



Kara Sergeant
Renewable Energy Coordinator
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, Massachusetts 02114

October 30, 2019

Subject: MassSolar comments on Clean Peak Energy Portfolio Standard regulation

Dear Ms. Sergeant:

MassSolar would like to congratulate the DOER's leadership in proposing a clean peak energy portfolio standard. We believe that the program goals of reducing greenhouse gas emissions and air pollution by using energy storage to reduce peak demand are laudatory and should be fully supported. We also fully support the programs goals of including both commercial and residential energy storage systems in the program. We believe that residential systems can make a material and substantial contribution to reducing the region's greenhouse gas emissions when implemented properly.

We have the following comments and recommendations that we believe will enhance the ability of the Clean Peak Energy program to achieve its goals.

Our biggest concern is that the current plan proposes to define a fixed period of time, three years in advance as the time when the program would require the energy storage systems to discharge. We believe that there is very little likelihood that the ideal peak demand periods can be defined years or even months in advance.

A related issue is the assumption that reducing peak demand for 1 to 4 hours during those peak demand periods will in fact reduce emissions. It is very possible, and some would say probable, that the net effect of discharging all of the energy storage systems in the program for a relatively short 1 to 4 hour window, will only shift emissions to another period of time.

Another area of concern is compensation. The proposed compensation model is based on system owners generating a CPEC (Clean Peak Energy Certificate) that they will then be allowed to sell on the open market. The Clean Peak program does not currently provide a floor on the price for CPECs. Without any certainty regarding the value of the CPEC revenue stream, it will be quite difficult for system owners to secure

financing. Some would even suggest that financing partners will assign a value of zero to the compensation provided by the program without some certainty about the value of the CPECs.

Another concern is that the calculation of the potential number of CPECs generated under the program is quite complex. It is highly likely that individual system owners will develop incorrect estimates. This lack of certainty will also create difficulties for financing partners to accurately value the revenue stream generated by participating in the program.

Another concern is that there is a lack of certainty about how the Clean Peak Energy program will interact with other programs such as the ConnectedSolutions program. Since the ConnectedSolutions program is expected to provide higher value than the Clean Peak Energy program – system owners will be reluctant to enroll in the Clean Peak Portfolio Standard program until there is clarity from the utility that system owners will not be penalized by participating in both programs.

Our recommendation would be that the Clean Peak Energy Portfolio standard:

- 1) Establish a mechanism that would set peak demand discharge periods based on actual system peak demand forecasts,
- 2) Provide some revenue certainty by establishing a floor price for CPECs, or alternatively by establishing a long-term, forward contract price for CPECs.
- 3) Provide a DOER approved calculator for definitively establishing the number of CPECs that will be generated by a specific energy storage system under the program,
- 4) Provide clarity about how the Clean Peak Energy Portfolio program will work in tandem with other peak demand reduction programs such as ConnectedSolutions.

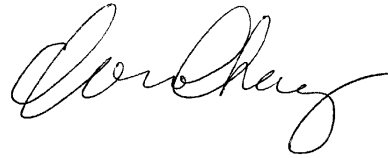
Finally, MassSolar would suggest that the DOER conduct an annual review of the program, with the first review no later than 1 year after the launch of the program to assess whether the program is meeting its goals for emissions reductions and whether any changes need to be made in peak demand periods, program regulations, policies, processes, or compensation levels to better achieve those goals. The annual review should also consider changes in technology, market conditions, and whether geographic diversity goals are being achieved. Can the program be designed to allow participation of electric vehicles when vehicle to grid technology matures?

On behalf of the local solar industry, we the undersigned signify our support of the Clean Peak Energy Portfolio Standard program and urge the DOER to move forward as quickly as possible to implement the program with these recommendations.

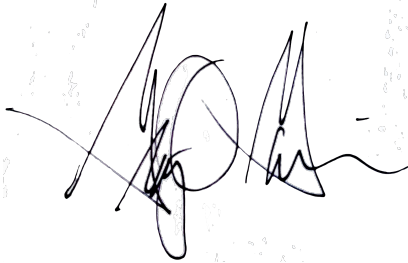
Sincerely yours,



Mark Sandeen
President, MassSolar



Claire Chang
Partner, Solar Store of Greenfield



Greg Garrison
President, Northeast Solar



Haskell Werlin
Solar Design Associates

Cc: Judith Judson, Commissioner, DOER
Will Lauwers, Director, Emerging Technologies
Eric Steltzer, Acting Director, Renewable Energy Division
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