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Massachusetts DOER
100 Cambridge St Suite 1020
Boston, MA 02114

April 11, 2019

Subject: Clean Peak Straw Proposal

To: DOER CPS,

Ag-Grid Energy LLC is writing this letter in support of the Clean Peak Straw Proposal. Ag-Grid Energy has 4 farm-based anaerobic digester (AD) projects in Massachusetts and Connecticut. The projects use manure and food waste to produce biogas. The biogas is then converted to electricity which falls under Class I renewable energy. The farm digesters not only produce renewable energy, they also reduce the emissions such that the entire project is carbon negative. Farm digesters are some of the very few technologies that reduce green-house gases.

Ag-Grid Energy digesters typically are under 1 MW capacity, however unlike solar energy, farm digesters produce electricity 24/7. We would be able to feed into peak hours even as the DOER adopts dynamic peak. In the current set-up, we have no battery storage, however, we are willing to add battery storage to our projects to further enhance our capacity to support peak capacity requirements. To financially justify the battery project, however, we would need a floor price for the CPC's until the project is paid off. Ag-Grid Energy recommends establishing a floor for up to 5 years so that market can be stabilized.

Ag-Grid Energy's current pipeline of projects

- Rockwood Ag-Grid at Granville, MA (450 KW) – expected start May 2019
- Belden Ag-Grid at Hatfield, MA (300 KW) – expected start May 2019
- Fort Hill Ag-Grid at Thompson, CT (450 KW) – expected start 1Q 2020
- Hytone Ag-Grid at Coventry, CT (600 KW) – expected start 1Q 2021

Ag-Grid Energy is planning to develop more projects in New England (ISO-NE) and we hope that digester projects be granted a different multiplier in the CPC mechanism. Ag-Grid Energy believes that there will be very few digester projects compared to solar projects. Since small solar was pushed from SREC's to Class I RECs, the Class I REC market has discounted a lot. This has further reduced the financial justification for anaerobic digesters. As mentioned before, anaerobic digesters are negative GHG projects. In other words, they reduce the green house gases. Therefore, we believe that ADs should be in a category of their own that is even better than SREC's. As anaerobic digesters reduce the peak emissions more than other renewable energy projects, we see an opportunity for AD project development be incentivized appropriately. We strongly suggest that not only Class I and Class II

projects should have a different multiplier, but anaerobic digesters ought to be a category better than Class I.

Ag-Grid Energy believes that CPC proposal is moving the industry in the right direction to further incentivize renewal energy proliferation and Green House Gas reduction. In addition to battery storage we are also exploring technologies such as micro-turbines that would utilize waste heat from CHP systems associated with our digesters and convert back into additional electricity. We have the potential to not only enhance efficiency, but also enhance the service during peak hours with the digesters. If the CPC based incentive structure is setup appropriately, it will go a long way to drive higher levels of non-intermittent renewal energy such as from the farm-based anaerobic digesters.

We hope to continue to participate in the CPC dialogue and support the Commonwealth's efforts to benefit the environment to secure the future of New England energy sources and Dairy Farms for years to come.

Thank you for the opportunity to support the DOER's Clean Peak Proposal.

A handwritten signature in black ink, reading "Rashi Akki". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Rashi Akki
Ag-Grid Energy LLC