

**225 CMR 14.00 RENEWABLE ENERGY PORTFOLIO STANDARD - CLASS I**

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14.01: Authority

225 CMR 14.00 is promulgated pursuant to M.G.L. c. 25A, § 11F.

14.02: Definitions

Advancement of Biomass Conversion Generation Unit. A Generation Unit that utilizes an Eligible Biomass Woody Fuel determined by the Department to significantly advance biomass energy conversion by either:

- (a) utilizing a new energy conversion technology; or
- (b) processing the woody biomass fuel in a new manner, but in no instance shall the Unit use a single cycle steam turbine generator. The Unit shall be amongst the first installed Generation Units, and demonstrate advancement in the commercial applicability, including advancements in the control and reduction of emissions other than greenhouse gas emissions, of biomass energy.

Aggregation. A group of one or more Generation Units that receives a single Statement of Qualification from the Department under criteria and procedures set forth in 225 CMR 14.05(6).

Alternative Compliance Credit. A credit obtained by a Retail Electricity Supplier upon making an Alternative Compliance Payment. Such credit is used to document compliance with 225 CMR 14.07. One unit of credit shall be equivalent to one RPS

Class I Renewable Generation Attribute, Solar Carve-out Renewable Generation Attribute, or Solar Carve-out II Renewable Generation Attribute.

Alternative Compliance Payment (ACP). A payment of a certain dollar amount per MWh, resulting in the issuance of Alternative Compliance Credits, which a Retail Electricity Supplier may submit to the Department in lieu of providing RPS Class I Renewable Generation Attributes, Solar Carve-out Renewable Generation Attributes, or Solar Carve-out II Renewable Generation Attributes required under 225 CMR 14.07.

Assurance of Qualification. A communication issued by the Department to Solar Carve-out II Renewable Generation Units that provides Solar Carve-out II Renewable Generation Units with an assurance of qualification prior to being granted the approval to interconnect by their local Distribution Company and sets deadlines for receiving the approval to interconnect to the grid in order to maintain this Assurance of Qualification.

Authorized Agent. A person or entity that serves under an agreement entered into by each of the Owners or Operators of Generation Units within an Aggregation for all dealings with the Department and with the NEPOOL GIS.

Biomass Fuel Certificate. A certificate issued in accordance with rules established by the Department in the *Biomass Eligibility and Certificate Guideline* that:

- (a) represents one ton, equal to 2000 pounds, of supply of Eligible Biomass Woody Fuel;
- (b) specifies the source of the wood; and
- (c) specifies the woods eligibility as Forest Derived Residues, Forest Derived Thinnings, Forest Salvage, Non-forest Derived Residues, or Dedicated Energy Crops. For Forest Derived Residues and Forest Derived Thinnings, the Certificate shall reference the relevant Eligible Forest Biomass Tonnage Report, and include any additional information deemed necessary by the Department.

Biomass Input Heat Content. The thermal energy content, measured in MWh, of biomass fuel as it is input into a Generation Unit over a period of time. For the purpose of wood chips, the value will be determined using a methodology to be provided by the Department in the *Overall Efficiency and Greenhouse Gas Analysis Guideline*. The methodology will include a weighted average of all the metered weight of utilized biomass fuel types (as differentiated by typical moisture content), and an assigned heat content from referenced literature to each biomass type. For processed biomass fuels, the thermal energy content shall be documented to the satisfaction of the Department by an independent testing laboratory.

Blended Fuel. A liquid or gaseous fuel that is blended from both Eligible RPS Class I Renewable Fuel(s) and ineligible fuel(s), a portion of whose electrical energy output may qualify as RPS Class I Renewable Generation under criteria set forth in 225 CMR 14.05(3).

Brownfield. A disposal site that has received a release tracking number from MassDEP pursuant to 310 CMR 40.0000: *Massachusetts Contingency Plan*, the redevelopment or reuse of which is hindered by the presence of oil or hazardous materials, as determined by the Department, in consultation with MassDEP. For the purposes of this definition, the terms "disposal site," "release tracking number," "oil," and "hazardous materials" shall have the meanings giving to such terms in 310 CMR 40.0006: *Terminology, Definitions and Acronyms*. No disposal site that otherwise meets the requirements of 225 CMR 14.02: Brownfield shall be excluded from consideration as a Brownfield because its cleanup is also regulated by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601-9675, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6921 - 6939g, or any other federal program.

Building Mounted Solar Generation Unit. A solar photovoltaic Generation Unit with at least 75% of the nameplate capacity of the solar modules used for generating power installed on a building.

Business Day. A business day shall mean Monday through Friday, exclusive of state and federal legal holidays.

Certificates Obligation. A term defined in the NEPOOL GIS Operating Rules at Rule 4.1(b).

Co-mingled Biomass Woody Fuel. Any woody biomass fuel, that is clean and devoid of non-woody biomass, paints, stains or other contaminants, and fossil fuel derived materials, and which is physically co-mingled or mixed with Eligible Biomass Woody Fuel.

Commercial Operation Date. The date that a Generation Unit first produces electrical energy for sale within the ISO-NE Control Area or within an adjacent Control Area. In the case of a Generation Unit that has been moved from a location within the ISO-NE Control Area or within an adjacent Control Area to another location in one of those Control Areas, the date that such Generation Unit first produced electrical energy for sale at its earliest location in those Control Areas. In the case of a Generation Unit that is connected to the End-use Customer's side of the electric meter, the date on which the local Distribution Company grants approval for the Generation Unit to interconnect with the grid. In the case of a Generation Unit that produces Off-grid Generation, the date that such Generation Unit first produces electrical energy. In the case of a Generation Unit that meets the eligibility requirements of 225 CMR 14.05 and co-fires an Eligible RPS Class I Renewable Fuel, the date when the Generation Unit first co-fires such Eligible RPS Class I Renewable Fuel.

Community Shared Solar Generation Unit. A solar photovoltaic Generation Unit that provides net metering credits to three or more utility accounts, whose participants have an interest in the production of the Generation Unit or the entity that owns the

Generation Unit, in the form of formal ownership, a lease agreement, or a net metering contract. No more than two participants may receive net metering credits in excess of those produced annually by 25 kW of nameplate DC capacity, and the combined share of said participants' capacity shall not exceed 50% of the total capacity of the Generation Unit.

Compliance Filing. A document filed annually by a Retail Electricity Supplier with the Department documenting compliance with 225 CMR 14.07, consistent with the format set forth in the Guidelines and submitted no later than the first day of July, or the first Business Day thereafter, of the subsequent Compliance Year.

Compliance Year (CY). A calendar year beginning January 1 and ending December 31, for which a Retail Electricity Supplier must demonstrate that it has met the requirements of 225 CMR 14.07 and 14.08.

Control Area. A geographic region in which a common generation control system is used to maintain scheduled interchange of electrical energy within and without the region.

Current Use Program. A state administered program that permits a property owner to have a parcel of land taxed at a rate based on the current use of the land including but not limited to open space, active forestry, or agriculture as opposed to the fair market or development value of the property.

DCR. The Massachusetts Department of Conservation and Recreation (DCR) established by M.G.L. c. 21 § 1.

Dedicated Energy Crops. Wood purposefully grown for the purpose of producing fuel, provided that such wood was not grown on land that sequestered significant amounts of carbon, such as a forest, and provided that such land does not have the economic potential to support production of any other agricultural crop grown for human consumption as food.

Distribution Company. A distribution company as defined in M.G.L. c. 164 § 1.

Department. The Massachusetts Department of Energy Resources (DOER), established by M.G.L. c. 25A.

Eligible Biomass Fuel. Fuel sources consisting of Eligible Biomass Woody Fuel, Co-mingled Biomass Woody Fuel, Manufactured Biomass Fuel; by-products or waste from animals or agricultural crops; food or vegetative material; algae; organic refuse derived fuel; anaerobic digester gas and other biogases that are derived from such resources; and neat Eligible Liquid Biofuel that is derived from such fuel sources; but shall not include Construction and Demolition Waste as defined in 310 CMR 19.006: *Definitions.*

Eligible Biomass Woody Fuel. Woody fuels that are derived from the following sources, consistent with the requirements of 225 CMR 14.05(8):

(a) Forest Derived Residues.

1. Tops, crooks and other portions of trees produced as a byproduct during the normal course of harvesting material, such as timber, pulpwood or cordwood.
3. Other woody vegetation that interferes with regeneration or the natural growth of the forest, limited to locally invasive native species and non-native invasive woody vegetation.

(b) Forest Derived Thinnings

1. Unacceptable growing stock which is defined as trees considered structurally weak or have low vigor and do not have the potential to eventually yield a 12 foot sawlog or survive for at least the next ten years.
2. Trees removed during thinning operations, the purpose of which is to reduce stand density and enhance diameter growth and volume of the residual stand.

(c) Forest Salvage. Damaged, dying or dead trees removed due to injurious agents, such as wind or ice storms or the spread of invasive epidemic forest pathogens, insects and diseases or other epidemic biological risks to the forest, but not removed due to competition. Such eligible trees may be removed without limitation for biomass fuel, only if a major threat to forest health or risk to private or public resources, and if the USDA Animal Health and Plant Inspection Service (APHIS), the USDA Forest Service, or appropriate federal or state governmental agency has issued a declaration, rule, or order declaring a major threat to forest health or risk to private or public resources. Forest Salvage also includes trees removed to reduce fire hazard within Fire-adapted Forest Ecosystems, as certified by a letter to the Department from the state agency responsible for forestry in consultation with the appropriate environmental state agencies.

(d) Non-forest Derived Residues.

1. Primary Forest Products Industry. Lumber mill residues or lumber processing residues consisting of the slabs, shavings, trimmings, sawdust, bark, end pieces of wood, and log cores that result from the various processing operations occurring in sawmills, pulp mills, and veneer and plywood plants.
2. Secondary Forest Products Industry. Wood waste produced as a byproduct of the production of finished wood products, including but not limited to clean residues from woodworking shops, furniture factories, and truss and pallet manufacturing.
3. Land Use Change - Non-agricultural. Trees cut or otherwise removed in the process of converting forest land to non-forest and non-agricultural uses provided that such development has already received all applicable state and local permits for the development.
4. Land Use Change - Agricultural. Trees cut or otherwise removed in the process of converting forest land to agricultural usage, either for new or restored farm land.
5. Yard Waste. Leaves, grass clippings, prunings, and other natural organic matter discarded from yards and gardens.

6. Wood Waste. Non-treated pallets; pruned branches, stumps, and whole trees removed during the normal course of maintenance of public or private roads, highways, driveways, utility lines, rights of way, and parks.

Eligible Forest Biomass Tonnage Report. The report certified by a professional forester under the provisions of 225 CMR 14.05(8) that details the amounts of Forest Derived Thinnings and Forest Derived Residues that may be removed from a harvest site to be Eligible Biomass Woody Fuel. In the case of a Forest Derived Residue, the Report further details whether such Forest Derived Residue is derived from harvest by-products or invasive species, as defined in the subcategories of Forest Derived Residue.

Eligible Landfill. A landfill that has received an approval from MassDEP for the use of a solar photovoltaic Generation Unit at the landfill as a post-closure use pursuant to 310 CMR 19.143: *Post-closure Use of Landfills*.

Eligible Liquid Biofuel. A liquid fuel that is derived from Eligible Biomass Fuel, but is not Eligible Biomass Woody Fuel or Co-mingled Biomass Woody Fuel, and that yields at least a 50% reduction in Lifecycle Greenhouse Gas Emissions relative to average lifecycle greenhouse gas emissions for petroleum distillate fuel sold in 2005, as determined by the Department in consultation with the MassDEP and the Executive Office; or that is derived from waste feedstocks consisting of previously used or discarded solid, liquid or contained gaseous material resulting from industrial, commercial or household food service activities that would otherwise be stored, treated, transferred or disposed. Waste feedstock shall include, but not be limited to, waste vegetable oils, waste animal fats, substances derived from wastewater and the treatment of wastewater, or grease trap waste. Waste feedstock shall not include petroleum-based waste or waste that otherwise meets the definition of hazardous waste, unless otherwise determined by the MassDEP.

Eligible RPS Class I Renewable Fuel. An Eligible Biomass Fuel, landfill methane gas, hydrogen derived from such fuels or hydrogen derived from water using the electrical output of a Renewable Generation Unit, but not hydrogen derived using RPS Class I Renewable Generation if the RPS Class I Renewable Generation Attributes of such Generation are sold, retired, claimed, used or represented as part of electrical energy output or sales, or used to satisfy regulatory obligations in any jurisdictions, and not hydrogen derived directly or indirectly from ineligible fuels.

Emergency Power Generation Unit. A solar photovoltaic Generation Unit installed for the purpose of providing 67% or more of its annual electric output to be used on-site as prescribed by 225 CMR 14.09(a) at critical infrastructure that can be utilized in the event of an emergency or power outage. For purposes of Emergency Power Generation Unit, critical infrastructure includes, but is not limited to, the following: hospitals, police and fire stations, airports, emergency management agencies, acute/post-acute medical facilities with life sustaining equipment, water and sewer

treatment facilities, pump stations, evacuation centers, and emergency communications centers that serve a life safety function.

End-use Customer. A person or entity in Massachusetts that purchases electrical energy at retail from a Retail Electricity Supplier, except that a Generation Unit taking station service at wholesale from ISO-NE or self-supplying from its owner's other generating stations, shall not be considered an End-use Customer.

Executive Office. The Executive Office of Energy and Environmental Affairs established by M.G.L. c. 6A, § 2.

Fire-adapted Forest Ecosystem. Natural forest communities characterized by vegetation including, but not limited to, pitch pine and/or scrub oak occurring on droughty soils, and that:

- (a) have evolved with fire as a natural process;
- (b) support and renew associated wildlife species and habitats; and
- (c) are identified on the most recently updated U.S. Department of Interior, Geological Survey national LANDFIRE map.

Generation Attribute. A non-price characteristic of the electrical energy output of a Generation Unit including, but not limited to, the Unit's fuel type, emissions, vintage and RPS eligibility.

Generation Unit. A facility that converts a fuel or an energy resource into electrical energy.

Geothermal Energy. Heat energy stored in the Earth's crust that can be accessed for electric power generation.

GIS Certificate. An electronic record produced by the NEPOOL GIS that identifies Generation Attributes of each MWh accounted for in the NEPOOL GIS.

Guideline. A set of clarifications, interpretations, and procedures, including forms, developed by the Department to assist in compliance with the requirements of 225 CMR 14.00. The Department may issue new or revised Guidelines from time to time. Each Guideline shall be effective on its date of issuance or on such date as is specified therein, except as otherwise provided in 225 CMR 14.00.

Historical Generation Rate. The average annual electrical production from a Vintage Generation Unit that meets the requirements of 225 CMR 14.05(1)(a), stated in MWhs, for the three calendar years 1995 through 1997, or for the first 36 months after the Commercial Operation Date if that date is after January 1, 1995.

Hydroelectric Energy. Electrical energy from a Generation Unit that uses flowing freshwater as the primary energy resource, with or without a dam structure or other means of regulating water flow, and that is not located at a facility that uses mechanical

or electrical energy to pump water into a storage facility (*i.e.*, a so-called "pumped-storage facility").

Impacted Watershed. All water bodies or areas of land hydrologically connected to a hydroelectric facility, whether located upstream or downstream, which may experience any alteration of their physical, biological, or ecological characteristics as a result of the operation or increased capacity expansion of a hydroelectric Generation Unit.

ISO-NE. ISO New England Inc., the independent system operator for New England, the regional transmission organization for most of New England, which is authorized by the Federal Energy Regulatory Commission (FERC) to exercise for the New England Control Area the functions required pursuant to the FERC's Order No. 2000, the FERC's corresponding regulations.

ISO-NE Settlement Market System. The ISO-NE's electronic database system into which all real-time load and generation data are entered and from which such data are provided to the NEPOOL GIS.

