



October 30, 2019

## **FirstLight Power Comments: Clean Peak Standard Draft Regulations (An Act To Advance Clean Energy Chapter 227 of the Acts of 2018)**

We appreciate the opportunity to provide comments on the Massachusetts Department of Energy Resources' (DOER) draft regulations for the Clean Peak Standard (CPS).

### **Introduction**

FirstLight Power (FirstLight) is a hydropower, energy storage, and solar generation company with assets based in Connecticut and Massachusetts. Our hydropower facilities in New England produce over 690,000 MWh of emissions-free generation, reducing the region's carbon footprint by more than 780,000 tons annually. In addition to our conventional and run-of-river hydro facilities, we also own and operate the 1168 MW Northfield Mountain pumped hydro storage station and 29 MW Rocky River pumped hydro storage station, respectively the largest and third largest energy storage facilities in New England, 2 MW of solar PV, and 1.5 MW of behind-the-meter battery storage in Massachusetts. Our facilities represent over a billion dollars of private investment in the region, employ 130 people, and support our communities in Massachusetts with more than \$15 million in local property taxes every year.

FirstLight is a strong advocate for maintaining equitable competitive solutions to achieve desired public policy outcomes, and we view the CPS as a viable method to accelerate the decarbonization of the electric sector. By mitigating the impacts of increased integration of intermittent renewable resources and offsetting fossil generation during peak demand periods, the CPS will assist the Commonwealth in achieving its environmental and climate change policy goals.

### **Draft regulations limiting the eligibility of storage for the Clean Peak Standard will delay development of storage discharging at peak times, and make it more costly.**

The draft CPS regulations contain unnecessary restrictions that, if addressed, we believe would provide more timely and cost-effective contributions to meeting the CPS. In particular, restrictions on the participation of existing storage and the limited proposed incentive for existing resource pairing unnecessarily constrain and delay the Commonwealth's ability to bring enough storage on line in a timely fashion to accommodate the accelerated integration of renewable generation.

- **Allowing energy storage resources to be developed wherever they make the most sense will accelerate development and lower cost:** Distributed renewable generation resources are currently sited wherever it makes sense to build them. The same should be true of energy

storage resources. Requiring existing resources to be co-located will unnecessarily delay and limit storage development and exclude lower-cost solutions. Co-location may not always be feasible at a useful scale, and may unnecessarily slow and constrain the development of adequate storage, which is necessary to accommodate accelerated renewable resources coming on line as a result of the increased RPS.

Requiring co-location of RPS-qualified Renewable Generation Units and Qualified Energy Storage Systems is not the optimal way to integrate offshore wind resources. The DOER's own "Offshore Wind Study" notes that

*"Analysis showed that the greatest benefits came from energy storage systems that were connected directly to the grid instead of behind the meter of the additional offshore wind. Behind the meter, the energy storage system can charge with excess offshore wind and discharge during times of high demand. Connected to the grid in front of the meter, the energy storage system could operate similarly but also provide other services to the system when not being utilized by the offshore wind. This would maximize the benefits of the energy storage without increasing cost."<sup>1</sup>*

- **The proposed Existing and Contracted Resource Multiplier is too low to incentivize retrofitting of existing resources with energy storage.** The economics of retrofitting existing distributed generation with new energy storage often do not support the retrofit without incentives. The multiplier for retrofitting existing resources with energy storage as proposed is insufficient to incentivize addition of storage to contribute to meeting the CPS. A higher incentive would take a step toward maximizing the significant value of the current distributed generation currently on the system.

### **Suggestions Regarding the Proposed CPS Regulations:**

1. **Storage can be distributed, and aggregated:** The development of energy storage facilities that are paired with existing RPS eligible resources should not be limited by a co-location requirement. Eligibility for non-co-located storage that offsets peaks at aggregated sites could provide a low-cost means for smaller clean energy generation resources to contribute to meeting the state's CPS goals. Contractual pairing can be monitored and verified via the same platform that the Commonwealth will use for behind-the-meter co-located resources.
2. **Set incentives for existing RPS resources at a level that will incentivize retrofitting with new energy storage:** As an example, as the owner of an 8-year old 2 MW PV system in Massachusetts, FirstLight would be able to add energy storage on site, were the available CPS incentive at a level conducive to such an investment. Given the significant current delays in development of new renewable energy generation, excluding existing resources may also significantly delay realization of the Commonwealth's CPS goals.

### **Conclusion**

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<sup>1</sup> "Offshore Wind Study" Massachusetts Department of Energy Resources, May 2019 p.17.

The CPS has the potential to significantly assist the Commonwealth in achieving its greenhouse gas reduction goals as well as lowering costs and improving reliability for its ratepayers. Given the stakes involved, FirstLight believes that Massachusetts consumers would greatly benefit from a more expansive and inclusive Clean Peak Standard that leverages as many clean resources as possible. By avoiding unnecessary restrictions, the Commonwealth will more significantly reduce carbon-emissions and costs associated with peaking generation more rapidly and at a lower cost to ratepayers.



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