



March 21st, 2024

Massachusetts Department of Energy Resources
100 Cambridge St.
9th Floor
Boston, MA 02114

RE: Department of Energy Resources (DOER) Town Hall

[Piclo](#) is pleased to submit feedback on DOER's plans and priorities for 2024.

Piclo has been at the forefront of innovation in the energy industry since it began in 2013. At Piclo, our mission is to decarbonize the grid and create a more sustainable energy future for all. Our flagship product, Piclo Flex, is the leading independent marketplace for energy flexibility services. Piclo Flex plays a pivotal role in enabling utilities and system operators to source energy flexibility from Distributed Energy Resources (DERs) on the grid.

Piclo has over 300,000 registered flexible assets and \$95 million worth of total transaction volume. This translates to an impressive 22 GW of flex capacity registered and 2.6 GW of flexible capacity procured. Piclo is proud to provide our services in six global markets, including the United States (US), United Kingdom (UK), Australia, Portugal, Spain, and Italy. Our collaboration with distribution and transmission system operators reflects our commitment to driving a global transition to Net Zero.

Our comments on DOER's Town Hall and 2024 priorities are broadly focused on planning processes and stakeholder engagement. To summarize, Piclo encourages DOER to:

- Creating a more regular and integrated planning process for future Grid Modernization Advisory Council (GMAC) proceedings and the development of Electric Sector Modernization Plans (ESMPs)
- Seek out best practices and input from stakeholders with relevant expertise as you review the GMAC process, Clean Peak Energy Standards, and proceed with the Interagency Rates Working Group (IRWG)
- The IRWG takes a holistic view of incentives to better enable decarbonization and the working group incorporates global best practices into its proceedings

We have been engaging with DOER and the various stakeholder proceedings that the department has held over the past year, including but not limited to the GMAC proceedings and reviewing the ESMP. With the understanding that this is an opportunity to weigh in on the department's priorities and the impact of these programs, Piclo would like to submit the following comments:

Regarding the Grid Modernization Advisor Council and Electric Sector Modernization Plans:

As a stakeholder, participant, and commentator during the GMAC process, Piclo has been encouraged by Massachusetts's focus on collaboratively building the grid of the future. The GMAC process has been thorough and provided ample opportunity to submit comments. With the understanding that the GMAC process is a new and ambitious proceeding, we hope that moving forward ESMPs can be a more integrated part of utility planning to ensure that utilities, the GMAC, and stakeholders have multiple opportunities to review and weigh in on the lengthy and multifaceted plans. By further establishing a regular process with utilities and the State, we believe that all stakeholders will be able to better respond to the detailed plans.



That said, Piclo has concerns about the period of purgatory between utilities submitting their ESMPs and the DOER's approval of the plans. We would like to see utilities acting on the programs laid out in their ESMPs plans as soon as possible. Without DOER approval the investments laid out in the ESMPs cannot move forward. Perhaps there is a way to integrate approval earlier on in the process or expedite final approval in the future.

With that in mind, Piclo hopes that the process for stakeholder engagement and feedback on the ESMPs can be more ongoing in the future. Establishing and maintaining working groups could be a way of ensuring ongoing conversation and a real-time feedback loop that can feed into the next ESMP development process.

Regarding the Clean Peak Energy Standard:

Whereas the Clean Peak Energy Standard is still a new program, Piclo is glad that there will be an opportunity for stakeholder engagement in 2024. We have seen how DER-driven energy flexibility has helped reduce peak energy needs in the UK. We hope that this stakeholder process will include collaborative discussions, technical sessions, and opportunities for public comment. We would like to see a process that brings the expertise of stakeholders to the conversation wherever possible.

We are excited to see more guidance and incentives regarding distribution-level constraints via the Distribution Circuit Multiplier so that DER aggregators, developers, and end customers can support the increasing congestion experienced by utilities and grid operators, particularly as these issues will be enlarged due to future load growth and electrification. We encourage DOER to think through how DER aggregators, developers, and end customers can engage in multiple value streams (i.e., CPS, distribution-level congestion alleviation, utility programs/markets, wholesale market) while supporting the reliability and efficiency of grid operations.

Piclo and the UK can provide a strong reference for regulatory frameworks for meeting local and system-wide peak demand with clean flexible resources. We believe the experience in the UK can be helpful for the review of the Clean Peak Energy Standard in Massachusetts.

Regarding the Interagency Rates Working Group:

Piclo commends DOER and the state of Massachusetts for this effort to align rates with the state's decarbonization goals. Determining how to incentivize the development of a clean and modern grid is an essential step to achieving decarbonization. Rate reform is essential to providing the right incentives to utilities and energy developers; but just as essential is the need to be thoughtful about how the energy transition impacts ratepayers.

As DOER makes plans for how to engage stakeholders in the IRWG's work in the year ahead, we would encourage you to consider a scope that meaningfully includes how DERs and flexible energy can be properly incentivized to encourage decarbonization and manage costs to ratepayers. With that in mind, it will be critical for the IRWG to get stakeholder input and look at other models both in the US and around the world.

Piclo has experience working with electricity rates and tariffs in six countries around the world; the UK, Portugal, Spain, Italy, Lithuania, Australia, and the US. We would like to offer our knowledge and experience to the IRWG as they consider short and long-term rate recommendations.



Thank you for considering our comments. Piclo appreciates the opportunity to contribute to the DOER's 2024 priorities and Massachusetts's pathway to decarbonization. Please feel free to contact us for further discussion.

Regards,
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