Lifecycle Greenhouse Gas Emissions. The aggregate quantity of greenhouse gas emissions, including direct emissions and significant indirect emissions such as significant emissions from land use changes, and temporal changes in forest carbon sequestration and emissions resulting from biomass harvests, regrowth, and avoided decomposition as determined by the Department in consultation with the MassDEP and the Executive Office, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential.

Low Impact Hydropower Institute (LIHI). A non-profit 501(c)(3) organization whose stated purpose is to reduce the impacts of hydropower generation through the certification of hydropower projects that have avoided or reduced their environmental impacts pursuant to the Low Impact Hydropower Institute's criteria.

Manufactured Biomass Fuel. A biomass fuel that is prepared, other than by means of fuel drying, through a fuel processing facility that is separate from a Generation Unit and that utilizes Eligible Biomass Woody Fuel for production. Examples include, but are not limited to, the mechanical production of wood pellets or bio-dust, and the refinement of bio-oil through pyrolysis.

Marine or Hydrokinetic Energy. Electrical energy derived from waves, tides and currents in oceans, estuaries and tidal areas; free-flowing water in rivers, lakes, streams, and human-made channels, provided that such water is not diverted, impounded, or dammed; or differentials in ocean temperature, called ocean thermal energy conversion.



Massachusetts Clean Energy Technology Center (MassCEC). The center established in M.G.L. c. 23J, § 2.

Massachusetts Renewable Energy Trust. The Trust under M.G.L. c. 23J, § 9, which administers renewable energy programs for the Commonwealth.

MassDEP. The Massachusetts Department of Environmental Protection established by M.G.L. c. 21A, § 7.

Megawatt (MW). A unit of power equal to one million watts.

Megawatt-hour (MWh). A unit of electrical energy or work equivalent to one million watts of power operating for one hour, or, for the purpose of thermal energy, a unit of energy equal to 3,412,000 British Thermal Units (Btu).

Merchantable Bio-products. Products that are refined from a biomass fuel by a bio-refinery project in which the Generation Unit is integral. Products include but are not limited to merchantable chemicals such as additives, lubricants, or specialty chemicals, and other products which can be permanently sequestered for carbon reductions.

NEPOOL GIS. The NEPOOL Generation Information System, which includes a generation information database and certificate system, operated by the New England Power Pool (NEPOOL), its designee or successor entity, that accounts for Generation Attributes of electrical energy consumed and generated within, imported into, or exported from the ISO-NE Control Area.

Off-grid Generation. The electrical energy produced by a Generation Unit that is not connected to a utility transmission or distribution system.

Operator. Any person or entity that has charge or control of a Generation Unit subject to 225 CMR 14.00, including without limitation a duly authorized agent or lessee of the Owner, or a duly authorized independent contractor.

Opt-In Term. The number of calendar quarters that a Solar Carve-out Renewable Generation Unit may generate Solar Carve-out Renewable Generation Attributes that are eligible to be deposited into the Solar Credit Clearinghouse Auction Account, as described in 225 CMR 14.05(4)(c) through (j).

Owner. Any person or entity that, alone or in conjunction with others, has legal ownership, a leasehold interest, or effective control over the real property or property interest upon which a Generation Unit is located, or the airspace above said real property, including without limitation a duly authorized agent of the Owner. For the

purposes of 225 CMR 14.02, Owner does not mean a person or entity holding legal title or security interest solely for the purpose of providing financing.

Percent Under-compliance. The difference, if positive, between 50% and the reported lifecycle greenhouse gas emissions over 20 years as reported in a Biomass Unit Annual Compliance Report by an RPS Class I Renewable Generation Unit that utilizes Eligible Biomass Woody Fuel, as provided in 225 CMR 14.05(8)(d).

Power Conversion Technology. The design, process, and equipment by which an energy resource is converted into useful energy, as specified in Guidelines.

Relevant Hydroelectric Agency. A federal, state or provincial agency with oversight over fish and wildlife, water quality, river flows, fish passage and protection, mitigation and enhancement opportunities, related to a hydroelectric facility located in the Impacted Watershed or that impacts downstream or upstream passage of fish and wildlife.

Renewable Generation. The electrical energy output of a Renewable Generation Unit.

Renewable Generation Attribute. The Generation Attribute of the electrical energy output of a specific Generation Unit that derives from the Generation Unit's production of Renewable Generation.

Renewable Generation Unit. A Generation Unit that uses an Eligible RPS Class I Renewable Fuel, Hydroelectric Energy, waste-to-energy that is a component of conventional municipal solid waste plant technology in commercial use, or any of the fuels, energy resources or technologies set forth in 225 CMR 14.05(1)(a).

Retail Electricity Product. An electrical energy offering that is distinguished by its Generation Attributes and that is offered for sale by a Retail Electricity Supplier to End-use Customers.

Retail Electricity Supplier. A person or entity that sells electrical energy to End-use Customers in Massachusetts, including but not limited to Distribution Companies supplying basic service or any successor service to End-use Customers. A Municipal Lighting Plant shall be considered a Retail Electricity Supplier; however, it shall be exempt from the obligations of a Retail Electricity Supplier under 225 CMR 14.00 so long as and insofar as it is exempt from the requirements to allow competitive choice of generation supply pursuant to M.G.L. c. 164, § 47A.

RPS Class I Renewable Generation. The electrical energy output excluding any electrical energy utilized for parasitic load of a RPS Class I Renewable Generation Unit, or that portion of the electrical energy output excluding any electrical energy utilized for parasitic load of an RPS Class I Renewable Generation Unit that qualifies under:

- (a) the Special Provisions for Incremental Generating Capacity, pursuant to 225 CMR 14.05(2) issued on or after January 1, 2009;
- (b) a Vintage Waiver, pursuant to 225 CMR 14.05(2) issued before January 1, 2009;
- (c) a Co-firing and Blended Fuel Waiver, pursuant to 225 CMR 14.05(3);
- (d) the Special Provisions for a Generation Unit Located in a Control Area Adjacent to the ISO-NE Control Area, pursuant to 225 CMR 14.05(5); or
- (e) any other applicable provision of 225 CMR 14.00.

RPS Class I Renewable Generation Attribute. The Generation Attribute of the electrical energy output of a specific RPS Class I Renewable Generation Unit that derives from the Generation Unit's production of RPS Class I Renewable Generation.

RPS Class I Renewable Generation Unit. A Generation Unit or Aggregation that has received a Statement of Qualification from the Department, including a Generation Unit or Aggregation termed a New Renewable Generation Unit in a Statement of Qualification issued by the Department pursuant to 225 CMR 14.00 before January 1, 2009, but does not include Solar Carve-out Renewable Generation Units.

Solar Canopy. A solar photovoltaic Generation Unit with at least 75% of the nameplate capacity of the solar modules used for generating power installed on top of a parking surface or above a pedestrian walkway, so as to maintain the parking or pedestrian function of the surface.

Solar Carve-out Program Capacity Cap. The capacity, in MW, of Solar Carve-Out Renewable Generation Units qualified by the Department through June 30, 2014, and as announced on its website by the Department no later than July 31, 2014.

Solar Carve-out II Program Capacity Cap. The aggregate eligible capacity, in MW, of Solar Carve-out II Renewable Generation Units qualified by the Department upon the establishment of a new incentive program, minus the Solar Carve-out Program Capacity Cap.

Solar Carve-out Renewable Generation. The electrical output of a Solar Carve-out Renewable Generation Unit that qualifies for the Solar Carve-out under 225 CMR 14.05(4), excluding any electrical energy utilized for parasitic load.

Solar Carve-out II Renewable Generation. The electrical output of a Solar Carve-out II Renewable Generation Unit that qualifies for the Solar Carve-out II under 225 CMR 14.05(9), excluding any electrical energy utilized for parasitic load.

Solar Carve-out Renewable Generation Attribute. The Generation Attribute of the electrical energy output of a specific Solar Carve-out Renewable Generation Unit that derives from the Generation Unit's production of Solar Carve-out Renewable Generation.

Solar Carve-out II Renewable Generation Attribute. The Generation Attribute of the electrical energy output of a specific Solar Carve-out II Renewable Generation Unit that derives from the Generation Unit's production of Solar Carve-out II Renewable Generation.

Solar Carve-out Renewable Generation Unit. A Generation Unit or Aggregation that has received a Statement of Qualification from the Department that specifies its qualification for participation in the Solar Carve-out under 225 CMR 14.05(4).

Solar Carve-out II Renewable Generation Unit. A Generation Unit or Aggregation that has received a Statement of Qualification from the Department that specifies its qualification for participation in the Solar Carve-out II under 225 CMR 14.05(9).

Solar Renewable Energy Certificate II (SREC II). A GIS Certificate that represents the RPS Class I Renewable Generation Attributes and Solar Carve-out II Renewable Generation Attributes of the Renewable Generation from a Solar Carve-out II Renewable Generation Unit.

Statement of Qualification. A written document from the Department that qualifies a Generation Unit or Aggregation as an RPS Class I Qualified Generation Unit, a Solar Carve-out Renewable Generation Unit, or a Solar Carve-out II Renewable Generation Unit, or that qualifies a portion of the annual electrical energy output of a Generation Unit or Aggregation as RPS Class I Renewable Generation Solar Carve-out Renewable Generation, or Solar Carve-out II Renewable Generation.

Useful Thermal Energy. Energy: (a) in the form of direct heat, steam, hot water, or other thermal form that is used in production and beneficial measures for heating, cooling, humidity control, process use, or other valid thermal end use energy requirements; and (b) for which fuel or electricity would otherwise be consumed. Thermal energy used for the purpose of drying or refining biomass fuel shall not be considered Useful Thermal Energy.

Valid Air Permit. Within the United States, a current and effective authorization, license, certificate, or like approval to construct and/or operate a source of air pollution, issued or required by the regulatory agency designated in the applicable State Implementation Plan to issue permits under the Clean Air Act, 42 U.S.C. §§ 7401, *et seq.* In jurisdictions outside of the United States, it shall be a document demonstrating an equivalent authorization.

Vintage Generation. The electrical energy output of a Vintage Generation Unit during the period of the Generation Unit's Historical Generation Rate.

Vintage Generation Unit. A Generation Unit that meets the requirements of 225 CMR 14.05(1), that has a Commercial Operation Date of December 31, 1997, or earlier, and for which the Department issued a Statement of Qualification under the Vintage Waiver provision in 225 CMR 14.05(2) before January 1, 2009.

14.03: Administration

225 CMR 14.00 shall be administered by the Department.

14.04: Applicability

225 CMR 14.00 applies to Retail Electricity Suppliers and to the Owners or Operators of RPS Class I Renewable Generation Units, Solar Carve-out Renewable Generation Units, and Solar Carve-out II Renewable Generation Units.

14.05: Eligibility Criteria for RPS Class I, Solar Carve-out Renewable Generation Units, and Solar Carve-out II Renewable Generation Units

(1) Eligibility Criteria. A Generation Unit may qualify as an RPS Class I Renewable Generation Unit, a Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit subject to the limitations in 225 CMR 14.05.

(a) Fuels, Energy Resources and Technologies. The Generation Unit shall use one or more of the fuels, energy resources and/or technologies listed in 225 CMR 14.05(1)(a)1. through 9.

1. Solar photovoltaic or solar thermal electric energy.
2. Wind energy.
3. Ocean thermal, wave or tidal energy.
4. Fuel cells using an Eligible RPS Class I Renewable Fuel.
5. Landfill methane gas, provided that such gas is either conveyed directly to the Generation Unit without the use of facilities used as common carriers of natural gas, or transported to a Generation Unit within the ISO-NE Control Area or an adjacent Control Area via a common carrier of natural gas, in which instance the gas would be subject to the following provisions:
  - a. the gas is produced entirely within the ISO-NE Control Area or an adjacent Control Area;
  - b. documentation is provided, satisfactory to the Department, regarding the gas transportation and related contracts; and
  - c. demonstration is provided, satisfactory to the Department, that the gas can be physically delivered to the Generation Unit.

6. Hydroelectric. An Generation Unit that uses Hydroelectric Energy may qualify as an RPS Class I Generation Unit, subject to the limitations in 225 CMR 14.05(1)(a)6.

a. The Generation Unit has a nameplate capacity up to 30 megawatts, or increased capacity installed or efficiency improvements implemented after December 31, 1997, the aggregate of which increased capacity or efficiency improvements does not exceed 30 megawatts.

b. The Generation Unit does not involve any dam or water diversion structure constructed after December 31, 1997, or pumped storage of water.

c. The Generation Unit does not generate Marine or Hydrokinetic Energy.

d. The Generation Unit meets appropriate and site-specific standards that address adequate and healthy river flows, water quality standards, fish passage and protection measures and mitigation and enhancement opportunities in the Impacted Watershed, as determined by the Department in consultation with Relevant Hydroelectric Agencies. The Generation Unit shall demonstrate compliance with such standards by submitting the documentation required in either 225 CMR 14.05(1)(a)6.d.i or ii.

i. LIHI Certification of the Generation Unit; except that in either of the two circumstances provided in 225 CMR 14.05(1)(a)6.d.i, the Department may request further information from the applicant and the Relevant Hydroelectric Agencies as part of its review of the applicant's Statement of Qualification Application. The Department shall notify the applicant of any such input from a Relevant Hydroelectric Agency not later than 30 days after receiving such input and shall provide the applicant an opportunity to respond to the Department not later than 30 days after the applicant's receipt of such notice from the Department.

(i). If a Relevant Hydroelectric Agency identified an environmental concern and a proposed remedy to LIHI during the LIHI certification process, and such concern was not addressed in the LIHI certification to the satisfaction of the Agency, and the Agency consulted with the Owner or Operator of the Generation Unit; or

(ii). If, between issuance of the LIHI certification and the Department's determination of the Generation Unit's eligibility, a Relevant Hydroelectric Agency submits to the Department evidence of a significant environmental problem not previously known by such Agency, after consulting with the Owner or Operator of the Generation Unit.

ii. A denial of certification from LIHI specifying the reasons the certification was denied and the applicant's proposed rationale for why the project should nevertheless receive a Statement of Qualification. In this instance, the Department shall notify and seek input from the Relevant Hydroelectric Agencies, which shall have 30 days from the date of their receipt of such notification to provide feedback to the Department. The Owner or Operator of the Generation Unit shall be notified of any such input and shall have 30 days from receipt of such notice to respond to the satisfaction of the Department as to why its Application should be approved. The Department thereafter shall make finding of whether the Generation Unit meets appropriate environmental safeguards despite the lack of LIHI certification.

e. The Owner or Operator of the Generation Unit must serve notice to all Relevant Hydroelectric Agencies of its application for LIHI certification. The Owner or Operator of the Generation Unit also must serve notice to all Relevant Hydroelectric Agencies, and provide opportunity for comment within 30 days of such notice, with regard to its submission of a Statement of Qualification Application. Notice of such service must be provided to the Department.

f. If LIHI fails to act to certify or deny certification within 180 days from the date of submission of the Generation Unit's application to LIHI, the Owner or Operator shall file notice of such event with the Department. The Department shall review the federal, state or provincial permits for the Generation Unit and any submissions to LIHI by Relevant Hydroelectric Agencies, and shall make a final determination as to whether the Generation Unit meets environmental standards specified in 225 CMR 14.05(1)(a)6.d.

g. If LIHI is unable to review for certification a Generation Unit that is located in a Control Area adjacent to the ISO-NE Control Area and outside the United States of America, the Owner or Operator of such Generation Unit may petition the Department for certification using the LIHI standards by an independent third party acceptable to the Department.

