

# Alternative On-Bill Credits (AOBCs) Overview

## WHAT IS AN AOBC?

An Alternative On-Bill Credit (AOBC) is defined as the value of the net excess electricity generated and fed back to the utility. AOBCs are utility bill credits that are intended to be an alternative to net metering under the Massachusetts SMART program. Like net metering, AOBCs provide compensation for energy generation and are equal to the value of the utility's basic service rate multiplied by the amount of kWhs generated. Unlike excess net metering, AOBCs are not subject to caps imposed by the Massachusetts legislature. The AOBC is authorized under the SMART program and will be available to solar energy owners for the life of the SMART tariff.

MORE ENERGY  
PRODUCED

=

MORE AOBC  
CREDITS EARNED

=

MORE SAVINGS  
OVER TIME



## YOU CAN BENEFIT FROM NET METERING AND AOBCs:

It is important to note that even if you are already receiving net metering credits you can also take advantage of AOBCs at the same time and on the same account, and Solect can recommend the best option for your situation.

## WHO CAN BENEFIT FROM AOBCs?

With the new SMART tariffs, everyone can benefit from AOBCs! In the first phase of the SMART Program, AOBCs were only available for Standalone (Front-of-Meter) solar systems and were instrumental for community solar projects in areas that were "capped" for net metering. However, the second phase of SMART establishes AOBCs for Behind-the-Meter systems as well.

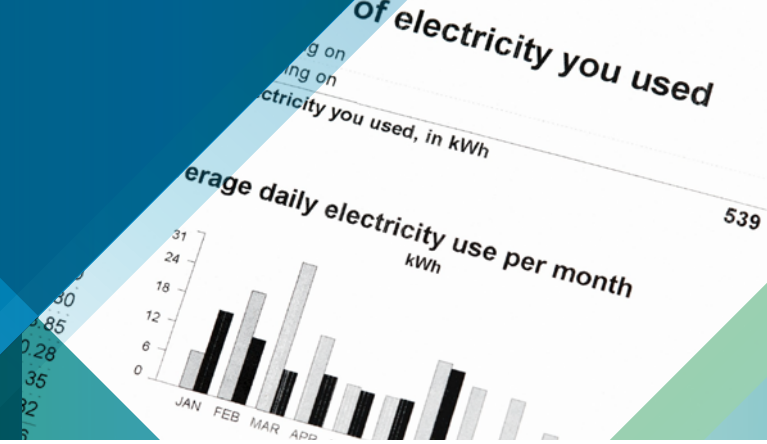
## BENEFITS OF AOBCs:

- ✓ Provides compensation for the overproduction of energy at the meter by applying the utility's basic service rate versus wholesale market rates. This could result in a 300% increase in compensation!
- ✓ Can take advantage of AOBCs even if the system is located in an area that is shut out of net metering due to caps.
- ✓ Enables a commercial property's rooftop to host a solar array and generate a richer monthly lease payment.
- ✓ More flexibility and control over energy costs.

## WHERE CAN PROJECTS BE INSTALLED?

Projects can be installed on buildings, parking areas, or land sites to provide energy to that site, and the credits created by net excess solar production can be applied to future utility bills at the same meter, and to accounts for meters at other locations. Since net metering is not widely available across all utility areas, AOBCs provide significantly greater value to any net excess energy production than wholesale market rates. Whether you own your solar project or participate in a Lease or PPA (Power Purchase Agreement), AOBCs will benefit all parties.

# AOBCs vs. Net Metering Fast Facts



	AOBC	NET METERING
Subject to Caps	No	Yes
Contract Term	20 years	Once a Net Metering allocation is received, there is no term limit.
Credit Value	AOBC value is based on the utility basic supply rate of the tariff at the solar project utility meter.	Net Metering value for public entities includes supply rate plus delivery rate charges. Private entities get a 40% lower net metering rate.
How it Affects Your Electric Bill	The utility allocates AOBCs directly to your monthly bill or can allocate credit to any meter within the same utility territory.	The utility can allocate net metering credits to your monthly bill or can allocate credit to any meter within the same utility territory and ISO-NE load zone.
Availability	Available throughout all utility zones and remains available throughout the SMART program's 3,200MWs of capacity.	Availability is capped by the legislature and not currently available in much of Massachusetts.

AOBCs offer significant financial and environmental benefits to solar consumers like you! However, they will only last as long as the SMART program's capacity remains open. SMART is a declining block incentive program, which means the sooner you act, the more savings you will get out of the incentives. Solect has over a decade of experience creating substantial benefits for our customers and will work with you every step of the way to maximize your savings.

**To learn more about how you can take advantage of AOBCs through the SMART Program, contact us today!**