Commonwealth of Massachusetts Executive Office of Energy & Environmental Affairs DEPARTMENT OF ENERGY RESOURCES

CLEAN PEAK ENERGY PORTFOLIO STANDARD

CLEAN PEAK DISTRIBUTION CIRCUIT MULTIPLIER GUIDELINE

for Clean Peak Energy Portfolio Standard Participants August 14, 2020

Pursuant to the Clean Peak Energy Standard Regulations at 225 CMR 21.00

This Guideline clarifies the method by which the Department of Energy Resources ("Department") determines Distribution Circuit Multiplier Values and Eligibility.

1. Distribution Circuit Selection

a. Provisions in the CPS Regulations

CMR 21.05 (6) (e) states the following:

The Department may establish a Distribution Circuit Multiplier that modifies the number of Clean Peak Energy Certificates generated by a Clean Peak Resource based on the locational value of the unique load profile and particular needs of each distribution circuit, as defined by the Department, in consultation with the Distribution Companies. Clean Peak Resources which are owned by a Distribution Company are not eligible for a Distribution Circuit Multiplier. The Department may consider Distribution Circuit Multipliers greater than or less than one. The Department, in coordination with the Distribution Companies, shall determine whether sufficient data is available to enable effective implementation of a Distribution Circuit Multiplier no later than December 31, 2022. If the Department determines that a Distribution Circuit Multiplier shall be established, the Department shall publish a Guideline on the Distribution Circuit Multiplier that provides the multiplier amount(s) and explains the parameters of the applicability of the Distribution Circuit Multiplier.

b. Determinations

Distribution Circuits with load profiles which generally match the seasonal peak periods and which are approaching distribution equipment limits can benefit from directed deployment of clean peak resources. While distribution upgrade deferral is generally recognized as a potential benefit of resources which mitigate peak demand growth, to-date there is insufficient circuit level interval data upon which to select particular distribution circuits.

Therefore, the Department will continue to work with the EDCs to determine a process for identification of distribution circuits which will have an other-than-one multiplier. The Department, in coordination with the Distribution Companies, shall determine whether sufficient data is available to enable effective implementation of a Distribution Circuit Multiplier no later than December 31, 2022

If and when a distribution circuit is assigned an other-than-one multiplier, that multiplier shall only apply to new Clean Peak Resource applicants until the end of the calendar year quarter in which a limited capacity (kW) of prospective Qualified Clean Peak Resources connected to that circuit. The other-than-one multiplier assigned to a new Clean Peak Resource at the time of the submission of a complete and accurate Statement of Qualification Application shall be effective for the life of the project. All existing resources which are connected to said circuit will maintain a multiplier of one. All resources which connect to the circuit after the calendar year quarter in which available limited capacity is assigned will receive a multiplier of one.

If the Department implements Distribution Circuit Multipliers, it shall update a table of said multipliers and available capacity for the multiplier no less frequently than quarterly.

2. <u>Distribution Circuit Multiplier Values</u>

a. Provisions in the CPS Statute and Regulations

CMR 21.05 (6) (e) states the following:

The Department may consider Distribution Circuit Multipliers greater than or less than one.

b. Determinations

The load profiles of distribution circuits can vary substantially. There may be some circuits which benefit from additional Clean Peak Resource deployment, and other circuits on which Clean Peak Resources would be detrimental. Circuits which benefit from the deployment of Clean Peak Resources may have a Distribution Circuit Multiplier of greater than one (1), but no more than two (2). Circuits on which deployment of Clean Peak Resources may be detrimental may have a Distribution Circuit Multiplier of less than one (1) but no less than zero-point-five (0.5).

3. Quantity of Circuits Which Have Distribution Circuit Multiplier Values

a. Provisions in the CPS Statute and Regulations

CMR 21.05 (6) (e) states the following:

The Department may establish a Distribution Circuit Multiplier that modifies the number of Clean Peak Energy Certificates generated by a Clean Peak Resource based on the locational value of the unique load profile and particular needs of each distribution circuit, as defined by the Department, in consultation with the Distribution Companies.

b. **Determinations**

While many distribution circuits likely have load profiles which benefit from the deployment of Clean Peak Resources, the Distribution Circuit Multiplier is intended for locations on the grid which are uniquely benefited by the multiplier. As such, if the Department determines there is sufficient available information to implement a Distribution Circuit Multiplier, no more than ten percent (10%) of circuits shall have a multiplier of greater than one (1) and no more than five percent (5%) of circuits shall have a multiplier of less than one in any given quarter. These limitations shall be applied on a per-EDC basis.