7. Low-emission, Advanced Biomass Power Conversion Technologies Using an Eligible Biomass Fuel. A Generation Unit may qualify as an RPS Class I Renewable Generation Unit, provided it uses an Eligible Biomass Fuel, subject to the limitations in 225 CMR 14.05(1)(a)7.

a. The Department shall set forth in Guidelines low-emission eligibility criteria which will become effective on their date of issuance. Any emission eligibility criteria in subsequently revised Guidelines shall become effective 24 months from their date of issuance.

b. A Generation Unit with a Commercial Operation Date after December 31, 1997, that is required to obtain an air permit in its jurisdiction, must possess a Valid Air Permit and must demonstrate to the satisfaction of the Department that the emission rates of the Unit do not exceed limits set forth in the Guidelines that are applicable for the date on which the Department receives the Unit's Statement of Qualification Application.

c. A Generation Unit with a Vintage Waiver that is required to obtain an air permit in its jurisdiction must possess a Valid Air Permit and must demonstrate to the satisfaction of the Department that the emission rates of the Unit do not exceed limits set forth in the Guidelines that are applicable for the date on which the Department receives the Unit's Statement of Qualification Application.

d. A Generation Unit that is not required to obtain an air permit in its jurisdiction must demonstrate to the satisfaction of the Department that its emissions are consistent with criteria set forth in the Guidelines that are applicable for the date on which the Department receives the Unit's Statement of Qualification Application.

e. In the case of a Generation Unit for whose size, type, or fuel the Guidelines do not provide applicable emission limits, the Department will determine appropriate limits in consultation with the MassDEP.

f. A Generation Unit, that uses an Eligible Biomass Woody Fuel, Co-mingled Biomass Woody Fuel, or a Manufactured Biomass Fuel, must provide to the Department as part of their Statement of Qualification Application the following items.

i. A fuel supply plan indicating the anticipated fuel types, sources, and amounts.

Not later than January 1<sup>st</sup>, the Unit shall provide on an annual basis a report of the anticipated fuel supply for that Compliance Year.

ii. A design and operational plan that demonstrates that the Unit will achieve an Overall Efficiency, as calculated in 225 CMR 14.05(8)(c)2. through 4., of at least 50% on a quarterly basis, or 40% on a quarterly basis for Advancement of Biomass Conversion Generation Units.

iii. An analysis of net Lifecycle Greenhouse Gas Emissions, that demonstrates, to the satisfaction of the Department, that such emissions, over a 20 year life cycle, yield at least a 50% reduction of greenhouse gas emissions per unit of useful energy relative to the Lifecycle Greenhouse Gas Emissions from the aggregate use of the operation of a new combined cycle natural gas electric generating facility using the most efficient commercially available technology as



of the date of the Statement of Qualification Application for the portion of electricity delivered by the Generation Unit and, if applicable, the operation of the fossil fuel fired thermal energy unit being displaced, or in the case of new Useful Thermal Energy, a gas-fired thermal energy unit using the most efficient commercially available technology as of the date of Statement of Qualification Application for the portion of the Useful Thermal Energy delivered by the Generation Unit. The Department shall provide in the *Overall Efficiency and Greenhouse Gas Analysis Guideline* as part of the Statement of Qualification Application a standard analytical methodology to meet this requirement, including a full accounting of greenhouse gas emissions associated with any fuel processing.

g. In the case of a Generation Unit that uses anaerobic digester gas or another biogas that is an Eligible Biomass Fuel, such gas may be either conveyed directly to the Generation Unit without the use of facilities used as common carriers of natural gas, or transported to a Generation Unit within the ISO-NE Control Area or an adjacent Control Area via a common carrier of natural gas, in which instance the gas would be subject to the following provisions:

- i. the gas is produced entirely within the ISO-NE Control Area or an adjacent Control Area;
- ii. documentation is provided, satisfactory to the Department, regarding the gas transportation and related contracts; and
- iii. demonstration is provided, satisfactory to the Department, that the gas can be physically delivered to the Generation Unit.

8. Marine or hydrokinetic energy.

9. Geothermal energy.

(b) Commercial Operation Date. The Commercial Operation Date shall be after December 31, 1997, unless the Generation Unit received a Statement of Qualification with a Vintage Waiver prior to January 1, 2009. In the case of a Solar Carve-out Renewable Generation Unit, the Commercial Operation Date shall be after December 31, 2007. In the case of a Solar Carve-out II Renewable Generation Unit, the Commercial Operation Date shall be after December 31, 2012.

(c) Metering. The electrical energy output from a Generation Unit shall be verified by the ISO-NE or by an independent verification system or person participating in the NEPOOL GIS accounting system as an independent Third Party Meter Reader, as defined in Rule 2.5(j) of the NEPOOL GIS Operating Rules, or any successor rule, and approved by the Department.

(d) Location. The Generation Unit location is subject to the limitations in 225 CMR 14.05(1)(d).

1. Off-grid Generation. If the Generation Unit produces Off-grid Generation, such Generation Unit must be located in Massachusetts.

2. Behind-the-meter Generation. If the Generation Unit is wired to the electrical system on the End-use Customer's side of a retail electric meter, such Generation Unit must be located within the ISO-NE Control Area.

(2) Special Provisions for Incremental Generation. An increase in electrical energy output of a Generation Unit with a Commercial Operation Date on or before December 31, 1997, may qualify as RPS Class I Renewable Generation, subject to the limitations in CMR 14.05(2).

(a) The Generation Unit must meet the eligibility requirements of 225 CMR 14.05 with the exception of 225 CMR 14.05(1)(b).

(b) The portion of the total electrical energy output of the Generation Unit that qualifies as RPS Class I Renewable Generation in a given calendar year shall be the portion attributable to incremental new generating capacity or efficiency improvements installed or implemented after December 31, 1997, using equipment that was not utilized in any Renewable Generation Unit within the ISO-NE Control Area or within Control Areas adjacent thereto on or before December 31, 1997.

(c) The portion of the electrical energy output of a Generation Unit that does not qualify as RPS Class I Renewable Generation under the provisions of 225 CMR 14.05(2)(c) or under a Statement of Qualification granted to a Vintage Generation Unit prior to January 1, 2009, may qualify as RPS Class II Renewable Generation if it applies for and meets the eligibility standards of the RPS Class II Regulations set forth in 225 CMR 15.00: *Renewable Energy Portfolio Standard – Class II*.

(d) The portion of electrical energy output of a Generation Unit that replaces the output of an RPS Class I Renewable Generation Unit qualified under 225 CMR 14.05(1)(a)5. at the same location, or proximate thereto, and utilizes the fuel resource of that location, shall not be qualified as Incremental Generation, unless a Generation Unit meets the requirements of 225 CMR 14.05(7)(d).

(3) Co-firing and Blended Fuel Waiver. All or a portion of the electrical energy output of a Generation Unit that uses ineligible fuel in conjunction with an Eligible RPS Class I Renewable Fuel, whether by co-firing such fuels or by using a Blended Fuel, may qualify as RPS Class I Renewable Generation provided the Generation Unit meets the

eligibility requirements of 225 CMR 14.05, subject to the limitations in 225 CMR 14.05(3).

(a) The portion of the total electrical energy output that qualifies as RPS Class I Renewable Generation in a given time period shall be equal to the ratio of the net heat content of the Eligible RPS Class I Renewable Fuel consumed to the net heat content of all fuel consumed in that time period.

(b) If using a Co-mingled Biomass Woody Fuel, such fuel shall be considered an ineligible fuel unless such fuel is accompanied by Biomass Fuel Certificates as provided in 225 CMR 14.05(8)(a)2.b.

(c) If using a Blended Fuel of which the eligible portion is an Eligible Biomass Fuel or if co-firing an ineligible fuel with an Eligible Biomass Fuel, the entire Generation Unit must meet the requirements of an advanced biomass Power Conversion Technology as set forth in 225 CMR 14.05(1)(a)7.

(d) If using an Eligible Biomass Fuel, the Generation Unit must demonstrate to the satisfaction of the Department that the emission rates for the entire Generation Unit are consistent with rates prescribed by the MassDEP for comparably fueled Generation Units in the Commonwealth. The Department may require the Generation Unit Owner or Operator to retain at its own expense a third-party consultant deemed satisfactory to the Department, to provide the Department and the MassDEP with assistance in this determination.

(e) The Generation Unit must provide with its Statement of Qualification Application a fuel supply plan that specifies each and every fuel that it intends to use, in what relative proportions either in co-firing or in a Blended Fuel, and with what individual input heat values. Such plan shall include the procedures by which the Unit will document to the satisfaction of the Department its compliance with the plan.

(f) The provisions of 225 CMR 14.05(3) shall not apply to the incidental use of ineligible fuels for the purpose of cold starting a Generation Unit that otherwise exclusively uses an Eligible RPS Class I Renewable Fuel.

(4) Special Provisions for a Solar Carve-out Generation Unit. All references to kW or MW in 225 CMR 14.05(4) shall be measured on a nameplate capacity basis in direct current (DC).

(a) The Solar Carve-out Renewable Generation Unit must use solar photovoltaic technology, be used on-site, located in the Commonwealth of Massachusetts, and be interconnected with the electric grid. On-site use includes any new or existing load located at the site of the Generation Unit including any parasitic load that may result from the installation of the Generation Unit, and that is wired to receive a portion of the electrical energy output from the Generation Unit before the balance

of such output passes through the Generation Unit's metered interconnection onto the electric grid. The maximum capacity of a Generation Unit shall be 6 MW, as measured on a nameplate capacity basis in direct current and shall be determined based on the total capacity located on a single parcel of land. For any parcel of land for which a Solar Carve-out Generation Unit has submitted a Statement of Qualification Application, if its current boundaries are the result of a subdivision recorded after January 1, 2010, the Owner or Operator shall make a demonstration to the Department that the subdivision was not for the purpose of eligibility in the Solar Carve-out Program. If the Department is not satisfied by such showing, the 6 MW limit shall apply to the metes and bounds of the parcel as recorded prior to the subdivision. Any subsequent additional solar photovoltaic Generation Units that would result in excess of 6 MW of capacity installed on the same parcel of land and meeting all other requirements under 225 CMR 14.00 may qualify only for RPS Class I Renewable Generation Attributes.

(b) If the construction and installation of a Generation Unit was funded through a program administered prior to January 1, 2010, by the Massachusetts Renewable Energy Trust, or if the Generation Unit was funded substantially from American Recovery and Reinvestment Act, P.L. 111-5 (ARRA) for the installation of that Generation Unit, the Generation Unit shall not be eligible to participate in the Solar Carve-out. Substantial shall mean for this purpose more than 67% of total installed cost. Notwithstanding 225 CMR 14.05(4)(b), if the substantial funding that a Generation Unit receives is from a payment in *lieu* of tax credit under § 1603 of ARRA, the Generation Unit shall be eligible for Solar Carve-out Renewable Generation Attributes.

(c) Any entity that owns Solar Carve-out Renewable Generation Attributes is eligible to make deposits into the Solar Credit Clearinghouse Auction provided the Attributes deposited into the Auction were generated during the Opt-in Term specified in the Statement of Qualification of the Generation Unit. The Department or its agent shall maintain an account, known as Solar Credit Clearinghouse Auction Account on the NEPOOL GIS into which Solar Carve-out Renewable Generation Attributes may be deposited. The Solar Credit Clearinghouse Auction Account shall be available for deposit of Attributes only from May 16 to June 15.

(d) An entity that opts to deposit Solar Carve-out Generation Renewable Attributes into the Solar Credit Clearinghouse Auction Account shall be assessed, at the completion of the auction, a usage fee of 5% of the auction price for each such Attribute deposited into Solar Credit Clearinghouse Auction Account. This usage fee shall be deposited into the Alternative Compliance Payment fund under 225 CMR 14.08(3). This usage fee will not apply to Attributes that remain unsold following the final round of the Solar Credit Clearinghouse Auction as provided in 225 CMR 14.05(4)(i).

(e) Those Attributes deposited into Solar Credit Clearinghouse Auction Account shall then be retired and reissued by NEPOOL GIS as Re-minted Auction Account

Attributes. These Attributes shall be eligible in either of the two subsequent Compliance Years from the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out Minimum Standard. The Department or its agent shall conduct an auction for those Attributes. Any entity wishing to purchase Re-minted Auction Account Attributes may participate and enter a bid. Each bid shall be for the number of Re-minted Auction Account Attributes that the bidder wishes to purchase at a fixed price of \$300 per Re-minted Auction Account Attribute.

(f) The Solar Credit Clearinghouse Auction shall be held not later than July 31. If the Auction clears, meaning that the total number of Re-minted Auction Account Attributes bid for in the auction was equal to or more than the number of Solar Carve-out Renewable Generation Attributes deposited, then the total amount of deposited Attributes will be distributed to the bidders in a pro-rated manner such that each bidder receives the same percentage of their bid volume. If the auction does not clear, meaning that the total number of Re-minted Auction Account Attributes bid for in the auction was less than the number of Solar Carve-out Renewable Generation Attributes deposited, the Department or its agent shall void the auction.

(g) If the auction under 225 CMR 14.05(4)(f) does not clear, the Department shall conduct a new auction within three Business Days, in which any Attributes purchased shall be eligible in any of the three subsequent Compliance Years from the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out Minimum Standard. If the auction does not clear, the Department or its agent shall void the auction.

(h) If the auction under 225 CMR 14.05(4)(g) does not clear, the Department or its agent shall conduct another auction within three Business Days, at which point the Attributes shall be eligible in any of the three subsequent Compliance Years from the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out Minimum Standard. Prior to this Auction, the Department shall also re-calculate the Massachusetts Solar Carve-out Minimum Standard under 225 CMR 14.07(2).

(i) If the auction under 225 CMR 14.05(4)(h) does not clear, the Re-minted Auction Account Attributes deposited in the Solar Credit Clearinghouse Auction Account shall be allocated to the bidders in a pro-rated manner so that an equal percentage of Re-minted Auction Account Attributes are allocated from each Generation Unit that deposited Solar Carve-out Renewable Generation Attributes. The remaining Re-minted Auction Account Attributes shall be returned to the entity that made the deposit. These Attributes shall be eligible in any of the three subsequent Compliance Years from the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out Minimum Standard.

(j) Re-minted Auction Account Attributes may not be placed into the Solar Credit Clearinghouse Auction Account in subsequent years.

(k) Within two weeks from June 28, 2013, the Department shall establish and provide on its website a list of all projects that are within the 400 MW capacity limit and the set of Generation Units that are outside of the 400 MW capacity limit. The Department shall provide Statement of Qualifications to all Generation Units with Statement of Qualification Applications as follows, provided such Generation Units meet all other eligibility criterion of 225 CMR 14.00.

1. A Generation Unit greater than 100 kW that has received a Statement of Qualification or has submitted a Statement of Qualification Application that is within the 400 MW capacity limit shall be provided a Statement of Qualification only if the Generation Unit meets the project construction timelines prescribed in 225 CMR 14.05(4)(k)4. Notwithstanding 225 CMR 14.06(4), the RPS Effective Date of the Generation Unit shall be no later than December 31, 2013, regardless of when the Unit's Commercial Operation Date occurs.

2. A Generation Unit greater than 100 kW that has submitted a Statement of Qualification Application that is outside the 400 MW capacity limit shall be provided a Statement of Qualification only if the Generation Unit is authorized to interconnect by its local Distribution Company on or before June 28, 2013 or has received an interconnection service agreement from its local Distribution Company that is fully executed by both the interconnecting customer and the Distribution Company and dated on or before June 7, 2013, and meets the project construction timelines prescribed in 225 CMR 14.05(4)(k)4. The Generation Unit shall have one week after June 28, 2013 to provide the Department with a copy of the executed Interconnection Service Agreement or its Statement of Qualification Application will be rejected. Notwithstanding 225 CMR 14.06(4), the RPS Effective Date of the Generation Unit shall be no later than December 31, 2013, regardless of when the Generation Unit's Commercial Operation Date occurs.

3. A Generation Unit that has a rated capacity equal to or less than 100 kW, or has qualified as a Community Solar Project by the MassCEC under its Commonwealth Solar II Rebate Program, which has received its authorization to interconnect or permission to operate from its local Distribution Company by the effective date of a new solar carve-out program established by the Department, or by June 30, 2014, whichever is earlier, and has submitted a Statement of Qualification Application shall be provided a Statement of Qualification. Notwithstanding 225 CMR 14.06(4), the RPS Effective Date of the Generation Unit shall be no later than December 31, 2013, regardless of when the Generation Unit's Commercial Operation Date occurs. For the purpose of 225 CMR 14.05(4)(k)3., the Generation Unit's capacity shall be measured as the total capacity of qualified Solar Carve-out Renewable

Generation on a single parcel of land or on a roof of a single building, whichever is less.

