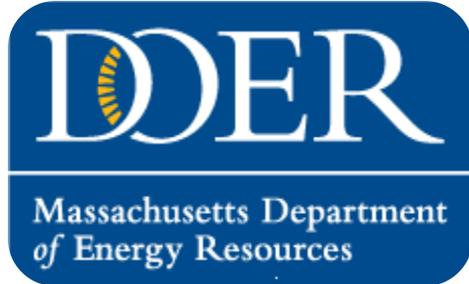


Creating A Cleaner Energy Future For the Commonwealth



COMMONWEALTH OF MASSACHUSETTS

Charles D. Baker, Governor

Karyn E. Polito, Lt. Governor

Matthew A. Beaton, Secretary

Judith Judson, Commissioner

**RPS Compliance
Webinar**

June 5, 2015

2014 MA RPS/APS Compliance Filing Webinar

Howard Bernstein, RPS Program Manager
Mike Judge, Associate RPS Program Manager

Review of Filing Process

- 2012 & 2013 banked totals provided on May 8th
- Retail Load Obligations provided in May
- End of trading year is June 15th
- Alternative Compliance Payments (ACPs) must be submitted to the Massachusetts Clean Energy Center by June 25th
- Compliance filings due no later than July 1st
- Filers must provide both hard and electronic copies of filing
- Electronic copies must be submitted to DOER.RPS@state.ma.us

Review of Applicable 2014 Compliance Exemptions

- Pre-2009 Exemption for Class II/APS
 - Exempts all load served under contracts executed prior to 1/1/2009
- Pre-2010 for Solar Carve-Out
 - Not an outright exemption
 - Exempts all load served under contracts executed prior to 1/1/2010 from paying full SACP Rate
 - Allows for compliance to be met by paying RPS Class I rate
 - Suppliers cannot make ACPs at Class I rate and bank SRECs
 - Suppliers can deposit SRECs into auction if they over purchase
- Pre-4/25/14 for Solar Carve-Out II
 - For competitive retail suppliers only
 - Exempts all load served under contracts executed prior to 4/25/2014

Compliance Strategies and Best Practices

- Auction SRECs
 - Auction SRECs from 2012 and 2013 auctions are eligible to be used for compliance through 2015 and 2016, respectively
 - Do not need to be settled in GIS subaccount in order to remain available for use in future compliance years
 - May have more value if used for compliance in 2015 or 2016, when SREC market is expected to be undersupplied
- Banking certificates
 - DOER recommends that suppliers avail themselves of their ability to bank certificates whenever possible
 - Banking limits are expressed as a percentage of a supplier's 2014 compliance obligation
 - Banked certificates can be used in one of the following two compliance years
 - Banking limits are as follows for specific classes:
 - RPS Class I – 30%
 - SREC I and SREC II – 10%
 - RPS Class II Renewable – 30%
 - RPS Class II Waste-to-Energy – 0% (for 2014 and 2015 only)
 - APS – 30%
- Settle all certificates in MA subaccounts at GIS before June 15th
 - Errant certificates create accounting issues and make it difficult to reconcile numbers
 - DOER requests that all suppliers settle certificates before the close of the trading year

ACP Payments

- ACP Payments must be made to the Massachusetts Clean Energy Center by June 25th
- To obtain wire instructions and ACP Notification forms, contact Danielle Boston at (617) 315-9344 or DBoston@MassCEC.com.
- You must itemize your payments according to the different types of ACPs
 - Class I
 - SRECs at the Class I rate
 - SRECs at the SREC rate
 - SREC IIs
 - Class II Renewable Energy
 - Class II Waste-to-Energy
 - Alternative Portfolio Standard
- The MassCEC will provide an ACP Receipt for each type of ACP that you remit.
- ACP Receipts must be included as part of your filing
- If you have not received ACP Receipts by July 1st, you should not delay email submission of your Compliance Filing. Rather, email the Filing on time and then email the ACP Receipts as soon as you receive them.

2014 SREC Auction(s)

- The 2014 SREC auction will be held before the end of July
- DOER expects to have significant auction volume in SREC I, but does not expect an SREC II auction to be held
- All deposits into the auction account must be made by June 15th
- Bidders will need to register by submitting a qualification form to DOER's auction agent
- Final auction rules and documentation will be made available next week
- DOER expects considerable bidder interest and strongly encourages all retail suppliers to actively participate in this year's auction
- Represents a significant opportunity for suppliers to reduce their future compliance costs, especially given 2015 and 2016 market prices, which are currently trading significantly above the \$300/MWh auction price