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August 2, 2017

Ms. Samantha Meserve
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

SENT VIA ELECTRONIC MAIL

RE: APS Comments – SRECTrade, Inc.
Alternative Portfolio Standard Regulations – 225 CMR 16.00

Dear Ms. Meserve,

SRECTrade appreciates the opportunity to submit written comments in response to the June 2, 2017 filing of the Alternative Portfolio Standard Regulations (225 CMR 16.00). The inclusion of renewable heating and cooling and other technologies to the Alternative Portfolio Standard will be a vital addition to the Commonwealth's overall renewable energy portfolio, and SRECTrade supports the diversified growth of the Commonwealth's renewable energy industry.

With respect to 225 CMR 16.05(1)(a)6.b. and the Department of Energy Resources (DOER)'s Guideline on AEC Multipliers for Renewable Thermal Generation Units, SRECTrade supports the use of multipliers and the ability for certain eligible ground source heat pumps and air source heat pumps to earn two APS Alternative Energy Attributes per MWh of net Useful Thermal Energy generated. SRECTrade also supports the Size Classifications of 225 16.05(4)(a) and the related metering requirements, which will enable certain eligible small and intermediate Generation Units to have their annual net Useful Thermal Energy generation output determined by a formula or methodology as prescribed by the DOER. These parameters will more appropriately incentivize the development of small and intermediate Generation Units and ensure that the burden of producing Attributes does not outweigh the Attributes' benefits.

In regards to 225 CMR 16.05(1)(a)6.b.iv. and 16.05(4)(d), SRECTrade supports the use of both forward minting and pre-minting of APS Alternative Generation Attributes for small Generation Units, depending on the conditions of the market and as prescribed in 225 CMR 16.05(4)(d). This optionality will allow the DOER to ensure the market does not become fundamentally oversupplied in future years by allowing for forward minting "in a Compliance Year in which the ratio of APS Alternative Generation Attributes settled for compliance to the APS Compliance Obligation from the Compliance Year two years prior was more than 0.75."

Notwithstanding the foregoing, SRECTrade requests clarification from the DOER as to whether forward minting will be optional or required under the conditions of 225 CMR 16.05(4)(d)2., as the language currently reads that "the APS Renewable Thermal Generation Unit **shall** be forward minted each quarter for the 40 quarters following its Statement of Qualification or its Commercial Operation Date..." (emphasis added), but the language following reads that:

"Generation Units that are eligible for forward minting or pre-minting **may** choose at the start of their qualification period **to forgo forward minting or pre-minting** and instead meter their Useful Thermal Load and receive Generation Attributes quarterly. All small Generation Units that forgo their right to forward minting or pre-minting must meet all eligibility criteria of an intermediate or large system as defined in the Department's Guidelines on Metering and Calculating the Useful Thermal Output of Eligible Renewable Thermal Generation Units." (emphasis added).



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With respect to the foregoing, SRECTrade requests clarification as to when either pre-minting, forward minting, or performance-based quarterly minting will be determined as the appropriate minting mechanism to be used, and under what circumstances any of the above will be **required** in the interest of preserving or rebalancing the market in cases of under- or oversupply.

In the interest of further preventing oversupply in any given Compliance Year, SRECTrade recommends that the DOER adjust the useful life/APS eligibility of each forward minted or pre-minted APS Alternative Generation Attributes from one (1) to at least two (2) years, with consideration for a third year of useful life/APS eligibility if deemed appropriate based on the DOER's anticipated supply for the market. We recommend that the multiple year eligibility be available to either the producer (Generation Unit Owner) or purchaser (including the electricity supplier) of the AECs, not just a Retail Electricity Supplier as currently contemplated under 225 CMR 16.08(2). This extension to the Generation Unit Owner will further ensure a Generation Unit Owner is able to monetize the Generation Unit's APS Alternative Generation Attributes before the Attributes' eligibility expire.

Additionally, SRECTrade supports the Special Provisions for Aggregations under 225 CMR 16.05(3) and believes that utilization of aggregators will enable this market to grow much more efficiently and cost-effectively, as has been the case in the RPS solar carve-out markets. However, SRECTrade seeks further clarification as to whether individual Generation Units may be assigned a unique NEPOOL GIS Registry ID, even if multiple Generation Units are part of a single Aggregation, whether that Generation Unit is reporting metered data or is eligible to produce Attributes via estimated production in accordance with 225 CMR 16.05(4)(b), and/or irrespective of whether that Generation Unit is producing Attributes via pre-minting, forward minting, or performance-based quarterly minting.

Finally, SRECTrade supports the addition of the 2020 APS Minimum Standard Review under 225 CMR 16.07(3), which will provide the DOER and stakeholders with the opportunity to evaluate the costs and benefits of the program and make changes necessary to ensure that the program is meeting the energy and environmental goals of the Commonwealth in an effective manner.

We thank the DOER for its consideration of our comments, and look forward to continued participation in the stakeholder process of the APS Rulemaking.

Best Regards,

A handwritten signature in black ink that reads "Allyson Browne". The script is fluid and cursive.

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