4. A Generation Unit greater than 100 kW must meet the following construction timelines to receive a Statement of Qualification.

a. A Generation Unit must receive its authorization to interconnect or permission to operate from its local Distribution Company on or before December 31, 2013.

b. A Generation Unit that has not received an authorization to interconnect or permission to operate on or before December 31, 2013 will be provided an extension to June 30, 2014 only if it can demonstrate to the satisfaction of the Department that the project has expended at least 50% of its total construction costs by December 31, 2013. A Generation Unit provided such an extension must receive its authorization to interconnect or permission to operate on or before June 30, 2014.

c. If a Generation Unit can demonstrate to the Department's satisfaction that either of these two timelines have been met, but that interconnection depends only on the receipt of notice of authorization to interconnect or its permission to operate, and such receipt is delayed only by the local Distribution Company or due to remaining steps required by other parties for safe and reliable interconnection, then the Generation Unit will be provided an extension until the authorization to interconnect or permission to operate is received.

5. Any Solar Carve-out Renewable Generation Unit that has submitted a Statement of Qualification Application or received a Statement of Qualification as of June 28, 2013 will not be eligible to generate Solar Carve-out Renewable Generation Attributes for incremental new generating capacity that is in excess of the capacity that was applied for in its Statement of Qualification Application.

(5) Special Provisions for a Generation Unit Located in a Control Area Adjacent to the ISO-NE Control Area. The portion of the total electrical energy output of an RPS Class I Renewable Generation Unit located in a Control Area adjacent to the ISO-NE Control Area that qualifies as RPS Class I Renewable Generation shall meet the requirements in Rule 2.7(c) and all other relevant sections of the NEPOOL GIS Operating Rules, and the requirements in 225 CMR 14.05(5).

(a) The Generation Unit Owner or Operator shall provide documentation, satisfactory to the Department that the RPS Class I Renewable Generation Attributes have not otherwise been, nor will be, sold, retired, claimed, used or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.

(b) The Generation Unit Owner or Operator must provide an attestation in a form to be provided by the Department that it will not itself or through any affiliate or other contracted party, knowingly engage in the process of importing RPS Class I Renewable Generation into the ISO-NE Control Area for the creation of RPS Class I Renewable GIS Certificates, and then exporting that energy or a similar quantity of other energy out of the ISO-NE Control Area during the same hour.

(c) The quantity of electrical energy output from an RPS Class I Renewable Generation Unit outside the ISO-NE Control Area that can qualify as RPS Class I Renewable Generation at the NEPOOL GIS during each hour is limited to the lesser of the RPS Class I Renewable Generation actually produced by the Generation Unit or the RPS Class I Renewable Generation actually scheduled and delivered into the ISO-NE Control Area.

(6) Special Provisions for Aggregations. An Aggregation of Generation Units that are located behind the customer meter or that are Off-grid Generation Units, each of which could independently meet the relevant requirements of 225 CMR 14.05, may receive a single Statement of Qualification and be treated as a single RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit under the criteria and procedures in 225 CMR 14.05(6).

(a) Each Generation Unit in such Aggregation must be located within the same state and use the same fuel, energy resource and technology as all other Generation Units in the Aggregation. In the instance of an Aggregation that includes a Solar Carve-out Renewable Generation Unit, the Aggregation shall only include Generation Units that are eligible for the Solar Carve-out under 225 CMR 14.05(4). In the instance of an Aggregation that includes a Solar Carve-out II Renewable Generation Unit, the Aggregation shall only include Generation Units that are eligible for the Solar Carve-out II under 225 CMR 14.05(9).

(b) Each of the Owners or Operators of Generation Units within the Aggregation must enter into an agreement with a person or entity that serves as the Authorized Agent for the Aggregation in all dealings with the Department and with the NEPOOL GIS, and such agreement must include procedures by which the electrical energy output of each Generation Unit shall be monitored and reported to the NEPOOL GIS.

(c) The Authorized Agent of the Aggregation must establish and maintain a Generator account at the NEPOOL GIS under the NEPOOL GIS Operating Rules, including all provisions for Non-NEPOOL Generator Representatives, as that term is defined in Rule 2.1(a)(vi).

(d) The electrical energy output of each of the Generation Units in the Aggregation must be individually monitored and recorded, and it must be reported to the



NEPOOL GIS, by an independent Third Party Meter Reader as defined in Rule 2.5(j) of the NEPOOL GIS Operating Rules, and approved by the Department.

(7) Special Provisions for Relocated, Repowered, and Replacement Generation Units. The Department may provide a Statement of Qualification to a Generation Unit that meets one of the following categories and criteria, as well as all other relevant provisions of 225 CMR 14.05:

(a) Relocated RPS Class I Renewable Generation Unit. A Generation Unit whose Power Conversion Technology was used on or before December 31, 1997, to generate electrical energy outside of both the ISO-NE Control Area and Control Areas adjacent thereto, and that is relocated into one of said Control Areas after December 31, 1997, provided that any components of the Power Conversion Technology that were not used outside of said Control Areas were first used in a Generation Unit after December 31, 1997.

(b) Repowered RPS Class I Renewable Generation Unit. A Generation Unit that did not utilize an Eligible RPS Class I Renewable Fuel at any time on or before December 31, 1997.

(c) Replacement RPS Class I Renewable Generation Unit. A Generation Unit that replaces a mothballed or decommissioned Generation Unit that had operated on the same site on or before December 31, 1997, provided the entire Power Conversion Technology of the existing Generation Unit is replaced with equipment manufactured after December 31, 1997.

(8) Special Provisions for Generation Units Using Eligible Biomass Woody Fuels, Co-mingled Biomass Woody Fuels, or Manufactured Biomass Fuels.

(a) Eligible Biomass Woody Fuel or Manufactured Biomass Fuel Certification, Verification, and Enforcement. An Owner, Operator, or Authorized Agent of a Generation Unit that uses an Eligible Biomass Woody Fuel or a Manufactured Biomass Fuel must meet the following provisions.

1. Over each Compliance Year, the tonnage of all Eligible Biomass Woody Fuel input to the Generation Unit shall be documented, in a Biomass Unit Annual Compliance Report provided in 225 CMR 14.05(8)(d), by ownership by the Owner or Operator of the Generation Unit of Biomass Fuel Certificates equal to the tonnage input. For Manufactured Biomass Fuel, the Biomass Fuel Certificates shall be for the required tonnage of Eligible Biomass Woody Fuel necessary for the production of the delivered volume of Manufactured Biomass Fuel.

2. Biomass Fuel Certificates shall be originated, procured, and transacted in accordance with the Biomass Eligibility and Certificate Guideline and shall be limited to the follow Certificates:

a. Biomass Fuel Certificates that accompany the shipment of Eligible Biomass Woody Fuel from its original source and which is delivered directly to a RPS Class I Renewable Generation Unit , and which has not been modified or mixed with other fuels or materials.

b. Biomass Fuel Certificates that accompany the shipment of Eligible Biomass Woody Fuel from its original source and which is delivered directly to a retailer of Eligible Biomass Woody Fuel, and whereby said Biomass Fuel Certificates subsequently accompanies a shipment of Co-mingled Biomass Woody Fuel, of an equal tonnage represented by said Biomass Fuel Certificates, which is delivered by the same retailer directly to a RPS Class I Renewable Generation Unit.

c. Biomass Fuel Certificates obtained by and transacted between the Owners, Operators, or Authorized Agents of Generation Units that have received Statements of Qualification from the Department under 225 CMR 14.00, 225 CMR 15.00: *Renewable Energy Portfolio Standard – Class II*, or 225 CMR 16.00: *Alternative Energy Portfolio Standard (APS)*.

3. For Forest Derived Residues and Forest Derived Thinnings the Biomass Fuel Certificate shall be issued consistent with the Eligible Forest Biomass Tonnage Report which shall include one of the following:

a. Citation of the DCR Cutting Plan under the Long Term Management option and prepared by a Massachusetts Licensed Forester, and shall include detail of the total allowable tonnage of forest derived Eligible Biomass Woody Fuel;

b. Citation to a cutting plan authorized under the host state forest agency which includes a determination, approved by the Department, that the material removed meets the definition of an Eligible Biomass Woody Fuel; or

c. Signature of a professional forester who is certified by the Society of American Foresters, licensed and/or certified by the host state of the harvest site, or certified by the Department where the Department has received documentation that the professional forester has proficiency and experience in forestry.

4. The Eligible Forest Biomass Tonnage Report shall include certification by the professional forester of compliance with all eligibility requirements for

Eligible Biomass Woody Fuels under 225 CMR 14.00. This may include evidence that the fuel has been received from land certified by the Forest Stewardship Council (FSC), Sustainable Forest Initiative (SFI), USDA Forest Service; Forest Stewardship Program, or the host state's Current Use Program.

5. For Forest Derived Residues and Forest Derived Thinnings, the Eligible Forest Biomass Tonnage Report shall also include a certification from the professional forester that no more than the allowable per cent of the total weight of all forest products harvested from a given forest harvest site is prescribed to be removed for utilization as an Eligible Biomass Woody Fuel. The professional forester shall also certify that the prescribed harvest meets the forest sustainability thresholds provided in the Biomass Eligibility and Certificate Guideline. The Eligible Forest Biomass Tonnage Report shall also include:

a. the total tons of Eligible Biomass Woody Fuel prescribed for harvesting under the category of Forest Derived Residues; and

b. the total tons of Eligible Biomass Woody Fuel for harvesting under the category of Forest Derived Thinnings. The total weight of the forest products shall be calculated utilizing weight standards by species provided in the Biomass Eligibility and Certificate Guideline. The allowable percent removal limit shall be determined as prescribed in the Guideline to protect soil nutrient retention in varying soil conditions.

6. For Non-forest Derived Residue fuels, Forest Salvage, and Dedicated Energy Crops, the Biomass Fuel Certificate shall be completed by the fuel supplier and certified by the Owner, Operator, or Authorized Agent duly verifying the fuel supplier, tonnage, source, and that said material feedstock meets the criteria of an Eligible Biomass Woody Fuel as provided in the Biomass Eligibility and Certificate Guideline.

(b) Verification Provision. The Department or independent third-parties contracted for by the Department, shall conduct document inspections, audits, or site visits under 225 CMR 14.11, as often as the Department determines is necessary to verify compliance with all relevant provisions of 225 CMR 14.00 pertaining to use of an Eligible Biomass Woody Fuel.

1. Advisory Panel. The Department shall appoint a panel of nine members representing the Executive Office, the Department, DCR, MassDEP, an environmental advocacy group, a licensed Massachusetts forester, a conservation biologist, the Owner of a biomass Generation Unit, and a member of the public. The Panel shall monitor the ongoing verification processes and shall meet not less than two times per year and provide the Department, from each meeting, its findings and recommendations, including its level of confidence in the verification and enforcement provisions, regarding:

a. the tracking and enforcement of Eligible Biomass Woody Fuel and Co-mingled Biomass Woody Fuel; and

b. the tracking of Biomass Fuel Certificates and their impact on the biomass fuel market and greenhouse gas accounting. The Panel shall also review the costs of verification and make recommendations to the Department on any measures that may be required to offset this cost.

2. Forest Impact Assessment. Every five years, beginning in 2015, the Department, in coordination with DCR, will conduct an assessment of the impacts on Massachusetts and regional forests resulting from biomass fuel removals. The five-year assessment shall also consider information on the Eligible Woody Biomass Fuel utilized by qualified Generation Units and the extent to which such fuels come from the categories of Non-forest Derived Residues, Forest Derived Residues, Forest Derived Thinnings, Forest Salvage, and Dedicated Energy Crops. The Department shall use this information to evaluate the appropriateness and accuracy of greenhouse gas accounting from Generation Units utilizing Eligible Woody Biomass Fuel as provided in the Lifecycle Greenhouse Gas Analysis required under 225 CMR 14.05(1)(a)7.f.iii., and as implemented in the Overall Efficiency and Greenhouse Gas Analysis Guideline. Findings from the assessment shall be reported to the Executive Office and made available to the public no later than June 1<sup>st</sup> of each assessment year. If the Department concludes the findings would likely result in significant impacts on long term forest sustainability or accurate greenhouse gas accounting, the Department shall consult with the Executive Office, MassDEP, and DCR on any changes that may be required by the Department, MassDEP or DCR to maintain long term forest sustainability and climate change mitigation.

(c) A Generation Unit that uses Eligible Biomass Woody Fuel, Co-mingled Biomass Woody Fuel, or Manufactured Biomass Fuel must report to the Department the following information on a quarterly basis, and will be provided RPS Class I Renewable Generation Attributes as a function of its Overall Efficiency as calculated in 225 CMR 14.05(8)(c)2. and 3.

1. Each quarter, the designated independent Third-party Meter Reader of a Generation Unit, approved by the Department, must report the following information to the Department; Biomass Input Heat Content, Useful Thermal Energy, Merchantable Bio-products, Renewable Generation, Renewable Generation utilized behind-the-meter, and the Overall Efficiency as calculated in 225 CMR 14.05(8)(c)2. and 3. For all reported data and prior to the calculation of Overall Efficiency, all energy units must be expressed in MWh. For Useful Thermal Energy and Biomass Input Heat Content the conversion of energy units shall consider that each 3412 thousand BTUs is equivalent to one MWh. For Merchantable Bio-products the product shall be prescribed an

energy content based on its enthalpy of reaction, as determined by a standard independent laboratory analysis, and those units of energy appropriately converted to MWhs.

2. The Overall Efficiency of the Generation Unit each quarter shall be calculated as: the sum of:

- a. Renewable Generation not utilized behind-the-meter;
- b. Renewable Energy utilized behind-the-meter divided by one minus the average distribution and transmission line losses of the electrical grid for which for this purpose shall be 8%;
- c. Useful Thermal Energy; and
- d. Merchantable Bio-Products; divided by Biomass Input Heat Content.

3. A Generation Unit shall be provided on the NEPOOL GIS each quarter an amount of Renewable Energy Attributes calculated as follows:

- a. A Generation Unit achieving 60% or higher Overall Efficiency in a quarter will receive one RPS Class I Renewable Energy Attribute for each MWh of RPS Class I Renewable Energy Generation.
- b. A Unit achieving 50% Overall Efficiency in a quarter will receive one-half RPS Class I Renewable Energy Attribute for each MWh of RPS Class I Renewable Energy Generation.
- c. A Unit achieving greater than 50% and less than 60% Overall Efficiency in a quarter will receive one RPS Class I Renewable Energy Attribute for each MWh of RPS Class I Renewable Energy Generation times a pro-rated fraction calculated as follows:  $0.5 + 5 \times (\text{Overall Efficiency} - 0.5)$ , whereby the Overall Efficiency is expressed as a decimal (e.g. 50% is expressed as 0.5).

4. Notwithstanding the calculation in 225 CMR 14.05(8)(c)3., an Advancement of Biomass Conversion Generation Unit shall be provided on the NEPOOL GIS each quarter an amount of Renewable Energy Attributes calculated as follows:

- a. A Generation Unit achieving 60% or higher Overall Efficiency in a quarter will receive one RPS Class I Renewable Energy Attribute for each MWh of RPS Class I Renewable Energy Generation.

b. A Unit achieving 40% Overall Efficiency in a quarter will receive one-half RPS Class I Renewable Energy Attribute for each MWh of RPS Class I Renewable Energy Generation.

c. A Unit achieving greater than 40% and less than 60% Overall Efficiency in a quarter will receive one RPS Class I Renewable Energy Attribute for each MWh of RPS Class I Renewable Energy Generation times a pro-rating fraction calculated as follows:  $0.5 + 2.5 \times (\text{Overall Efficiency} - 0.4)$ , whereby the Overall Efficiency is expressed as a decimal (*e.g.* 50% is expressed as 0.5).

