



October 30, 2019

Kara Sargent
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Email: DOER.CPS@mass.gov

Re: Clean Peak Standard Comment Letter

Dear Kara Sargent:

Pope Energy is a commercial and larger scale solar developer that develops solar and solar + storage projects on behalf of investors.

We support the Clean Peak Standard as proposed by 225 CMR 21:00 however, we believe that a floor price will be required to leverage the income generating potential of this program. Commissioner Judson in her opening remarks, mentioned that the Clean Peak Standard is “a first in the nation” attempt at lowering peak electricity cost with clean energy generation. Because of that fact, the financial sector will not attribute any significant value to the potential revenue for certificates generated under the CPS program unless a floor price is established for Clean Peak Energy Certificates.

The potential for over supply due to the SMART solar + storage requirements and 225 CMR 21:00 (6)(c) Resilience Multiplier program will not give confidence that dependable revenue will be generated from a CPS asset. Despite the hard work of DOER in the CPS program design, the historic choppy nature of Massachusetts solar programs through the SREC I & II programs combined with the disastrous duration planning of the SMART program does not give the financial sector confidence in the forecasting and planning capabilities of DOER.

At this writing it is unclear what the revenue will be for a solar + storage in the SMART program. Will the declining blocks for solar + storage systems over 500 kW continue downward thereby limiting solar development through lack of financial viability? How much dependable revenue will the CPS certificates yield back to add to project viability? If the revenue is not dependable, the value will be discounted to near zero. A floor price is needed for the CPS program to add to project viability.

SMART Solar + Storage and CPS ACP:

For solar + storage projects in the SMART program, in PowerClerk, a project could indicate whether it or not it was intending to be a participant in the CPS program. If so, a CPS Number could be applied within PowerClerk which would be a project identifier to the



Retail Electricity Suppliers. In arrears, if not enough projects were built to meet the demands of the CPS program, DOER could have the ability in regulation to elect to waive the ACP requirements. Otherwise the ACP would need to be above the floor price to encourage development and CPS participation. Perhaps taking a page out of the SREC program, DOER should have the ability, in regulation, to increase the compliance obligation as well as increase or decrease the ACP to provide flexibility in CPS program management.

225 CMR 21:00 (6)(c) Resilience Multiplier:

There will be those that say that the Resilience Multiplier does not belong in this program and that it will dilute the proposed program size and the market for Clean Peak Energy Certificates. We disagree. We strongly endorse the Resilience Multiplier concept and believe it will yield many grid benefits and lead to wider adoption of the Clean Peak Standard program.

Clean Peak Standard Review:

Taking a page from the SMART program, the CPS program should have, in regulation, a periodic review requirement to stay ahead of the market. We recommend an annual or a 500 MW or 1000 MW review period as qualified through the Statement of Qualifications process.

Market Based Program:

We appreciate the intent by DOER to try and shape the CPS program into a market responsive program. Despite the Green Communities Act, compliance ordered court cases and other renewable energy compliance legislation having been in place for years, the current cluster studies and ASO process currently under review, demonstrate that the utilities and ISO-NE are not ready for the transformative changes required to make the transition to a renewable future. Given the fact that the CPS program will be a "first in the nation program", a market-based CPS program is too early in the process to achieve the potential for CPS program success.

We appreciate the efforts by DOER to solicit stakeholder input into this program that may have tremendous potential if properly designed.

Best Regards,

A handwritten signature in blue ink, appearing to read "Doug Pope", written over a horizontal line.

Doug Pope
President