

The Clean Energy Industry Partners include New Leaf Energy and BlueWave Energy, members of the Massachusetts Commission on Energy Infrastructure Siting and Permitting:





May 19, 2025

Via E-mail to sitingboard.filing@mass.gov

The Executive Office of Energy and Environmental Affairs; The Office of Environmental Justice and Equity; The Energy Facilities Siting Board ("EFSB"); The Department of Public Utilities ("DPU"); and The Department of Energy Resources ("DOER")

c/o The Energy Facilities Siting Board One South Station Boston, MA 02110 sitingboard.filing@mass.gov

Re: Comments on the Community Benefits Plans (CBP) Straw Proposal

Dear Climate Act Implementing Agencies:

The Clean Energy Industry Partners (the "Industry Partners") thank the Climate Act Implementing Agencies<sup>1</sup> and their staff for their work on the stakeholder sessions to date and the accompanying straw proposals. Solicitation of diverse input is critical for the success of efforts to implement the 2024 Climate Act (An Act Promoting a Clean Energy Grid, Advancing Equity and Protecting Ratepayers, St. 2024, c. 239) (the "Climate Act"). The Community Benefits Plans Straw Proposal (the "Straw Proposal") is a good starting point for a discussion on standards and guidelines for community benefit plans and agreements ("CBPs" and "CBAs," respectively) in connection with clean energy

<sup>&</sup>lt;sup>1</sup> As used in this letter, the "Climate Act Implementing Agencies" or "Implementing Agencies" refers to: the Executive Office of Energy and Environmental Affairs ("EEA"), the Office of Environmental Justice and Equity ("OEJE"), the Energy Facilities Siting Board ("EFSB"), the Department of Public Utilities ("DPU"), and the Department of Energy Resources ("DOER").

infrastructure. The Industry Partners look forward to working with other stakeholders to support this effort and provides the following initial comments.

CBPs and CBAs can be an important part of clean energy infrastructure projects and can be mutually beneficial for both host communities and clean energy projects. Because every community and every clean energy project is different, guidelines and standards adopted pursuant to this process should support communities and project proponents in crafting plans or agreements that work for them rather than set rigid requirements or expectations. Options, ideas, and strategies will be more helpful than requirements. Flexibility will be critical to empowering project proponents and communities the opportunity to craft solutions that meet their needs. For instance, while certain elements and features may generally be effective in CBPs or CBAs, the standards and guidelines should not *require* that all CBPs or CBAs include specific elements, because doing so could prevent parties from reaching an otherwise mutually beneficial agreement.

The April 24, 2025 presentation asked what role the EFSB should play with respect to CBPs and CBAs. In the past, the EFSB has reviewed such agreements when they are available to better understand the impacts and mitigation associated with projects under review. It has avoided a role in negotiating, approving, or enforcing such agreements. This is the right approach. A CBP or CBA may be relevant to the EFSB review of a project, but the EFSB should not play a role negotiating, approving, requiring, or enforcing such agreements. The EFSB's role is set out in statute, and is generally focused on avoiding, minimizing, and mitigating impacts pursuant to specific mandates. To be effective, CBPs and CBAs need to exist outside of the regulatory process. It is core to the purpose and effectiveness of CBPs and CBAs that they are voluntary commitments between the parties and independent of specific permitting processes or requirements. Tying CBPs or CBAs to the EFSB approval process would be a significant burden to the EFSB and would also restrain the ability of the project proponent and community to independently work towards a plan or agreement that meets their needs free from the strictures of the EFSB process.

The April 24, 2025 presentation asked about specific examples of community benefits that clean energy developers could offer. CBPs and CBAs should be freely negotiated and developed by developers and communities. That said, as a general matter, it may often make the most sense for benefits to have a close nexus to the project. Benefits unrelated to the project can draw a project proponent into community politics and decision-making in a way that has the potential to be unhelpful for both the developer and the community, which can be a barrier to entering CBPs/CBAs.

The April 24, 2025 presentation also asks whether the costs of CBAs should be a concern for communities due to project costs being passed on to ratepayers. To be clear, while the costs of regulated utility projects may be passed on directly to ratepayers, this is not true of many projects reviewed by the EFSB. Generation and storage projects, including clean energy generation facilities and clean energy storage facilities, are not financed

through rates like traditional utility projects. Rather, independent developers finance the construction of these projects and generally seek to recover their investment over time by operating the facilities in competitive markets. Operation of new resources in competitive markets typically lowers energy costs for consumers. Some projects may participate in state programs that affect electric rates. However, these programs generally work by establishing a product that is generated by the facility (such as a "credit" representing the positive environmental attributes of electricity generated from renewable resources) and a market or mechanism by which the facility can monetize that product. These programs do not guarantee recovery of the costs to develop and operate a facility and are not directly linked to those costs.

This distinction is important because developers of these types of facilities (generation and storage) are not able to "pass[] on" any increased costs associated with CBPs or CBAs to ratepayers. This means that CBPs and CBAs with these projects do not directly lead to rate increases. However, it also means that the costs associated with CBPs or CBAs are borne by the project developers without recourse: the projects become more expensive without any increase in projected future revenues. Broadly speaking, higher costs make it more difficult to develop such projects in Massachusetts. Higher costs can prevent or delay development of projects that would otherwise proceed. And higher costs for clean energy resources will make it more challenging (and more expensive) to meet the Commonwealth's energy and climate goals because those goals cannot be achieved without new resources being built.

The Industry Partners thank the Implementing Agencies and their staff for their work on the Straw Proposal and the stakeholder sessions more broadly.

Please do not hesitate to reach out with any questions or to discuss these comments further.

Sincerely,

<u>/s/ Valessa Souter-Kline</u>

Valessa Souter-Kline Director, State Affairs, Northeast Region Solar Energy Industries Association (SEIA)

/s/ Tim Snyder\_\_\_\_\_

Tim Snyder Vice President, Public Policy and Government Affairs ACT | The Alliance for Climate Transition

/s/ Kate Daniel\_\_\_\_\_

Kate Daniel Northeast Regional Director Coalition for Community Solar Access

## /s/ Jessica Robertson\_\_\_\_\_

Jessica Robertson Director of Policy & Business Development, New England New Leaf Energy

## /s/ Sean Burke\_\_\_\_\_

Sean Burke Director of Policy BlueWave Energy