(d) Annual Compliance of Generation Units using Eligible Biomass Woody Fuel, Co-mingled Biomass Woody Fuel, or Manufactured Biomass Fuel. An Owner, Operator, or Authorized Agent of a Generation Unit using Eligible Biomass Woody Fuel, Co-mingled Biomass Woody Fuel, or Manufactured Biomass Fuel shall provide to the Department by January 31<sup>st</sup> of each year a Biomass Unit Annual Compliance Report and be subject to the following:

1. Within the Biomass Unit Annual Compliance Report, in a format set forth in the Overall Efficiency and Greenhouse Gas Analysis Guideline, the Owner, Operator, or Authorized Agent shall identify the Owner's ownership of Biomass Fuel Certificates denoting the fuel consumption for the Compliance Year by the Generation Unit by tons of fuel, categorized as Forest Derived Residues, Forest Derived Thinnings, Non-forest Derived Residues, Forest Salvage, and Dedicated Energy Crops. The Owner, Operator, or Authorized Agent shall retain copies of all Biomass Fuel Certificates for five years. The Report must explain any variances with the proposed Fuel Supply Plan filed with the Department for that Compliance Year.

2. The Biomass Unit Annual Compliance Report must include a greenhouse gas analysis for the Compliance Year. The analysis shall be prepared in accordance with the Overall Efficiency and Greenhouse Gas Analysis Guideline and the fuel use as represented by the Biomass Fuel Certificates owned for the Compliance Year. This Report must also document the Unit's performance with respect to the lifecycle greenhouse emissions requirements in 225 CMR 14.05(1)(a)7.f.iii., including the actual percent lifecycle greenhouse gas emissions reduction over 20 years, as determined in the Guideline. The Report shall document any under-compliance and the Percent Under-compliance with the lifecycle greenhouse gas emission reduction requirement.

3. For Generation Units that report a Percent Under-compliance in 225 CMR 14.05(8)(d)2., the following provisions in 225 CMR 14.05(8)(a)3.a. through c. shall apply.

a. The Generation Unit shall be placed in a probationary status and the Department shall notify the Owner that its Statement of Qualification shall be revoked at the end of five Compliance Years following the Compliance Year for which the Percent Under-compliance was reported, as provided under 225 CMR 14.06(9). The Unit's probationary status shall be rescinded and the Unit's Statement of Qualification shall no longer be subject to revocation if either:

i. for any three Compliance Years of the probationary period the Biomass Unit Annual Compliance Report demonstrates that the Unit is complying with the lifecycle greenhouse gas emissions requirements; or

ii. the Generation Unit's accumulated Percent Under-compliance is offset by any net over-compliance with the lifecycle greenhouse gas emissions requirement as demonstrated in the Unit's Annual Compliance Reports during the probationary period.

b. For any Compliance Year for which a Unit reports under compliance with the lifecycle greenhouse emissions requirements, the Unit shall demonstrate compliance through the Under-compliance Mechanism as follows:

i. The Generation Unit shall demonstrate compliance by making an Under-compliance Payment to the MassCEC. Such payment shall be equal to the product of the Generation Unit's Percent Under-Compliance for the relevant year times \$0.50 for each Renewable Energy Certificate settled for RPS Class I compliance in Massachusetts that was generated by the Unit in the relevant Compliance Year. The Generation Unit shall provide to the Department copies of any receipt(s) for Under-compliance Payment made to the MassCEC for the Compliance Year.

ii. All Under-compliance Payments received by the MassCEC shall be held in an account separate from other accounts of the MassCEC. The use of all Under-Compliance Payments shall be overseen by the Department. The use of the funds shall be limited to the provision of financial support for either:

(i) investments across the supply chain for Forest Derived Residues, such as but not limited to, investments in residue biomass harvest equipment, investment in residue fuel handling and trucking, and incremental investments needed by Generation Units to handle and utilize residue biomass material; or

(ii) activities that increase carbon sequestration through the growth of biomass, for example the planting of trees.

iii. The Generation Unit shall have up to one calendar year, after the filing of its Biomass Unit Annual Compliance Report, to make its total Under-Compliance Payment. If the Generation Unit fails to make full payment in this time, its Statement of Qualification shall be revoked, in accordance with 225 CMR 14.06(9), after the end of that calendar year.

c. A Generation Unit that is subject to a probationary status shall meet the following requirements to demonstrate its ability to operate within compliance. If, in any Compliance Year, the following requirements are not followed, the Unit's Statement of Qualification will be revoked, as provided under 225 CMR 14.06(9).

i. For the first year in a Generation Unit's probationary status, the Unit shall provide to the Department by April 1, a revised Fuel Supply Plan demonstrating corrective action from previous year's procurement practices that will provide for the necessary annual supply of Non-forest Residues and Forest Derived Residues.

ii. For the second year in a Generation Unit's probationary status, the Unit shall provide to the Department by April 1, a revised Fuel Supply Plan that demonstrates that at least 25% of the necessary annual supply of Non-forest Residues and Forest Derived Residues are procured under a contract with a fuel supplier.

iii. For the third year in a Generation Unit's probationary status, the Unit shall provide to the Department by April 1, a revised Fuel Supply Plan that demonstrates that at least 50% of the necessary annual supply of Non-forest Residues and Forest Derived Residues are procured under a contract with a fuel supplier.

iv. For the fourth year in a Generation Unit's probationary status, the Unit shall provide to the Department by April 1, a revised Fuel Supply Plan that demonstrates that at least 75% of the necessary annual supply of Non-forest Residues and Forest Derived Residues are procured under a contract with a fuel supplier.

v. For the fifth year in a Generation Unit's probationary status, the Unit shall provide to the Department by April 1, a revised Fuel Supply Plan that demonstrates that 100% of the necessary annual supply of Non-forest Residues and Forest Derived Residues are procured under a contract with a fuel supplier.



(e) The Treatment of Previously Qualified Biomass Generation Units. Notwithstanding any other provision of 225 CMR 14.00 Generation Units utilizing a woody biomass fuel that had received a Statement of Qualification (SQ) prior to December 3, 2009 shall be subject to the following provisions:

1. The Department shall continue with the existing terms of all SQs, subject to 225 CMR 14.12, for all such qualified Generation Units through Compliance Year 2012.

2. If a Generation Unit which utilizes an Eligible Biomass Woody Fuel demonstrates to the satisfaction of the Department compliance with the fuel plan requirement found in 225 CMR 14.05(1)(a)7.f.i. and the requirements in 225 CMR 14.05(8)(a), then the Department shall continue such Unit's existing SQ through Compliance Year 2014.

3. Beginning in Compliance Year 2016 a previously qualified Generation Unit utilizing an Eligible Biomass Woody Fuel shall meet all requirements of 225 CMR 14.00. If a Unit cannot demonstrate compliance with 225 CMR 14.00 the Department shall rescind the Unit's SQ effective commencing in Compliance Year 2016.

(9) Special Provisions for a Solar Carve-out II Renewable Generation Unit. All references to kW or MW in 225 CMR 14.05(9) shall be measured on a nameplate capacity basis in direct current (DC).

(a) The Solar Carve-out II Renewable Generation Unit must use solar photovoltaic technology on-site and be interconnected with the electric grid in the Commonwealth of Massachusetts. On-site use includes any new or existing load located at the site of the Solar Carve-out II Renewable Generation Unit, including any parasitic load that may result from the installation and operation of the Solar Carve-out II Renewable Generation Unit, and that is wired to receive a portion of the electrical energy output from the Solar Carve-out II Renewable Generation Unit before the balance of such output passes through the Solar Carve-out II Renewable Generation Unit's metered interconnection onto the electric grid. The maximum capacity of a Solar Carve-out II Renewable Generation Unit shall be six MW and shall be determined based on the total capacity of Solar Carve-out Renewable Generation Units and Solar Carve-out II Renewable Generation Units located on a single parcel of land. For any parcel of land for which a Solar Carve-out II Renewable Generation Unit has submitted a Statement of Qualification Application, if its current boundaries are the result of a subdivision recorded after January 1, 2010, the Owner or Operator shall demonstrate to the Department that the subdivision was not for the purpose of obtaining eligibility as a Solar Carve-out II Renewable Generation Unit. If the Owner or Operator fails to make such a showing to the Department, the six MW limit shall apply to the metes and bounds of the parcel as recorded prior to the subdivision. Any solar photovoltaic Generation Units that would result in excess of six MW of capacity installed on

the same parcel of land and meeting all other requirements under 225 CMR 14.00 may qualify only for RPS Class I Renewable Generation Attributes.

(b) A Solar Carve-out II Renewable Generation Unit must have a Commercial Operation Date on or after January 1, 2013 and must not be qualified as a Solar Carve-out Renewable Generation Unit under provisions in 225 CMR 14.05(4).

(c) Any entity that owns Solar Carve-out II Renewable Attributes generated by a Solar Carve-Out II Renewable Generation Unit is eligible to make deposits into the Solar Credit Clearinghouse Auction-II. The Department or its agent shall maintain a Solar Credit Clearinghouse Auction-II Account on the NEPOOL GIS into which eligible Solar Carve-out II Renewable Generation Attributes may be deposited. The Solar Credit Clearinghouse Auction-II Account shall be available for deposit of Attributes only from May 16<sup>th</sup> through June 15<sup>th</sup>.

(d) An entity that opts to deposit Solar Carve-out II Renewable Attributes into the Solar Credit Clearinghouse Auction-II Account shall be assessed, at the completion of the auction, a usage fee of five percent of the auction price for each such Attribute deposited into Solar Credit Clearinghouse Auction-II Account. This usage fee shall be deposited into the Alternative Compliance Payment fund under 225 CMR 14.08(3). This usage fee will not apply to Attributes that remain unsold following the final round of the Solar Credit Clearinghouse Auction-II as provided in 225 CMR 14.05(9)(i).

(e) Those Solar Carve-out II Renewable Generation Attributes deposited into the Solar Credit Clearinghouse Auction-II Account shall then be retired and reissued by NEPOOL GIS as re-minted auction-II account Generation Attributes. These re-minted auction-II account Generation Attributes shall be eligible for compliance in either of the two subsequent Compliance Years from the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out II Minimum Standard. The Department or its agent shall conduct an auction for those re-minted auction-II account Generation Attributes. Any entity wishing to purchase re-minted auction-II account Generation Attributes may participate and enter a bid. Each bid shall be for the number of re-minted auction-II account Generation Attributes that the bidder wishes to purchase at a fixed price. The fixed price shall vary each Compliance Year according to the following schedule.

<b>Compliance Year</b>	<b>Solar Credit Clearinghouse Auction-II Fixed Price, \$ per Generation Attribute</b>
2014	\$300
2015	\$300
2016	\$300
2017	\$285
2018	\$271
2019	\$257

2020	\$244
2021	\$232
2022	\$221
2023	\$210
2024	\$199
2025	\$189
2026	\$180
2027 and after	\$171

(f) The Solar Credit Clearinghouse Auction-II shall be held not later than July 31<sup>st</sup> each year as necessary. If this Auction clears, meaning that the total number of re-minted auction-II account Generation Attributes bid for in the auction was equal to or more than the number of Solar Carve-out II Renewable Generation Attributes deposited, then the total amount of re-minted auction-II account Generation Attributes will be distributed to the bidders in a pro-rated manner such that each bidder receives the same percentage of their bid volume.

(g) If the auction under 225 CMR 14.05(9)(f) does not clear, meaning that the total number of re-minted auction-II account Generation Attributes bid for in the auction was less than the number of Solar Carve-out II Renewable Generation Attributes deposited, the Department or its agent shall void the auction. The Department shall then conduct a second auction within three Business Days of the first auction under 225 CMR 14.05(9)(f), in which any re-minted auction-II Generation Attributes purchased shall be eligible in any of the three subsequent Compliance Years from the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out II Minimum Standard.

(h) If the second auction under 225 CMR 14.05(9)(g) does not clear, the Department or its agent shall void the auction. The Department shall then conduct a third auction within three Business Days of the second auction under 225 CMR 14.05(9)(g), at which point the re-minted auction-II Generation Attributes shall be eligible in any of the three subsequent Compliance Years from the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out II Minimum Standard. Prior to the third auction under 225 CMR 14.05(9)(h), the Department shall also re-calculate the Massachusetts Solar Carve-out II Minimum Standard under 225 CMR 14.07(3).

(i) If the third auction under 225 CMR 14.05(9)(h) does not clear, the re-minted auction-II account Generation Attributes deposited in the Solar Credit Clearinghouse Auction-II Account shall be allocated to the bidders in a pro-rated manner so that an equal percentage of re-minted auction-II account Generation Attributes are allocated from each Generation Unit that deposited Solar Carve-out II Renewable Generation Attributes. The remaining re-minted auction-II account Generation Attributes that were not allocated to the bidders shall be returned to the entity that made the deposit. These re-minted auction-II account Generation Attributes shall be eligible in any of the three subsequent Compliance Years from

the year in which they were generated to meet obligations under the Massachusetts Solar Carve-out II Minimum Standard.

(j) Re-minted auction-II account Generation Attributes may not be placed into the Solar Credit Clearinghouse Auction-II Account in subsequent years.

(k) For each MWh of electricity generation, a Solar Carve-out II Renewable Generation Unit shall generate two types of GIS Certificates. The first type of GIS Certificate shall be encoded as solar photovoltaic, but without RPS Class I Renewable Generation Attributes or Solar Carve-out II Renewable Generation Attributes. The second type of GIS Certificate shall be a Solar Renewable Energy Certificate II (SREC II). The proportion of each of type of GIS Certificate that a Solar Carve-out II Renewable Generation Unit shall generate will be determined subject to the following:

1. Beginning with the calendar quarter in which each Solar Carve-out II Renewable Generation Unit's RPS Effective Date occurs, as prescribed in 225 CMR 14.06(4), the number of GIS Certificates encoded as solar photovoltaic without RPS Class I Renewable Generation Attributes or Solar Carve-out II Renewable Generation Attributes that each Generation Unit generates shall be equal to one minus the SREC Factor, as determined under 225 CMR 14.05(9)(1), times the number of MWh generated. The number of SREC IIs each Generation Unit generates shall be equal to the SREC Factor, as determined under 225 CMR 14.05(9)(1), times the number of MWh generated. This shall apply for as long as the Solar Carve-out II Renewable Generation Unit is eligible to generate Solar Carve-out II Renewable Generation Attributes pursuant to 225 CMR 14.05(9)(1)4.

2. The Solar Carve-out II Renewable Generation Unit Owner or Operator must include within its Statement of Qualification Application an attestation that any GIS Certificate encoded as solar photovoltaic, but without RPS Class I Renewable Generation Attributes or Solar Carve-out II Renewable Generation Attributes, shall be retired at NEPOOL GIS and its ownership shall not be transferred to any other party.

3. Upon the termination of the eligibility period established under 225 CMR 14.05(9)(1)4., a Solar Carve-out II Renewable Generation Unit shall cease to generate SREC IIs and will generate RPS Class I Renewable Generation Attributes for 100% of the MWh it generates.

(l) SREC Factor. The Department assigns to each Solar Carve-out II Renewable Generation Unit an SREC Factor that determines the proportion of the two types of GIS Certificates the Generation Unit will generate as prescribed in 225 CMR 14.05(9)(k). The SREC Factor for any Solar Carve-out II Renewable Generation Unit shall be established as follows:

1. The Department shall publish an SREC Factor Guideline that prescribes SREC Factors differentiated by solar market sectors as specified in 225 CMR 14.05(9)(1)2. to support solar policy objectives.

2. An SREC Factor under 225 CMR 14.05(9)(1)1. shall apply to Generation Units installed in the following market sectors:

a. Market Sector A. The following types of Generation Units will qualify as Solar Carve-out II Renewable Generation Units under Market Sector A provided they meet the eligibility criteria prescribed in 225 CMR 14.05(9)(a):

- i. Generation Units with a capacity equal to or less than 25 kW;
- ii. Solar Canopy Generation Units;
- iii. Emergency Power Generation Units;
- iv. Community Shared Solar Generation Units; or
- v. Generation Units that provide all of their generation output in the form of electricity or net metering credits to low or moderate income housing, as defined under M.G.L. c. 40B, § 20.

