FORTISTAR Methane Group LLC

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Massachusetts Department of Energy
100 Cambridge Street
Boston, MA 02114

RE: Green Communities Act

Dear Sir/Madam:

Fortistar Methane Group LLC ("Fortistar" is a Delaware limited liability company that owns and develops land-fill gas electric generation in multiple states around the country. Currently Fortistar owns and operates seven facilities (23.7 MW) in New England of which six (21.3 MW) are located in Massachusetts. As a stakeholder in the Massachusetts and New England market, Fortistar is a strong advocate of open markets which provide regulatory certainty as well supply/demand visibility. Open markets are the most efficient and least costly mechanism to provide long-term development and deliverability of Green Energy to the Massachusetts rate payers.

The proposed changes in Green Communities Act reduces the supply of Green Energy, adds barriers to future development activity and ultimately will increase costs for the Massachusetts rate payer. Specifically,

1) The provision calling for the creation of a capacity requirement for out of pool renewable energy generators will limit the existing supply as well as future supply from new development, driving prices for renewable attributes (RECs and carbon credits) higher. Supply will be limited as only generators securing firm transmission would be allowed to participate in the market. The availability of transmission is limited and uneven causing resources to redirect their supply. The capacity requirement would also impose an additional cost burden (new transmission cost) to developers potentially limiting future supply of Green Energy. The cost to the Massachusetts rate payers imposed by this rule will be higher than the incremental benefit provided by the capacity benefit.

2) The creation of a capacity requirement would force intermittent resources such as wind to secure firm transmission which is not the most effective use of firm transmission from an operational point view due to the unpredictable generation profile of the intermittent resource. The outcome is reduced supply due to transmission availability and higher costs with little or no benefit from the capacity requirement.

In conclusion, Fortistar is a strong advocate of open markets and would ultimately like to see uniformity in the rules across power pools and/or states. Fortistar believes that the current proposals will cost rate payers more than the intended benefit. Furthermore, the new rules would make Massachusetts a less attractive market limiting development of future resources and promote the allocation of transmission resources to operationally inefficient units.

Fortistar would to thank the Massachusetts DOER for allowing the opportunity to comment on the Green Communities Act and look forward to having its comments and ideas implemented.

Yours Truly

Massimo Passini
Director
Fortistar LLC