April 12, 2019

**Comments of the Bay State Hydropower Association**

**DOER Straw Proposal to Implement a Clean Peak Standard**

**Introduction**

The Bay State Hydropower Association (“BSHA”) was established in 2007 to advance the use of hydropower, an indigenous and clean energy source, in Massachusetts and the region that positively affects the environment and energy future of the Commonwealth. The BSHA is comprised of hydropower facility owners and operators throughout the Commonwealth. It represents nearly 90 percent of the hydro facilities in the state, most of which are smaller facilities.

BSHA wants thank the Department of Energy Resources (“DOER”) for conducting an open and inclusive process as it constructs the Clean Peak Standard. The Association agrees with objectives the Department has presented in its straw proposal including;

Implement a clean peak program that aligns clean energy generation and zero emission demand resources with periods of peak electricity demand in the most cost-effective manner for Massachusetts customers possible while reducing emissions.”

The members of the BSHA have been providing clean emission-free electricity for decades, often as family businesses.

The Association’s goal for the following comments is to ensure that hydropower has the opportunity to meaningfully participate in this program and continue to contribute to a cleaner environment and a reliable power supply.

**Comments**

The Association supports the eligibility of storage paired with a new or existing qualified renewable facility where the total output of both the facility and storage qualifies for Clean Peak Certificates (“CPC”) during Seasonal Peak Periods. This incentive, inclusive of existing hydro facilities, recognizes such resources for their historic and future contribution to Massachusetts attaining its greenhouse reduction goals, as well as in this instance addressing peak demand emissions, reliability and resilience.

In the context of standalone storage, the Department should consider an approach that allows a hydro facility to provide the “renewable energy” for an off-site storage facility. This could be accomplished by the hydro facility committing a portion of its output (metered) to charge the storage. While this is not co-location, it is a “co-operation of energy storage and clean energy” – one of the key objectives presented in the straw proposal for the program.

It should be added that existing hydro with storage (co-located or off-site) appears to qualify for demand response reduction because the discharge from storage can be measured and verified for “energy delivered” to “the grid for CPC generation” per the straw proposal. In fact multiple hydro facilities could cooperate to charge the storage that delivers energy to the grid.

Stability of the market needs to be assured to support the substantial investments essential to carry out the program and achieve the goals of the Legislature and the Department. This means that the Department must closely analyze the market so that supply compared to the target in the first 10 years is reliably short, assuring that the market price will be at or near the ACP.

**Conclusion**

Again BSHA wants to thank the Department and its staff for the opportunity to provide these comments. We think it is a good idea to take the feedback received from comments to this straw proposal, and produce and circulate another version for a second round of comments. Some concepts in this straw proposal were not fully presented or decided. Further refinement in a second version for comments would be a productiveexercise for the Department and for stakeholders. For example it would be valuable to see even an estimate of the CPC value in a second straw proposal, as well as more detail on other issues, before the Department starts a formal rulemaking.