligible Facilities” are defined in Eversource’s SMART and Net Metering tariffs)). Facility Owner must comply with all other terms of M.D.P.U. No. 74C and/or M.D.P.U. No. 68H as applicable.

You also acknowledge that Eversource will reject your Notice of Intent and buyout offer, return any payment you have made, permanently expire your one-time Buyout Option for the capacity of the Facility, and retain title to the capacity of the Facility if you:

- 1) do not remit full payment for the buyout within 15 business days after the Effective Date of this Notice of Intent, and
- 2) for qualifying condition #1 above (new Eligible facilities), do not complete the asset registration process with ISO-NE within 90 calendar days after Eversource issues permission to operate (PTO) the Facility: i) complete, sign, and submit the Generator ARF to ISO-NE to register the Facility – naming yourself or your market representative as both the Asset Lead Participant and Resource Lead Participant and naming Eversource as Host Participant, Meter Reader Company, and 100% Asset Owner; ii) share it with Eversource for review and co-signature; and iii) provide to Eversource written confirmation that ISO-NE has registered the asset with Asset ID#, registration effective date, and fully executed Generator ARF. Upon written request and showing of good cause, Eversource may grant an extension to the 90-day deadline to be documented in writing.

Eversource makes no representation as to whether the Facility Owner who exercises the buyout option will be able to qualify in the FCM, as such determination is the responsibility of ISO-NE. If a generating facility is interconnected to a distribution facility or circuit with a prior wholesale use, participation in the ISO-NE FCM may trigger FERC jurisdiction over the interconnection and require an interconnection agreement with ISO-NE prior to FCM qualification.

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_