For the purposes of 225 CMR 14.05(9)(1)2.a., a Generation Unit's capacity shall be measured as the total nameplate capacity of the qualified Solar Carve-out II Renewable Generation Unit on a single parcel of land or on a roof of a single building.

b. Market Sector B. The following types of Generation Units will qualify as Solar Carve-out II Renewable Generation Units under Market Sector B provided they meet the eligibility criteria prescribed in 225 CMR 14.05(9)(a):

- i. Building Mounted Generation Units with a capacity of greater than 25 kW; or
- ii. Ground mounted Generation Units with a capacity of greater than 25 kW for which 67% or more of its annual electric output is used on-site as prescribed in 225 CMR 14.05(9)(a).

c. Market Sector C. The following types of Generation Units will qualify as Solar Carve-out II Renewable Generation Units under Market Sector C provided they meet the eligibility criteria prescribed in 225 CMR 14.05(9)(a):

i. Generation Units with 75% or more of the nameplate capacity of the solar modules used for generating power installed at an Eligible Landfill or Brownfield; or

ii. Ground mounted Generation Units with a nameplate capacity of less than or equal to 650 kW for which less than 67% of its annual electrical output is used on-site as prescribed in 225 CMR 14.05(9)(a). For the purposes of 225 CMR 14.05(9)(l)2.c., a Unit's capacity shall be measured as the total capacity of qualified Solar Carve-out II Renewable Generation Units on a single parcel of land.

d. Managed Growth Sector. Any Solar Carve-out II Renewable Generation Unit that does not meet the solar market sectors specified in 225 CMR 14.05(9)(l)2.a. through c. shall be eligible to qualify as Managed Growth. There shall be no more than 126 MW of Managed Growth Solar Carve-out II Renewable Generation Units.

3. The SREC Factor assigned to a Unit in its Statement of Qualification shall remain its SREC Factor for its entire term it is eligible to generate Solar Carve-out II Renewable Generation Attributes subject to the limitations in 225 CMR 14.05(9)(l)4, unless otherwise approved at the Department's discretion.

4. Solar Carve-out II Renewable Generation Units with an RPS Effective Date on or before March 31, 2018 will be eligible to receive Solar Carve-out II Renewable Generation Attributes for 40 quarters. However, no Solar Carve-out II Renewable Generation Unit will generate Solar Carve-out II Renewable Generation Attributes after Compliance Year 2027.

5. Notwithstanding 225 CMR 14.05(9)(l)3, any Solar Carve-out II Renewable Generation Unit that has a nameplate capacity equal to or less than 25 kW and receives an authorization to interconnect after January 8, 2017 or that qualifies for an extension under 225 CMR 14.05(9)(s)4.a will receive a lower SREC Factor that shall be established in a revision to the SREC Factor Guideline on or before August 31, 2016.

(m) The Department shall issue a Guideline outlining the process for providing Assurance of Qualification or queuing position to Solar Carve-out II Renewable Generation Units as outlined in 225 CMR 14.05(9)(n) and (o). The Guideline may consider accommodations for small Generation Units and will provide a queuing system for Generation Units awaiting an Assurance of Qualification. The content of the Guideline will be subject to stakeholder review and comment.

(n) A Generation Unit seeking a Statement of Qualification as a Solar Carve-out II Renewable Generation Unit must submit a Statement of Qualification Application.

(o) The Department shall grant a Statement of Qualification to Solar Carve-out II Renewable Generation Units that have submitted a complete Statement of Qualification Application and meet the eligibility criteria prescribed in 225 CMR 14.05(9).

(p) As of April 8, 2016, the Department shall provide Statements of Qualifications to all Solar Carve-out II Renewable Generation Units with submitted Statement of Qualification Applications as follows, provided such Solar Carve-out II Renewable Generation Units meet all other eligibility criteria of 225 CMR 14.00.

1. A Solar Carve-out II Renewable Generation Unit with a rated capacity greater than 25 kW that has received an Assurance of Qualification under the Solar Carve-out II Program Capacity Cap as of April 8, 2016, shall immediately be granted a Statement of Qualification. The Solar Carve-out II Renewable Generation Unit will retain its Statement of Qualification only if the Generation Unit meets the project construction timelines prescribed in 225 CMR 14.05(9)(p)4.

2. A Solar Carve-out II Renewable Generation Unit with a rated capacity greater than 25 kW that submits a complete Statement of Qualification Application shall be provided a Statement of Qualification. The Solar Carve-out II Renewable Generation Unit will retain its Statement of Qualification only if the Generation Unit meets the project construction timelines prescribed in 225 CMR 14.05(9)(p)4.

3. A Solar Carve-out II Renewable Generation Unit that has a rated capacity equal to or less than 25 kW, which has both received its authorization to interconnect or permission to operate from its local Distribution Company and submitted a Statement of Qualification Application by the SMART Program Effective Date, as defined in 225 CMR 20.05(2): *SMART Program Effective Date*, shall be provided a Statement of Qualification provided it meets all other applicable eligibility criteria of 225 CMR 14.00. For the purpose of this subparagraph, the Generation Unit's capacity shall be measured as the total capacity of qualified Solar Carve-Out Renewable Generation and Solar Carve-Out II Renewable Generation on a single parcel of land or on a roof of a single building, whichever is less.

4. A Solar Carve-out II Renewable Generation Unit with a rated capacity greater than 25 kW that has received a Statement of Qualification must receive its authorization to interconnect or permission to operate from its local Distribution Company on or before January 8, 2017, in order to retain its

Statement of Qualification. However, a Solar Carve-out II Renewable Generation Unit that does not receive its authorization to interconnect or permission to operate from its local Distribution Company on or before January 8, 2017, may also retain its Statement of Qualification if it can meet the following criteria:

a. If a Solar Carve-out II Renewable Generation Unit can demonstrate to the Department's satisfaction that it has expended at least 50% of its total construction costs by January 8, 2017, it will be provided an extension through May 8, 2017, at which point the Generation Unit must provide evidence that it has received its authorization to interconnect or permission to operate, or that it meets the criteria to qualify for an additional extension under 225 CMR 14.05(9)(p)4.b or c.

b. If a Solar Carve-out II Renewable Generation Unit can demonstrate to the Department's satisfaction that its interconnection depends only upon receipt of notice of authorization to interconnect from the Distribution Company, its Statement of Qualification shall be extended indefinitely until such notice is received or denied.

c. If a Solar Carve-out II Renewable Generation Unit can demonstrate to the Department's satisfaction that good cause warrants an extension outside of that permitted under 225 CMR 14.05(9)(p)4.a or b, its Statement of Qualification shall be extended by an amount of time to be determined by the Department.

d. Details on additional deadlines and eligibility criteria can be found in the Department's *SREC Factor Guideline*.

14.06: Qualification Process for RPS Class I, Solar Carve-out Renewable Generation Units, and Solar Carve-out II Renewable Generation Units

(1) Statement of Qualification Application. A Statement of Qualification Application shall be submitted to the Department by the Owner or Operator of the Generation Unit or by the Authorized Agent for an Aggregation, as provided in 225 CMR 14.05(6)(b). The applicant must use the most current forms and associated instructions provided by the Department, and must include all information, documentation, and assurances required by such forms and instructions.

(2) Review Procedures.

(a) The Department will notify the applicant when the Statement of Qualification Application is administratively complete or if additional information is required pursuant to 225 CMR 14.06(1).



(b) The Department may, in its sole discretion, provide an opportunity for public comment on any Statement of Qualification Application.

(c) Not later than ten days after receiving an administratively complete Statement of Qualification Application for an Advancement of Biomass Conversion Generation Unit, the Department shall notice such application and provide an opportunity for public comment before the Department issues a Statement of Qualification.

(3) Issuance or Non-issuance of a Statement of Qualification.

(a) If the Department finds that all or a portion of the electrical energy output of a Generation Unit or of an Aggregation meets the requirements for eligibility as RPS Class I Renewable Generation, Solar Carve-out Renewable Generation, or Solar Carve-out II Renewable Generation pursuant to 225 CMR 14.05, the Department will provide the Owner or Operator of such Generation Unit or the Authorized Agent for such Aggregation with a Statement of Qualification.

(b) The Statement of Qualification shall include any applicable restrictions and conditions that the Department deems necessary to ensure compliance by a particular Generation Unit or Aggregation with the provisions of 225 CMR 14.00. After June 28, 2013, a Statement of Qualification shall be issued to a Solar Carve-out Renewable Generation Unit only if it meets the conditions of 225 CMR 14.05(4)(k).

(c) If the Generation Unit or Aggregation does not meet the requirements for eligibility as an RPS Class I Renewable Generation Unit, a Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit, the Department shall provide written notice to the Owner or Operator or to the Authorized Agent for an Aggregation, including the Department's reasons for such finding.

(d) A Solar Carve-out Renewable Generation Unit shall receive a Statement of Qualification that states that the Generation Unit is eligible for the Massachusetts Solar Carve-out and that specifies a term of calendar quarters, referred to as the Opt-in Term, during which period the Generation Unit is eligible to participate in the Solar Credit Clearinghouse Auction. The Opt-in Term shall be set at the time that the Generation Unit receives its Statement of Qualification, and the Opt-in Term shall commence with the earlier of either the first day of the calendar quarter during which occurs the RPS Effective Date, as such date is provided in 225 CMR 14.06(4), or, at the request of the applicant or in the case that the Generation Unit has not yet been granted the approval to interconnect to the grid by the local Distribution Company, the first day of the subsequent calendar quarter from the date of the Statement of Qualification.

(e) The length of the Opt-in Term shall be 40 quarters for all Solar Carve-out Renewable Generation Units that receive a Statement of Qualification.

(f) Starting in the calendar quarter after the end of a Solar Carve-out Renewable Generation Unit's Opt-in Term, it shall no longer be eligible to generate Solar Carve-out Renewable Generation Attributes, but will remain qualified to generate RPS Class I Renewable Generation Attributes.

(g) A Solar Carve-out II Renewable Generation Unit shall be issued a Statement of Qualification provided that it meets the provisions of 225 CMR 14.05(9).

(4) RPS Effective Date. The RPS Effective Date shall be the earliest date on or after the Commercial Operation Date on which electrical energy output of an RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit can result in the creation of RPS Class I Renewable Generation Attributes, Solar Carve-out Renewable Generation Attributes, or Solar Carve-out II Renewable Generation Attributes except that;

(a) in the case of a Biomass Unit, the RPS Effective Date shall not be earlier than the date on which the Department determines that the Generation Unit has commenced compliance with the low-emission conditions in its Statement of Qualification;

(b) in the case of a Hydroelectric Energy Generation Unit, the RPS Effective Date shall not be earlier than the date on which the Department determined that the Generation Unit has commenced compliance with the environmental conditions in its Statement of Qualification; and

(c) in the case of Solar Carve-out II Renewable Generation Units, the Generation Unit Owner may elect to have their RPS Effective Date established as the first day of the calendar quarter following their Commercial Operation Date. In the case of a Solar Carve-out II Renewable Generation Unit in the Managed Growth Sector, its RPS Effective Date will be no earlier than the first day of the calendar year of the Annual Capacity Block under which the Solar Carve-out II Renewable Generation Unit is qualified.

(5) Notification Requirements for Change in Eligibility Status. The Owner or Operator of an RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit shall notify the Department of any changes in the technology, operation, emissions, fuel sources, energy resources, capacity commitment, or other characteristics of the Generation Unit that may affect the eligibility of the Generation Unit as an RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit. The Owner or Operator shall submit the notification to the Department no later than five days following the end of the month during which such changes were implemented. The notice shall state the date the changes were made to the RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit and describe the changes in

sufficient detail to enable the Department to determine if a change in eligibility is warranted.

(6) Notification Requirements for Change in Ownership, Generation Capacity, or Contact Information. The Owner or Operator of an RPS Class I Renewable Generation Unit, Solar Carve-out Generation Unit, or Solar Carve-out II Renewable Generation Unit shall notify the Department of any changes in the ownership, operating entity, generation capacity, NEPOOL GIS account, independent verification system for the Generation Unit's or Aggregation's electrical energy output, or contact information for the Generation Unit or Aggregation. The Owner or Operator shall submit the notification to the Department no later than five days following the end of the month during which such changes were implemented.

(7) Time Limit for Project Implementation. Any Statement of Qualification issued on or after March 31, 2009 shall expire 24 months after the issuance date of the Statement of Qualification (the Expiration Date) unless the Commercial Operation Date of the Generation Unit or Aggregation is on or before the Expiration Date, with the exception of any Statement of Qualification issued to a Solar Carve-out Generation Unit, which shall expire per the terms outlined in 225 CMR 14.05(4)(k). Any Statement of Qualification issued to a Solar Carve-out II Renewable Generation Unit shall expire pursuant to the terms outlined in 225 CMR 14.05(9)(p). The Department may, at its discretion, grant an extension of the Expiration Date of the Statement of Qualification upon petition by the Owner or Operator of the Generation Unit or Aggregation. If the Owner or Operator of such Generation Unit or Aggregation desires an extension, such Owner or Operator must submit a new Statement of Qualification Application, and the decision of the Department on such new application may be made in accordance with the regulations and criteria that are applicable on the date that the Department receives that application.

(8) Expiration of Advisory Rulings. An advisory ruling issued by the Department for any proposed Generation Unit for which an administratively complete Statement of Qualification Application has not been submitted as of January 7, 2011, shall be deemed to have expired on January 7, 2011.

(9) Suspension or Revocation of Statement of Qualification. The Department may suspend or revoke a Statement of Qualification if the Owner or Operator of an RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit or Authorized Agent of an Aggregation fails to comply with 225 CMR 14.00 or if a Generation Unit does not operate during a consecutive 12-month period.

#### 14.07: Renewable Energy Portfolio Standard - Class I

(1) RPS Class I Minimum Standard. The total annual sales of each Retail Electricity Product sold to Massachusetts End-use Customers by a Retail Electricity Supplier shall include a minimum percentage, as specified in the table in 225 CMR 14.07, of

electrical energy sales with RPS Class I Renewable Generation Attributes, Solar Carve-out Renewable Generation Attributes, and Solar Carve-out II Renewable Generation Attributes. The following table reflects annual total RPS Class I Minimum Standard Percentage requirements, including the Solar Carve-out and Solar Carve-out II Minimum Standards, in effect from 2003 through 2030:

Compliance Year	Cumulative Minimum Percentage, Including solar carve-out and solar carve-out II
2003	1.0%
2004	1.5%
2005	2.0%
2006	2.5%
2007	3.0%
2008	3.5%
2009	4.0%
2010	5.0%
2011	6.0%
2012	7.0%
2013	8.0%
2014	9.0%
2015	10.0%
2016	11.0%
2017	12.0%
2018	13.0%
2019	14.0%
2020	16.0%
2021	18.0%
2022	20.0%
2023	22.0%
2024	24.0%
2025	26.0%
2026	28.0%
2027	30.0%
2028	32.0%
2029	34.0%
2030	35.0%

After 2030, the RPS Class I Minimum Standard shall increase by 1% in each subsequent Compliance Year unless modified by law.

(2) Solar Carve-out Minimum Standard. All references to kW or MW in 225 CMR 14.07(2) shall be measured on a nameplate capacity basis in direct current (DC).

