



Via Electronic Mail

August 24, 2024

Samantha Meserve
Deputy Director, Renewable and Alternative Energy Division
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Dear Ms. Meserve,

ENGIE North America Inc. (“ENGIE”) is pleased to submit these comments in response to the Department of Energy Resources’ (“Department”) August 8, 2024, Clean Peak Energy Standard (“CPES”) Notice of Public Comments and Hearing. ENGIE has reviewed the Department’s July 19, 2024, emergency rulemaking (“Rulemaking”) and recommends that the Department consider the following revisions:

- 1. Increase the initial eligibility cap for the Near-Term Resource Multiplier (“NTRM”) from 50 MW to 75 MW;**
- 2. Clarify whether the NTRM is additive or multiplicative to other multipliers;**
- 3. Implement a reservation process for the NTRM to provide revenue certainty; and**
- 4. Modify the NTRM requirement from “must have a Commercial Operation Date before January 1, 2027” to “...must have a Commercial Operation Date or must have achieved mechanical completion and that interconnection depends only upon receipt of notice of authorization to interconnect from the Distribution Company prior to January 1, 2027.”**

About ENGIE

ENGIE is a subsidiary of ENGIE SA, a global energy company and leader in low-carbon energy and energy services with a mission to accelerate the transition towards a carbon-neutral world. ENGIE has been engaged in many and diverse aspects of the Massachusetts energy economy for decades, now focusing on developing and operating distributed solar and storage, district energy and clean energy supply. ENGIE was present and participated in the development of the CPES.

1. The Department should consider increasing the initial eligibility cap for the NTRM from 50 MW to 75 MW.

ENGIE recommends that the Department consider increasing the initial eligibility cap for the NTRM from 50 MW to 75 MW. ENGIE believes that 50 MW may not be sufficiently large to support the number of near-term battery energy storage systems (“BESS”) requiring revenue certainty to reach commercial operation. ENGIE understands that the Department’s rationale for limiting the number of MW initially eligible for the NTRM may be based on a consideration of costs to Massachusetts ratepayers. The Department must balance the cost of the NTRM with its ability to bring on as many BESS as needed. ENGIE believes that increasing the initial eligibility cap to 75 MW will benefit both ratepayers by bringing more BESS online sooner as well as developers and investors by providing needed revenue certainty.

2. The Department should clarify whether the NTRM is additive or multiplicative in relation to other multipliers.

ENGIE requests that the Department clarify whether the NTRM is additive or multiplicative to other multipliers. ENGIE recommends that that NTRM is multiplicative of other multipliers. Section 21.05(6)(h) of the Rulemaking specifically prohibits Qualified Energy Storage Systems (“QESS”) from receiving both the Distribution Circuit Multiplier (“DCM”) and the NTRM. However, the section is

silent as to the how the NTRM interacts with other multipliers such as the Seasonal Multiplier, the Actual Monthly System Peak Multiplier, and the Resilience Multiplier.

3. The Department should implement a reservation process for the NTRM to provide revenue certainty to long-term owners and operators of QESS.

ENGIE recommends that the Department implement a reservation process for the NTRM which would provide increased revenue certainty for long-term owners and operators of QESS. Without a reservation the developer risks the possibility of the NTRM cap being met prior to COD which does not provide the revenue certainty as intended. A reservation process would increase developers' and investors' confidence in the ability to finance the QESS over the long term. The reservation process could resemble the current reservation process for the Clean Peak DCM. Previous Preliminary reservation processes have required the applicant to provide (1) an executed Interconnection Service Agreement, (2) right to construct documentation, and (3) non-ministerial permits for the QESS. ENGIE recommends maintaining these three requirements in a NTRM reservation process.

4. Modify the NTRM requirement from “must have a Commercial Operation Date before January 1, 2027” to “...must have a Commercial Operation Date or must have achieved mechanical completion and that interconnection depends only upon receipt of notice of authorization to interconnect from the Distribution Company prior to January 1, 2027.”

ENGIE recommends that the Department revise the NTRM eligibility requirement from “...must have a Commercial Operation Date before January 1, 2027” to “...must have a Commercial Operation Date or must have achieved mechanical completion and that interconnection depends only upon receipt of notice of authorization to interconnect from the Distribution Company before January 1, 2027”.

ENGIE believes this change is warranted based on its experience in the state interconnection process and constructing solar and solar+BESS projects in the Commonwealth. Whether a project achieves commercial operation by January 1, 2027, is often not within the applicant's control. The applicant cannot foresee delays by the electric distribution companies (“EDC”), nor can they control

construction of needed EDC system upgrades. As a result, ENGIE believes that a QESS should not be denied NTRM eligibility if the applicant has brought their project to mechanical completion and is awaiting Commercial Operation by January 1, 2027. To satisfy this requirement, the QESS shall provide a Certificate of Completion signed by the local wiring inspector.

ENGIE thanks the Department for the opportunity to provide comments and recommendations on the Clean Peak Energy Standard emergency rulemaking. ENGIE supports the Department's efforts to improve the program. ENGIE is available to discuss our comments further and looks forward to engaging with the Department throughout CPES implementation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'SB Silver', with a long horizontal flourish extending to the right.

Sarah Bresolin Silver
Vice President, Government and Regulatory Affairs
ENGIE North America
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