Please accept these comments on the DOER’s proposed Clean Peak Standard design.  Please contact us with any questions.

* With respect to the qualification of resources connected to the ISO New England bulk transmission system to generate CPCs, we recommend that the MA DOER limit CPC generation to those resources located in MA so it is clear to see the impact of MA resources on the MA peak, or otherwise reflect the relative value of the location of eligible resources with respect to their deliverability to Massachusetts during peak load events.  In that regard, the ISO New England currently conducts its capacity auctions in such a way that resources in export-constrained capacity zones will receive a lower price for their capacity if those resources’ contribution to meeting peak load is less than the contribution from resources that are situated closer to load centers.  Additionally, per DOER’s comments at the information session, the Clean Peak Standard is the first of its kind in the country and CPCs will be a MA only product.  Therefore, we believe that CPCs should only be generated by MA located generation resources.
* Similarly, the DOER must adjust the value of Clean Peak Credits according to eligible resources’ location in order to meet the program’s stated objectives to:
* 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
* Encourage co-location and/or co-operation of energy storage and clean generation
* Incentivize and enable continued deployment of renewable generation by flattening the net electric load curve
* With respect to the eligibility of resources for participation in the program, at the straw proposal information session on April 2, when asked if municipal connected resources at the distribution level would be eligible to generate CPCs even though the MLP’s are not required to participate in the Clean Peak Standard, DOER’s response was that they would welcome feedback on that issue.  Because MLPs will not be required to procure CPCs, allowing municipal resources to generate CPCs will create additional supply of CPCs which will put downward pressure on the value of a CPC. That disincentive will have the effect of working against the stated goals of the program to incentivize continued deployment of renewable generation and renewable generation collocated with energy storage by private investors.  As such, we do not believe that municipal connected resources should generate CPCs.

Kind Regards,

Daniel Pierpont

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