



August 20, 2021

Ms. Samantha Meserve

Deputy Director, Renewable and Alternative Energy Division

Massachusetts Department of Energy Resources

100 Cambridge St #1020

Boston, MA 02114

RE: 2020 APS Minimum Standard Review and the Alternative Energy Portfolio Standard ("APS") Straw Proposal.

Dear Samantha,

In response to the DOER's request, Sack Energy is submitting our comments on the proposed changes to the APS program.

Sack Energy is a wholesaler that supplies biodiesel in southern New England. We are a registered wholesaler, distributor and AEC aggregator in the APS program. We have been involved with the APS program from the inception of the addition of biofuels and participate in all but production of liquid biodiesel.

1. We are in agreement with raising the minimum standard 2%, but would request for that to commence in 2022, if possible.
2. We are in agreement with the ACP increase to \$40 and locking in that ACP price going forward.
3. We are in agreement with the Natural Gas phase down for CHP plants. There should not be any AECs produced from fossil fuels.
4. Regarding ASHPs and GSHPs, we are in agreement that the systems should provide full displacement and only be able to participate in either the MassSave or APS, not both. We are concerned that if a home owner installs an ASHP and they receive 10 years of minted AECs however do not use the system, then rate payers are subsidizing systems that are not used.
5. For Intermediate and Large Renewable Thermal Systems combined with metering systems, we have a few suggestions.
  - a. The cost to install a metering system can run from \$55,000 and up; for many of these customers accessing the funds for capital improvements can take years, thus the continued use of Natural Gas and Fuel Oil. We are requesting an alternative way for these customers to use biofuels without a metering

system in place and establish a calculation for AEC generation that the DOER supports. This may be accomplished similarly to a calculation that is used for residential homes. This is a better alternative than using Fossil Fuels for those buildings that can't install a metering system.

- b. For most Large and Intermediate users, the proration on AECs in the biofuel program can be a hurdle too large to evaluate the financial impact to change fuel from Natural Gas or Fuel Oil to biofuels. It would be necessary for the RTGU to have stability in the AEC production to encourage the use of renewable fuel. For example, if a CHP plant converted to biofuel from Natural Gas, it would be impossible for the CHP plant to evaluate the final cost of fuels with an unknown AEC production because of the cap. In addition, a state or municipal owned building, the burden of accessing funds required to install meters is not a possibility. Therefore, we are requesting that intermediate and large RTGUs that use biofuel, not fall under the liquid biofuel cap going forward.

6. Liquid Biofuels cap:

- a. The minimum blend should be raised to 15%, not 20%. Our experience in acting as an aggregator has shown us that many distributors would not meet the 20% blend level, thereby disqualifying them from the program and would have a negative effect in GHG reduction.
- b. We are not in agreement with the reduction in the cap. The goal is to raise the value of an AEC and reduce GHG's. Biofuel can do this effectively without a reduction in caps. When looking forward to 2023, without a reduction in the liquid biofuel cap, our projections show a shortfall in production vs. obligations of approximately 980,000 AECs, so there is no need for a reduction in the cap to achieve maximum value in AECs, see calculations below.

2022 Assumption with New Proposal	
3,053,743	Projected obligation with 7% standard
2,361,992	Production of AECs with no add'l units, estimated production of AECs based on 2020 production
433,949	AECs excluded due to CHP Nat Gas phase down at 7% proration using 2018 production
1,125,700	Estimated combined shortfall of AECs vs. Obligation
146,649	Maximum amount of added AECs to biofuel portion with 20% cap
979,051	Shortfall of production

Sincerely,

*Steve Sack*

President, Sack Energy