

***VIA ELECTRONIC DELIVERY***

April 15, 2019

Mr. Michael Judge

Director, Renewable & Alterative Energy Division  
Massachusetts Department of Energy Resources

100 Cambridge St. Suite 1020  
Boston, MA 02114

***Re: Clean Peak Standard (CPS) Straw Proposal***

Dear Director Judge:

Blue Delta Energy, LLC (“Blue Delta”) appreciates the opportunity to provide its feeback to the straw proposal issued by the Massachusetts Department of Energy Resources (“DOER”) regarding the design and development of the Clean Peak Energy Portfolio Standard (“CPS”) that was established pursuant to the enactment of Chapter 227 of the Acts of 2018. With our long history of participation in both the Massachusetts Renewable Portfolio Standard and Alternative Portfolio Standard, the principles of Blue Delta (which was spun out of Element Markets in 2014) wish to congratulate DOER on their work to this point. We appreciate the tremendous effort being made to launch this program on an expedited timeline and recognize that potential trade-offs may be necessary to achieve such a launch. We also understand that the CPS will not emerge fully formed, and that DOER will be monitoring its progress to determine the potential for improvements. To that end, we applaud DOER’s introduction of placeholders for policy enhancements such as resilience, minimum load negative, and distribution circuit multipliers. Our comments will also focus on how DOER might build in provisions that anticipate potential outcomes while remaining flexible enough to accommodate unforeseen developments. Specifically:

1. The inclusion of renewable gaseous fuels used by existing natural gas and fuel cell generators.

The production of hydrogen thru electrolysis has the potential to both absorb surplus renewable power at times of low demand while making available a fuel that could be consumed by a gas turbine or fuel cell to generate electricity during peak periods with zero resulting emissions. While the current economics of such a system may not yet support wide scale deployment, we expect that in the medium term the potential for the technology warrants its inclusion in designing the Clean Peak Standard. We encourage DOER to include this type of chemical energy storage as an eligible technology under the CPS.

1. Long term Procurements

While the statute clearly gives DOER the authority to conduct solicitations, we would hope that they would be used sparingly and only after allowing the markets a sufficient period of time to determine if such procurements are necessary. It is not surprising that developers, especially those for relatively immature technologies, would prefer that the ratepayers bear more risk than the developers’ investors. In the case of the CPS, we anticipate multiple technologies competing to achieve the goals of the program. Such a competition, if left to the dynamic forces of the market, most likely will lead to rapid innovation as well as cost reductions.

1. Investment in modern environmental data infrastructure

While the past decade plus has brought tremendous advancements in renewable energy technologies, the technology supporting environmental data capture and tracking infrastructure has not kept pace. We would encourage that DOER use the launch of new environmental crediting programs like the CPS that rely heavily on data to develop a plan to upgrade their supporting systems. The goal should be a flexible platform that is able to meet the needs of all current stakeholders while accommodating the potential to integrate multiple overlapping programs. While we understand and support DOER’s expedited timeline for launching the CPS, that should not provide an excuse to ignore the longer-term implications of the current underfunded state of affairs. Rather, DOER should take this opportunity to examine how newer technologies might be deployed to advance the CPS as well other current and potential programs (e.g. RNG and/or Low Carbon Fuel Standards). While a fully developed solution may not be achievable prior to CPS launch next year, a detailed effort to lay out a path forward should be included in DOER’s analysis.

Thank you for your consideration of our comments. Blue Delta appreciates DOER’s thorough and inclusive approach to the design of this ground-breaking program and is prepared to offer additional input or clarification of our response as required by DOER as the Commonwealth moves towards its clean energy future.

Sincerely,

Ken R. Nelson

President

Blue Delta Energy, LLC