

Via Electronic Mail: DOER.CPS@mass.gov

November 18, 2024

Ms. Samantha Meserve
Director of the Renewable and Alternative Energy Division
Massachusetts Department of Energy Resources
100 Cambridge Street, 9th Floor
Boston, MA 02114

ACT & SEIA Comments on DOER's Clean Peak Energy Standard Program and the proposed emergency regulations

Dear Ms. Meserve,

The Alliance for Climate Transition ("ACT"), the Solar Energy Industries Association and ("SEIA") appreciate the opportunity to submit joint comments to the Massachusetts Department of Energy Resources ("DOER" or "The Department") on the Clean Peak Energy Standard ("CPS") and emergency regulations.

ACT leads the just, equitable, and rapid transition to a clean energy future and a diverse climate economy. ACT is dedicated to growing the clean energy economy in Massachusetts and across the region, in pursuit of our mission to create a world-class and equitable clean energy hub in the Northeast. ACT's 350+ members include companies based in Massachusetts, doing business or hoping to make future investments in the state.

SEIA is the national trade association for the United States solar and storage industries. SEIA works with its more than 1,000 member companies and other strategic partners to fight for policies that create jobs in every community and shape fair market rules that promote competition and the growth of reliable, low-cost solar power. There are 502 solar companies located in Massachusetts along with national firms also conducting business in the Commonwealth.

Given the interrelated nature of regulation issues and the fact that DOER has stated that you will not be able to do a full program review as initially expected, we are taking the opportunity to raise a select but important set of concerns and suggestions on CPS. We believe the proposed changes will help ensure that the Clean Peak Standard Program delivers on the goals intended by the Commonwealth.

First, we thank DOER for hearing industry's concerns and modifying the proposed regulations to create a staggered procurement schedule for the issuance of RFPs and to provide a fixed price for the duration of the program as described on pages 11 and 14 of the draft redline.¹ These are important and meaningful changes.

ACT and SEIA request DOER to consider the following comments relative to the CPS Alternative Compliance Payment ("ACP") value and CPS payment structure:

Distribution connected standalone storage that intends to prioritize Clean Peak is not economically viable given the proposed Clean Peak Energy Credit ("CPEC") value if it does not also qualify for the Distribution Circuit Multiplier or Near-Term Multiplier, given the lack of a price floor.

Increasing interconnection costs and the impending Hosting Capacity Fees ("HCF") only reinforce these challenges. Long-term contracts are the key to project viability, so we are grateful that DOER is moving forward with Clean Peak procurements. DOER should consider conducting procurements on an annual basis for distribution connected resources, and evaluating them separately from transmission-connected resources.

As DOER considers future improvements to the program, we encourage you to consider the following:

- **Peak Days** - CPS peak is only on weekdays, but there are instances of weekend peaks that we believe should be compensated.
- **Dispatchable Only** - CPS should be limited to dispatchable resources only.
- **Tolling Arrangements** - Procurements not just for CPECs but for all battery services provided. Under a full toll, EDCs return ISO-NE market revenues to ratepayers but retain the CPECs for their compliance obligations. This will lead to the lowest cost financing.
- **Index Storage Credits** - New York is considering implementing procurements for Index Storage Credits, which provide additional revenue certainty from wholesale market participation. We encourage DOER to consider this model.
- **Seasonal Peak Periods** - When making only small adjustments to clean peak periods, it would be better to expand the hours to include the new peak hour rather than eliminate one. CPEC's could still be limited to a 4-hour maximum, if DOER finds it prudent.

Lastly, some of our members would like to see the development of more offerings for behind-the-meter ("BTM") storage. In order to meet the ambitious decarbonization goals in the 2050 Clean Energy and Climate Plan, the Commonwealth will need robust development of both front-of-the-meter and behind-the-meter storage.

¹ <https://www.mass.gov/doc/cps-emergency-rulemaking-redline-10-11-24/download>

Developers of BTM storage in the Commonwealth face serious challenges today due to insufficient revenues and uncertainty on both the revenue and expense side. BTM storage projects face a challenge with stacking CPS with demand charge management in non-summer months.

We encourage DOER to consider the value that BTM resources can play in mitigating peak demand and meeting our decarbonization goals, and continue to engage with storage developers on various potential program modifications or additions.

On behalf of all of our members who participate in the Clean Peak Standard Program or hope to in the future, thank you for your accepting these comments.

Sincerely,

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