(a) The total annual sales of each Retail Electricity Product sold to Massachusetts End-use Customers by a Retail Electricity Supplier shall include a minimum percentage of electrical energy sales with Solar Carve-out Renewable Generation Attributes. This percentage shall be a portion of the Supplier's obligation under 225 CMR 14.07(1) and not an additional obligation of the Supplier. For each Compliance Year, the Solar Carve-out Minimum Standard shall be calculated as the total Solar Carve-out compliance obligation (in MWh) as determined in 225 CMR 14.07(2)(b) and (c), divided by the total MWh of electrical energy sales by Retail Electricity Suppliers to End-use Customers in the Compliance Year two years prior, as such sales are defined in 225 CMR 14.09(2)(a). The following table reflects the Minimum Standards in effect from Compliance Years 2010 through 2021 by year and the execution date of a retail supply contract:

<b>Solar Carve-Out Minimum Standards</b>		
<b>Compliance Year</b>	<b>Retail Contract Execution Date</b>	<b>Minimum Standard</b>
2010	N/A	0.0679%
2011	N/A	0.1627%
2012	N/A	0.1630%
2013	On or before 6/7/2013	0.2744%
	After 6/7/2013	0.3833%
2014	N/A	0.9481%
2015	On or before 6/28/2013	1.5359%
	After 6/28/2013	2.1442%
2016	On or before 6/28/2013	0.9801%
	After 6/28/2013	1.7568%
2017	On or before 6/28/2013	0.9861%
	After 6/28/2013	1.6313%
2018	On or before 6/28/2013	1.1411%
	After 6/28/2013	1.7903%
2019	On or before 6/28/2013	1.0978%
	After 6/28/2013	1.7458%
2020	On or before 6/28/2013	0.9867%
	After 6/28/2013	1.6116%
2021	On or before 6/28/2013	0.9824%
	After 6/28/2013	1.6272%

(b) For all Compliance Years subsequent to 2021, the Minimum Standards calculated for the Solar Carve-out, which shall be announced by the Department not later than August 31<sup>st</sup> of the preceding Compliance Year, shall be determined by first calculating the compliance obligation and setting it to either:

1. the total Solar Carve-out Renewable Generation Attributes projected to be generated for the previous Compliance Year (CY-1) minus the total Solar

Carve-out Renewable Generation Attributes that will no longer be generated in the Compliance Year per 225 CMR 14.06(3)(e); or

2. the total Solar Carve-out Renewable Generation Attributes projected to be generated for the previous Compliance Year

(CY-1) minus the total Solar Carve-out Renewable Generation Attributes that will no longer be generated in the Compliance Year per 225 CMR 14.06(3)(e), minus the quantity of solar carve-out Alternative Compliance Credits used for the Compliance Year two years prior (CY-2), plus the number of Solar Carve-out Renewable Generation Attributes from the Compliance Year two years prior (CY-2) banked as provided under 225 CMR 14.08(2), plus the number of Solar Carve-out Renewable Generation Attributes from the Compliance Year two years prior (CY-2) deposited into the Solar Credit Clearinghouse Auction Account, whichever is greater.

(c) Minimum Standard for Retail Load Served under Contracts Executed on or Before June 28, 2013. The Solar Carve-out Minimum Standard applied to Retail Electric Suppliers for that portion of electrical energy sales that were subject to a contract executed or extended prior to June 28, 2013 shall be calculated based on a compliance obligation calculated per 225 CMR 14.07(2)(b) as if the Solar Carve-Out Program Capacity Cap was 400 MW minus the capacity from Solar Carve-out Renewable Generation Units that will no longer be eligible per 225 CMR 14.06(3)(e). 225 CMR 14.07(2)(c) applies only if the Retail Electric Supplier provides documentation, satisfactory to the Department, identifying the terms of such contracts including but not limited to, the execution and expiration dates of the contract and the annual volume of electrical energy supplied.

(d) In the instance the Solar Credit Clearinghouse Auction under 225 CMR 14.05(4)(g) does not clear, prior to conducting an auction under 225 CMR 14.05(4)(h), the Department shall recalculate the Solar Carve-out Minimum Standards for the Compliance Year two years following the Compliance Year in which the Solar Carve-out Renewable Generation Attributes deposited into the Solar Credit Clearinghouse Auction Account were generated by adding to the previously calculated total compliance obligations under 225 CMR 14.07(2)(b) and (c) the number of Solar Carve-out Renewable Generation Attributes deposited into the Solar Credit Clearinghouse Auction Account such that the number of Attributes deposited is counted twice.

(e) Compliance Year 2023 shall be the final Compliance Year of the Solar Carve-out program. In the event that a Solar Credit Clearinghouse Auction is held for Compliance Year 2022 or 2023 and creates Re-minted Auction Account Attributes that can be used for Compliance Years after 2023, the Department shall extend the final Compliance Year by one additional Compliance Year. The compliance obligation for this additional Compliance Year will be equal to the number of Solar Carve-out Renewable Energy Generation Attributes deposited into the Solar Credit Clearinghouse Auction Account plus the number of remaining Re-Minted Auction Account Attributes and banked Solar Carve-out Renewable Generation Attributes that have not been used for meeting any compliance obligation. The Solar Carve-out Minimum Standard shall be set to zero for the year after this additional Compliance Year.

(f) In the event that there is an additional Compliance Year added as a result of an Auction in the final Compliance Year, Solar Carve-out Renewable Energy Generation Attributes shall cease to exist as of the start of the additional Compliance Year, and all generation from qualified Solar Carve-out Generation Units shall produce RPS Class I Generation Attributes.

(g) In the event that there is no additional Compliance Year added as the result of an Auction in the final Compliance Year, the Department shall set the Solar Carve-out Minimum Standard to zero for the year after the final Compliance Year. From this time forward, Solar Carve-out Renewable Energy Generation Attributes shall cease to exist, and all generation from qualified Solar Carve-out Renewable Generation Units shall produce RPS Class I Renewable Energy Attributes.

(3) Solar Carve-out II Minimum Standard. All references to MW in 225 CMR 14.07(3) shall be measured on a nameplate capacity basis in direct current (DC).

(a) The total annual sales of each Retail Electricity Product sold to Massachusetts End-use Customers by a Retail Electricity Supplier shall include a minimum percentage of electrical energy sales with Solar Carve-out II Renewable Generation Attributes. This percentage shall be a portion of the Supplier's obligation under 225 CMR 14.07(1) and not an additional obligation of the Supplier. For each Compliance Year, the Department shall calculate the Solar Carve-out II Minimum Standard by dividing the total Solar Carve-out II compliance obligation (in MWh), as determined in 225 CMR 14.07(3)(b) and (c), by the total MWh of electrical energy sales by Retail Electricity Suppliers to End-use Customers in the Compliance Year two years prior, as such sales are defined in 225 CMR 14.09(2)(a). The following table reflects the Minimum Standards in effect from Compliance Years 2014 through 2021 by year and the execution date of a retail supply contract:

<b>Solar Carve-Out II Minimum Standards</b>		
<b>Compliance Year</b>	<b>Retail Contract Execution Date</b>	<b>Minimum Standard</b>

CONFIDENTIAL – POLICY DELIBERATIVE

2014	On or before 4/25/2014	0.0000%
	After 4/25/2014	0.0843%
2015	On or before 4/25/2014	0.0000%
	After 4/25/2014	0.3288%
2016	On or before 4/25/2014	0.0000%
	After 4/25/2014	0.7851%
2017	On or before 4/25/2014	0.0000%
	After 4/25/2014 and on or before 5/8/2016	2.0197%
	After 5/8/2016	2.8628%
2018	On or before 4/25/2014	0.0000%
	After 4/25/2014 and on or before 5/8/2016	2.6823%
	After 5/8/2016	4.0683%
2019	On or before 4/25/2014	0.0000%
	After 4/25/2014 and on or before 5/8/2016	2.3196%
	After 5/8/2016	3.9141%
2020	On or before 4/25/2014	0.0000%
	After 4/25/2014 and on or before 5/8/2016	2.2040%
	After 5/8/2016	3.8011%
2021	After 4/25/2014 and on or before 5/8/2016	2.2672%
	After 5/8/2016	3.9284%

(b) For all Compliance Years subsequent to 2021 the Minimum Standard for the Solar Carve-out II shall be announced by the Department not later than August 31 of the preceding Compliance Year and shall be determined by the Department after calculating a compliance obligation as equal to the sum of the following quantities of generated and projected SREC IIs:

1. Installed SREC II Supply: For all Solar Carve-out II Renewable Generation Units installed at the time of the determination, the Department shall project the Compliance Year generation of SREC IIs based on assigned SREC Factors.

2. Qualified but not Installed SREC II Supply: For all Solar Carve-out II Renewable Generation Units that have received Statements of Qualification as Solar Carve-out II Renewable Generation Units from the Department, but whose Commercial Operation Dates have not yet been reached, the Department shall project the Compliance Year generation of SREC IIs based on assigned SREC Factors and expected Commercial Operation Dates.

3. Projected New Supply: The Department shall provide a projection of SREC II supply in Compliance Year from new installations that have not yet received



Statements of Qualification based on prior growth trends by market sectors and all other available information.

4. Rollover Volume: The volume of SREC IIs generated in the Compliance Year two and three years prior to the Compliance Year for which the compliance obligation is being calculated that remain available for compliance, including each of the following:

a. re-minted auction-II account Generation Attributes as established in 225 CMR 14.05(9)(e) and (g); and

b. banked Solar Carve-out II Renewable Generation Attributes as allowed in 225 CMR 14.08(2).

5. Third Round Auction Volume Doubling. In the case of a third round Solar Credit Clearinghouse Auction-II under 225 CMR 14.05(9)(g), the volume of SREC IIs deposited into the Solar Credit Clearinghouse Auction II Account in the Compliance Year two years prior to the Compliance Year for which the compliance obligation is being calculated, as prescribed by 225 CMR 14.07(3)(d).

(c) Compliance Exemptions for Retail Load Served under Existing Contracts. The following methodologies will be used to calculate the compliance obligations and resulting Minimum Standards that apply to electrical energy sales that were subject to contracts executed or extended prior to certain dates as prescribed in 225 CMR 14.07(3)(c)1. through 2. These provisions apply only if the Retail Electric Supplier provides documentation, satisfactory to the Department, identifying the terms of such contracts including but not limited to, the execution and expiration dates of the contract and the annual volume of electrical energy supplied.

1. Minimum Standard for Retail Load Served under Contracts Executed on or Before April 25, 2014. There shall be no Solar Carve-out II Minimum Standard applied to Retail Electric Suppliers for that portion of electrical energy sales that were subject to a contract executed or extended prior to April 25, 2014.

2. Minimum Standard for Retail Load Served under Contracts Executed After April 25, 2014 and on or Before May 8, 2016. The Solar Carve-out II Minimum Standard applied to Retail Electric Suppliers for that portion of electrical energy sales that were subject to a contract executed or extended after April 25, 2014 and on or before May 8, 2016 shall be calculated based on a compliance obligation calculated per 225 CMR 14.07(3)(b) as if the combined Solar Carve-out Program Capacity Cap and Solar Carve-out II Program Capacity Cap were 1,600 MW.

(d) In the instance the Solar Credit Clearinghouse Auction-II under 225 CMR 14.05(9)(g) does not clear, prior to conducting an auction under 225 CMR

14.05(9)(h), the Department shall recalculate the Solar Carve-out II Minimum Standard for the Compliance Year two years following the Compliance Year in which the SREC IIs deposited into the Solar Credit Clearinghouse Auction-II Account were generated. This recalculation shall add to the previously calculated total compliance obligation under 225 CMR 14.07(3)(b)1. through 4. the number of SREC IIs deposited into the Solar Credit Clearinghouse Auction-II Account.

(e) The Department shall publish on its website a Guideline that provides clear and precise methodologies by which it will calculate each of the quantities in 225 CMR 14.07(3)(b), and the compliance obligation. The Department shall maintain within this Guideline up-to-date publicly available data that serve as input into these calculations.

(f) Compliance Year 2027 shall be the final Compliance Year of the Solar Carve-out II program. In the event that a Solar Credit Clearinghouse Auction-II is held for Compliance Year 2026 or 2027 and creates SREC IIs that can be used for Compliance Years after 2027, the Department shall extend the final Compliance Year by one additional Compliance Year to 2028 or 2029, respectively. The compliance obligation for any additional Compliance Year will be equal to the number of Solar Carve-out II Renewable Energy Generation Attributes deposited into the Solar Credit Clearinghouse Auction-II account plus the number of remaining SREC IIs and banked SREC IIs that have not been used for meeting any prior compliance obligation. The Solar Carve-out II Minimum Standard shall be set to zero for the year after this additional Compliance Year, unless a second additional Compliance Year is required.

(g) In the event that there is an additional Compliance Year added as a result of an auction in the final Compliance Year, Solar Carve-out II Renewable Energy Generation Attributes shall cease to exist as of the start of the additional Compliance Year, and all generation from qualified Solar Carve-out II Generation Units shall produce RPS Class I Generation Attributes only.

(h) In the event that there is no additional Compliance Year added as the result of an auction in the final two Compliance Years, the Department shall set the Solar Carve-out II Minimum Standard to zero for the year after the final Compliance Year. From this time forward, Solar Carve-out II Renewable Energy Generation Attributes shall cease to exist, and all generation from qualified Solar Carve-out II Renewable Generation Units shall produce RPS Class I Renewable Energy Attributes only.

#### 14.08: Compliance Procedures for Retail Electricity Suppliers

(1) Standard Compliance. Each Retail Electricity Supplier shall be deemed to be in compliance with 225 CMR 14.00 if the information provided in the Compliance Filing

submitted pursuant to 225 CMR 14.09 is true and accurate and demonstrates compliance with 225 CMR 14.07. A Retail Electricity Supplier shall demonstrate to the satisfaction of the Department that RPS Class I Renewable Generation Attributes, Solar Carve-out Renewable Generation Attributes, or Solar Carve-out II Renewable Generation Attributes used for compliance have not otherwise been, nor will be, sold, retired, claimed, used or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.

(2) Banked Compliance. A Retail Electricity Supplier may use RPS Class I Renewable Generation Attributes, Solar Carve-out Renewable Generation Attributes, or Solar Carve-out II Renewable Generation Attributes produced in one Compliance Year for compliance in either or both of the two subsequent Compliance Years, subject to the limitations in 225 CMR 14.08(2) and provided that the Retail Electricity Supplier is in compliance with 225 CMR 14.00 for all previous Compliance Years. In addition, the Retail Electricity Supplier shall demonstrate to the satisfaction of the Department that such Attributes:

(a) were in excess of the RPS Class I Renewable Generation Attributes, Solar Carve-out Renewable Generation Attributes, or Solar Carve-out II Renewable Generation Attributes needed for compliance in the Compliance Year in which they were generated, and that such excess Attributes have not previously been used for compliance with 225 CMR 14.00;

(b) do not exceed 30% of the RPS Class I Renewable Generation Attributes or do not exceed 10% of the Solar Carve-out Renewable Generation Attributes or Solar Carve-out II Renewable Generation Attributes needed by the Retail Electricity Supplier for compliance with the RPS Class I Minimum Standard, the Solar Carve-out Minimum Standard, or the Solar Carve-out II Minimum Standard, respectively, in the year they were generated, subject to 225 CMR 14.09(2)(d);

(c) were produced during the Compliance Year in which they are claimed as excess by the generation of electrical energy sold to End-use Customers in the ISO-NE Control Area, by the generation of electrical energy on End-use Customers' sides of retail meters in the ISO-NE Control Area, or by the generation of electrical energy from Off-grid Generation Units in Massachusetts; and

(d) have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Massachusetts.

(3) Alternative Compliance. A Retail Electricity Supplier may discharge its obligations under 225 CMR 14.07, in whole or in part, for any Compliance Year by making an Alternative Compliance Payment (ACP) to the MassCEC. Such funds shall be held in an account separate from other accounts of the MassCEC.

(a) RPS Class I Procedures. A Retail Electricity Supplier shall receive Alternative Compliance Credits from the Department, subject to the following:

1. The quantity of Alternative Compliance Credits, specified in MWhs, that can be applied to its obligations under 225 CMR 14.07(1) shall be determined by calculating the ratio of the total of ACPs paid for the Compliance Year to the ACP Rate for that Compliance Year.

