



**Via Electronic Mail**

March 25, 2021

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”) February 25, 2022 request for public comment related to the Department’s release of the Clean Peak Energy Standard (CPS) Distribution Circuit Multiplier (DCM) Straw Proposal (“Straw Proposal”).

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 aspects of the Massachusetts energy economy for decades. Most recently ENGIE has participated in the development and implementation of the Solar Massachusetts Renewable Target (SAMRT) program and the CPS program. ENGIE is developing a significant pipeline of standalone storage projects financed in part with reliance on the CPS program.

The CPS program provides an effective and targeted opportunity for clean energy developers to install and operate clean energy resources to the benefit of Massachusetts ratepayers and to the electric distribution grid. These clean technologies supply electricity or reduce demand during seasonal peak demand periods. Massachusetts is the first and only state to offer this unique program, which is a critical to assisting the state reach its clean energy goals.

The Department’s Straw Proposal acknowledges that CPS resources can offer more opportunities for services to the distribution system by opening additional hosting capacity for solar and mitigating the need for certain infrastructure upgrades. However, for the CPS DCM to be effectively implemented and bring long-term benefits to Massachusetts ratepayers by ensuring the deployment of clean resources, the Department must extend the length of time that an eligible CPS resource receives the DCM. Specifically, the CPS resources must receive the DCM for 20 years, not the eight years proposed in the Straw Proposal.

The Department's Straw Proposal proposes to limit the eligibility of a project to receive the DCM to eight years. The proposed eight year time limit is contrary to the existing DCM Guideline which states the "other-than-one multiplier[s] assigned ... shall be effective for the life of the project."<sup>1</sup>

There are several reasons for why the Department should not reduce the number of years of eligibility to eight. First, the development community has relied on the project's lifetime eligibility for eighteen months in the siting and development of new energy storage resources. Second, restricting the eligibility of a CPS resource for a DCM to eight years would make it almost impossible to finance a project with reliance on the DCM alone. This would undermine the purpose of the DCM which is to incentivize development of projects targeted to provide specific distribution system benefits. Third, given the significant supply chain challenges and increased product and labor costs it is increasingly likely that CPS projects that penciled previously will no longer pencil. These projects will be looking to a strong DCM commitment of 20 years in order to proceed with development. Finally, because the Department has provided no technical, economic or policy rationale for decreasing the eligibility timeframe it difficult to understand why it is changing course in the Straw Proposal.

If the Department chooses not to extend the number of years for which a project is eligible to earn the DCM then ENGIE respectfully requests that the Department consider implementing an alternative revenue stream to assist and ensure that projects are deployed. For example, the Department could consider providing an upfront incentive payment to projects at their commercial operation date (COD). Our modeling shows that an upfront incentive may be more cost effective for ratepayers when compared to paying out the DCM long term. ENGIE would be pleased to meet with the Department to discuss the economics of developing a project with and without the DCM as well as with an upfront incentive payment at COD.

ENGIE thanks the Department for the opportunity to provide comments and recommendations on the Straw Proposal. ENGIE supports the Department's efforts to increase the impact of the CPS program by permitting program participants to offer services to the distribution system in points that require these services the most through the implementation of the DCM. To ensure the successful implementation of the DCM, ENGIE recommends that the Department extend the time frame for the DCM to be applied from eight to 20 years.

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<sup>1</sup> Clean Peak Distribution Circuit Multiplier Guideline, at 2 (Aug. 14, 2020).

ENGIE is available to discuss our comments further and looks forward to engaging with the Department as partners in reaching the Commonwealth's climate targets.

Sincerely,

A handwritten signature in blue ink, appearing to read 'SBS', with a horizontal line extending to the right.

Sarah Bresolin Silver  
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