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SENT VIA ELECTRONIC SUBMISSION

RE: Comments on the Alternative Energy Portfolio Standard Straw Proposal (August 20, 2021)

August 20<sup>th</sup>, 2021

Department of Energy Resources,

SRECTrade appreciates the opportunity to comment on the Straw Proposal. Below are our comments.

SRECTrade is supportive of the proposed alignment between the alternative energy certificate price for the Alternative Energy Portfolio Standard (APS) and the renewable energy certificate price for the Renewable Portfolio Standard Class I program. The proposed alignment introduces pricing parity between the two programs. Further, the one-time 2 percent increase for the cumulative minimum percentage for alternative energy certificates is supported given the state's desire to increase the presence of cleaner technologies within the APS and is consistent with the phase out of natural gas as proposed.

In addition, SRECTrade supports the proposal for the introduction of a metering scheme for intermediate and large generating units and recommends the installation of meters on generating units installed after December 31, 2021. Further, the break between metered and non-metered generating units should be technology-specific such that resources that are typically not designed with a metering scheme are not excluded from participation. Also, given the open-endedness of the question, stakeholders should be granted the opportunity to review all recommended break points to determine the most appropriate break for implementation.

The proposed ineligibility of the participation of small air and ground source heat pumps in receipt of the Mass Save incentive is notable. SRECTrade offers that the incentive provided by Mass Save and the APS for this technology should be equalized if declining participation for this technology must be avoided within the APS. Imbalanced incentives that govern the same technology only result in the choice of participation in the program with greater remuneration.

In SRECTrade's experience participation by small air and ground source heat pumps has been limited and this trend is expected to continue if this rule was implemented. Even if the potential AEC value was greater than the MassSave rebate it is unlikely installation companies would shift their operations and enroll in the APS program, due to the relative complexity of the program. SRECTrade urges the Department of Energy Resources (DOER) to consider the possibility of eliminating this restriction altogether as the rule would prevent participation from eligible technologies and result in an inaccurate AEC supply, when compared to installed capacity. MassSave has the flexibility to adjust rebate rates and could do so in the event that GSHP and ASHP technologies are over-incentivized. This approach would enable MassSave to allocate funds to other programs that do not have a corresponding market-based incentive. Further, while the ASHP technology can be cost-effective as a supplemental heating source, this technology is often two or three times more expensive compared to a whole home gas or oil heating system. To accelerate the electrification of entire homes and businesses, the DOER should consider heavily incentivizing these technologies with all available tools and funds.

SRECTrade encourages the Department of Energy Resources to provide additional information on the low Thermal Energy Demand Intensity pathway and its broader applicability to solar systems in a universal manner as well as more transparency about the basis for the review of existing multipliers across all technologies. These considerations if integral to the determination of the multipliers should be explicitly stated if increased uncertainty within the APS must be avoided. We look forward to the opportunity to comment on the multipliers as well as



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system eligibility nuances as these factors ultimately determine the total value APS can provide to particular technologies.

SRECTrade remains open to any requests for further clarification regarding our comments.

Respectfully,  
SRECTrade, Inc.