

BY ELECTRONIC DELIVERY TO: [DOER.CPS@mass.gov](mailto:DOER.CPS@mass.gov)

August 26, 2024

Mr. Thomas Ferguson

Department of Energy Resources

100 Cambridge Street, 9th Floor

Boston, MA 02114

# Cypress Creek Renewables Comments – 2024 CPS Emergency Rulemaking Comments

Dear Mr. Ferguson,

Cypress Creek Renewables (“Cypress Creek”) is providing the following comments in response to the Massachusetts Department of Energy Resources (“DOER”)’s request for comments on the 2024 Clean Peak Standard (CPS) Emergency Rulemaking. We commend the DOER for adjusting the Minimum Standard to mitigate the burden of ACPs on ratepayers while reaffirming the program’s long-term objectives to support the Commonwealth’s goals of a 50 percent reduction in greenhouse gas emissions by 2030 and net-zero emissions by 2050. As the home of approximately 15GW of storage, 10GWof wind, and 500 MWs of solar in development, we are confident that the modified schedule of Minimum Standards are achievable and that the Commonwealth has the groundwork needed to meet its CPS targets. From our experience as developers, however, we believe that further program modifications are necessary to provide the CPEC market with a robust supply of qualified resources and minimize net costs to ratepayers.

Since the program’s inception, load serving entities have satisfied their compliance requirements almost exclusively through ACPs – an outcome that is both costly for ratepayers and fails to achieve the program objective of shifting clean energy deliveries to peak windows. At the root of this undersupply issue are two obstacles blocking projects from advancing to commercial operation. Firstly, there is an extremely limited pool of capital providers across tax equity, debt, and project sponsors who are willing to underwrite a largely uncontracted asset. As a result, the spot market nature of existing CPEC transactions both implicitly restricts the volume of projects that can be constructed and increases the cost of such projects. Second, the lengthy interconnection process and uncertain cluster study outcomes pose a significant risk to maintaining project schedules and economics - risks that further add to the cost of developing in Massachusetts.

In order to create a stable long-term market for CPS resources, we recommend the DOER make the following program modifications.

1. By 2035, require load serving entities to satisfy at least 80% of their CPS obligations through long-term contracts of at least 15 years or longer
2. Reduce net cost to ratepayers by establishing a standard contract structure that transforms CPECs into a stable, highly contracted revenue source. Tolling agreements, partial tolls with upside sharing of wholesale revenue, or CPECs indexed to wholesale market prices are likely to be the most cost-efficient mechanisms for drawing private sector investment into CPS resources.
3. Allow projects to advance development activities (e.g. permitting, engineering, procurement) in parallel with the ISO-NE interconnection process by minimizing security postings prior to cluster study results. Increase the likelihood of projects maintaining their schedule by providing a price adjustment mechanism for interconnection costs and/or explicitly evaluating all projects with and without estimated interconnection costs.

Cypress Creek is a leading renewables developer and independent power producer. We develop, finance, own, and operate solar and energy storage projects across the United States with a mission to power a sustainable future, one project at a time. Since our founding, Cypress Creek has developed 12GW of solar projects. Today it owns 2.5GW of solar and has a 30GW solar and storage pipeline. Cypress Creek’s leading O&M services business, Cypress Creek Solutions, operates and maintains 5GW of solar projects for customers across 24 states.

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Angie Fiese

Senior Director, Policy and Permitting Cypress Creek Renewables