2. The ACP Rate for the RPS Class I Minimum Standard shall be \$50 per MWh for Compliance Year 2003. For each subsequent Compliance Year, the Department shall publish the ACP Rate by January 31 of the Compliance Year. The ACP Rate shall be equal to the previous year's ACP Rate adjusted up or down according to the previous year's Consumer Price Index, but shall be \$60 per MWh in Compliance Year beginning in 2021, \$50 per MWh in Compliance Year 2022, and \$40 per MWh, beginning in Compliance Year 2023. The following table reflects the ACP Rates in effect from 2003 through 2020:

<b>Compliance Year</b>	<b>ACP Rate per MWh</b>
2003	\$50.00
2004	\$51.41
2005	\$53.19
2006	\$55.13
2007	\$57.12
2008	\$58.58
2009	\$60.92
2010	\$60.93
2011	\$62.13
2012	\$64.02
2013	\$65.27
2014	\$66.16
2015	\$67.07
2016	\$66.99
2017	\$67.70
2018	\$68.95
2019	\$70.44
2020	\$71.57

3. The Retail Electricity Supplier shall include with its Annual Compliance Filing copies of any ACP receipt(s) for ACPs made to the MassCEC for the Compliance Year.

(b) Solar Carve-out Renewable Generation Procedures. A Retail Electricity Supplier shall receive solar carve-out Alternative Compliance Credits from the Department, subject to the following:

1. The quantity of solar carve-out Alternative Compliance Credits, specified in MWhs, that can be applied to its obligations under 225 CMR 14.07(2) shall be determined by calculating the ratio of the total of solar carve-out ACPs paid for the Compliance Year to the solar carve-out ACP Rate for that Compliance Year.

2. The ACP Rate for the Solar Carve-out Minimum Standard shall be set annually according to the following schedule:

<b>Compliance Year</b>	<b>ACP Rate per MWh</b>
2010	\$600
2011	\$550
2012	\$550
2013	\$550
2014	\$523
2015	\$496
2016	\$472
2017	\$448
2018	\$426
2019	\$404
2020	\$384
2021	\$365
2022	\$347
2023	\$330
2024 (if necessary)	\$330
2025 (if necessary)	\$330

3. The Retail Electricity Supplier shall include with its Annual Compliance Filing copies of any ACP receipt(s) for solar carve-out ACPs made to the MassCEC for the Compliance Year.

(c) Solar Carve-out II Renewable Generation Procedures. A Retail Electricity Supplier shall receive solar carve-out II Alternative Compliance Credits from the Department, subject to the following:

1. The quantity of solar carve-out II Alternative Compliance Credits, specified in MWhs, that can be applied to its obligations under 225 CMR 14.07(3) shall be determined by calculating the ratio of the total of solar carve-out II ACPs paid for the Compliance Year to the solar carve-out II ACP Rate for that Compliance Year.

2. The ACP Rate for the Solar Carve-out II Minimum Standard shall be set annually according to the following schedule:

<b>Compliance Year</b>	<b>ACP Rate per MWh</b>
2014	\$375
2015	\$375
2016	\$350
2017	\$350
2018	\$350
2019	\$333
2020	\$316
2021	\$300
2022	\$285
2023	\$271
2024	\$257
2025	\$244
2026	\$232
2027	\$220
2028 (if necessary)	\$209
2029 (if necessary)	\$199

(d) Use of Funds. The Department shall oversee the use of ACP funds by the MassCEC, so as to:

1. further the commercial development of RPS Class I Renewable Generation Units, Solar Carve-out Renewable Generation Units, and Solar Carve-out II Renewable Generation Units; or
2. promote projects or activities that reduce greenhouse gas emissions or ratepayer costs through electric load reduction, peak demand reduction, or strategic electrification.

(4) Financial Security Requirements for Retail Electricity Suppliers. A Retail Electricity Supplier that is not a Distribution Company must provide by January 31 of each compliance year evidence of financial security that:

- (a) is in the form of a surety bond or other financial instrument showing evidence of liquid funds, such as a certificate of deposit, an irrevocable letter of credit, a line of credit, a loan or a guarantee;
- (b) is the greater of:
  1. \$100,000;

2. 20% of the Retail Electricity Supplier’s estimated gross receipts for its first full year of operation; or

3. 20% of the Retail Electricity Supplier’s actual gross receipts for the preceding year of operation, not including revenue from the provision of basic service, for any year after the first year of operation;

(c) does not exceed \$1,000,000;

(d) names the Department as beneficiary, obligee, or guaranteed party, as applicable and specifies that a notice of default issued under 225 CMR 14.12(5) or 225 CMR 15.12(5) shall be sufficient grounds to withdraw or obtain funds from the surety;

(e) has an expiration date not less than one year; and

(f) shall be adjusted annually, if based upon actual or estimated gross receipts, under 225 CMR 14.08(4)(b)1 or 2.

14.09: Annual Compliance Filings for Retail Electricity Suppliers

(1) Date of Annual Compliance Filing. For each Compliance Year, the Retail Electricity Supplier annually shall file an annual Compliance Filing with the Department no later than the first day of July, or the first Business Day thereafter, of the subsequent Compliance Year.

(2) Contents of Annual Compliance Filing. For each Retail Electricity Product, the Filing shall document compliance with the provisions of 225 CMR 14.07 and 14.08 to the satisfaction of the Department and shall include, but not be limited to, the following:

(a) Total Electrical Energy Sales to End-use Customers. Documentation of the total MWhs of electrical energy allocated by the Retail Electricity Supplier to End-use Customers in the Compliance Year. Such allocation is defined as the total quantity of the Supplier's Certificates Obligation that the Supplier correctly allocated or should have allocated to all of the Supplier's Massachusetts retail subaccounts in the NEPOOL GIS, in compliance with all relevant provisions of Part 4 of the NEPOOL GIS Operating Rules, or any successor rules, as specified in the Guideline on the Determination of Sales to End-use Customers.

(b) Electrical Energy Sales to End-use Customers by Product. Documentation of the total MWhs of each Retail Electricity Product allocated to End-use Customers in the Compliance Year, verified by an independent third party satisfactory to the Department, consistent with the Guidelines. Such allocation is defined as the quantity of the Supplier's Certificates Obligation that the Supplier correctly allocated or should have allocated to each of the Supplier's Massachusetts retail

subaccounts at the NEPOOL GIS, in compliance with all relevant provisions of Part 4 of the NEPOOL GIS Operating Rules, or any successor rules, as specified in the Guideline on the Determination of Sales to End-use Customers. The Department shall keep product information confidential to the extent permitted by law.

(c) Attributes Allocated from the Compliance Year. Documentation of the total MWhs of each Retail Electricity Product allocated to End-use Customers that were derived from RPS Class I Renewable Generation, Solar Carve-out Renewable Generation, and Solar Carve-out II Renewable Generation during the Compliance Year, and which may include electrical energy generated on End-use Customers' sides of retail meters in the ISO-NE Control Area or by Off-grid Generation Units in Massachusetts in the Compliance Year, as follows:

1. For electrical energy transactions included in the ISO-NE Settlement Market System, the Compliance Filings shall include documentation from the NEPOOL GIS administrator of the Retail Electricity Supplier's ownership of GIS Certificates representing RPS Class I Renewable Generation, Solar Carve-out Renewable Generation, and Solar Carve-out II Renewable Generation during the Compliance Year.

2. For electrical energy transactions not included in the ISO-NE Settlement Market System, but for which the Retail Electricity Supplier has secured GIS Certificates from the NEPOOL GIS, the Compliance Filings shall include documentation from the NEPOOL GIS of the Retail Electricity Supplier's ownership of GIS Certificates representing RPS Class I Renewable Generation, Solar Carve-out Renewable Generation, and Solar Carve-out II Renewable Generation during the Compliance Year.

(d) Attributes Allocated from Banked Compliance. Allocation by Retail Electricity Product of any quantity of RPS Class I Renewable Generation Attributes banked from one or both of the two previous years pursuant to 225 CMR 14.08(2) that are used to demonstrate compliance with the RPS Class I Minimum Standard in the current Compliance Year, and allocation by Retail Electricity Product of any quantity of Solar Carve-out Renewable Generation Attributes banked from one or both of the two previous years pursuant to 225 CMR 14.08(2) that are used to demonstrate compliance with the Solar Carve-out Minimum Standard or the RPS Class I Minimum Standard in the current Compliance Year, and allocation by Retail Electricity Product of any quantity of Solar Carve-out II Renewable Generation Attributes banked from one or both of the two previous years pursuant to 225 CMR 14.08(2) that are used to demonstrate compliance with the Solar Carve-out II Minimum Standard or the RPS Class I Minimum Standard in the current Compliance Year;

(e) Alternative Compliance Credits. Allocation by Retail Electricity Product of any Alternative Compliance Credits claimed pursuant to 225 CMR 14.08(3)(a),



along with a copy of any Alternative Compliance Payment receipt(s), and allocation by Retail Electricity Product of any solar carve-out Alternative Compliance Credits claimed pursuant to 225 CMR 14.08(3)(b), along with a copy of any solar carve-out Alternative Compliance Payment receipt(s), and allocation by Retail Electricity Product of any solar carve-out II Alternative Compliance Credits claimed pursuant to 225 CMR 14.08(3)(c), along with a copy of any solar carve-Out II Alternative Compliance Payment receipt(s); and

(f) Attributes Banked for Future Compliance. Identification of any quantity of Attributes from RPS Class I Renewable Generation, Solar Carve-out Renewable Generation, or Solar Carve-out II Renewable Generation, that the Retail Electricity Supplier anticipates claiming for purposes of Banked Compliance in subsequent years under the Banked Compliance provisions of 225 CMR 14.08(2).

(g) Contracts Subject to Lower ACP Rate under 225 CMR 14.08(3)(b)(3). Identification of any contract for a specific term of years that was executed before January 1, 2010, and its terms, including but not limited to, the execution and expiration dates of the contract and the annual volume of electrical energy supplied. Contracts eligible for the Lower ACP Rate shall include only those contracts that were executed by a retail End-use Customer.

#### 14.10: Reporting Requirements

(1) Certification. Any person required by 225 CMR 14.00 to submit documentation to the Department shall provide:

(a) the person's name, title and business address;

(b) the person's authority to certify and submit the documentation to the Department; and

(c) the following certification: "I hereby certify, under the pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and imprisonment."

(2) Annual Renewable Energy Resource Report. The Department shall produce and make available to the public an annual report that summarizes information submitted to the Department by Retail Electricity Suppliers in the Annual Compliance Filings submitted to the Department pursuant to 225 CMR 14.09(2). Such report shall include non-confidential data that provides the following:

(a) the extent to which the Retail Electric Suppliers complied with the RPS Class I Minimum Standard, the Solar Carve-out Minimum Standard, and Solar Carve-out II Minimum Standard, both separately and combined; and

(b) the extent to which the Retail Electric Suppliers used Standard Compliance, Banked Compliance, and Alternative Compliance in meeting the Minimum Standards.

(3) Identification of Renewable Generation Units, RPS Class I Generation Units, Solar Carve-out Renewable Generation Units, and Solar Carve-out II Renewable Generation Units. The Department shall inform the NEPOOL GIS administrator which Generation Units should be designated as Renewable Generation Units, RPS Class I Generation Units, Solar Carve-out Renewable Generation Units, and Solar Carve-out II Renewable Generation Units pursuant to 225 CMR 14.00.

#### 14.11: Inspection

(1) Document Inspection. The Department may audit the accuracy of all information submitted pursuant to 225 CMR 14.00. The Department may request and obtain from any Owner, Operator or Authorized Agent of an RPS Class I Renewable Generation Unit or a Solar Carve-out Renewable Generation Unit or a Solar Carve-out II Renewable Generation Unit, including Aggregations, and from any Retail Electricity Supplier information that the Department determines necessary to monitor compliance with and enforcement of 225 CMR 14.00.

(2) Audit and Site Inspection. Upon reasonable notice to a Retail Electricity Supplier or to an RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit Owner, Operator or Authorized Agent, the Department may conduct audits, which may include inspection and copying of records and/or site visits to an RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, Solar Carve-out II Renewable Generation Unit, or a Retail Electricity Supplier's facilities, including, but not limited to, all files and documents that the Department determines are related to compliance with 225 CMR 14.00.

#### 14.12: Non-compliance

Any Retail Electricity Supplier or Owner, Operator or Authorized Agent of a RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, Solar Carve-out II Renewable Generation Unit or Aggregation that fails to comply with the requirements of 225 CMR 14.00 shall be subject to the provisions in 225 CMR 14.12(1) through (4).

(1) Notice of Non-compliance. A failure to comply with the requirements of 225 CMR 14.00 shall be determined by the Department. A written Notice of Non-compliance shall be prepared and delivered by the Department to any Retail Electricity Supplier

or Owner, Operator or Authorized Agent of an RPS Class I Renewable Generation Unit, Solar Carve-out Renewable Generation Unit, or Solar Carve-out II Renewable Generation Unit or Aggregation that fails to comply with the requirements of 225 CMR 14.00. The Notice of Non-compliance shall describe the Requirement(s) with which the Retail Electricity Supplier, Owner, Operator or Authorized Agent failed to comply and the time period of such non-compliance.

(2) Publication of Notice of Non-compliance. A Notice of Non-compliance may be published on the Department's website and in any other media deemed appropriate by the Department. Such publication may remain posted until the Retail Electricity Supplier or Owner, Operator or Authorized Agent returns to compliance as determined by the Department.

(3) Planning Requirement. A Retail Electricity Supplier that fails to meet the requirements of 225 CMR 14.07 during a Compliance Year shall submit a plan for achieving compliance for the subsequent three years. The plan shall be filed with the Department no later than the first day of September of the Compliance Year subsequent to the Compliance Year for which the Retail Electricity Supplier was out of compliance or such date as the Department may specify.

(4) Suspension or Revocation of License. The Department shall refer its findings of noncompliance to the Massachusetts Department of Public Utilities. A Retail Electricity Supplier that fails to comply with 225 CMR 14.00 may be subject to the Massachusetts Department of Public Utilities Licensure Action under 220 CMR 11.07(4)(c)1.

(5) Collection of Financial Security. In the event that a Retail Electricity Supplier fails to discharge its annual obligation by September 1<sup>st</sup> under 225 CMR 14.07, 225 CMR 15.07, or 225 CMR 16.07 by the means described in 225 CMR 14.08(1) through (3), 225 CMR 15.08(1) through (4), or 225 CMR 16.08(1) through (3), the Department will notify the Retail Electricity Supplier that it must provide the Department with a payment using the financial security of which it provided evidence the prior January 31<sup>st</sup>, pursuant to 225 CMR 14.08(4), unless a Retail Electricity Supplier has an approved alternative payment plan to discharge its annual obligations in full that has been approved by the Department prior to September 1<sup>st</sup>. The payment shall, within 30-days of notification by the Department, be deposited into the Alternative Compliance Payment fund established in 225 CMR 14.08(3) and shall be in an amount equal to the lesser of:

- (a) the amount of Alternative Compliance Payments that the Retail Electricity Supplier must make in order to discharge its annual obligation under 225 CMR 14.07, 225 CMR 15.07, or 225 CMR 16.07 in full; or
- (b) the full amount of the financial security.

(6) Partial Compliance. In the event that the collection of financial security under 225 CMR 14.12(5) results in the collection of an amount of Alternative Compliance Payments that is insufficient to discharge a Retail Electricity Supplier's full annual obligations under 225 CMR 14.07, 225 CMR 15.07, or 225 CMR 16.07, the Retail Electricity Supplier will remain in a state of non-compliance, and the Department will take the necessary actions to document and enforce this non-compliance, pursuant to 225 CMR 14.12(1) through (4), 225 CMR 15.12(1) through (4), and 225 CMR 16.12(1) through (4).

(7) The Department reserves all rights to take any and all appropriate actions to ensure the collection of all Alternative Compliance Payments owed to ensure annual compliance obligations are fully discharged by a Retail Electricity Supplier, including, but not limited to, filing a petition with the Department of Public Utilities requesting an investigation into a supplier that is deemed to be in non-compliance by the Department.

#### 14.13: Severability

If any provision of 225 CMR 14.00 is declared invalid, such invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

#### REGULATORY AUTHORITY

225 CMR 14.00: M.G.L. c. 25A, § 11F.