



COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF  
ENERGY AND ENVIRONMENTAL AFFAIRS  
**DEPARTMENT OF ENERGY RESOURCES**  
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Secretary

**Patrick C. Woodcock**  
Commissioner

VIA EMAIL AND HAND DELIVERY

December 4, 2020

To: Clerk of the House of Representatives  
CC: Chairs of the Joint Committee on Telecommunications, Utilities, and Energy  
RE: Submission of amended Renewable Energy Portfolio Standard – Class I & II – 225 CMR 14.00 and 225 CMR 15.00 to General Court

Dear Clerk:

Pursuant to M.G.L. Chapter 25A Section 12, please find enclosed:

- 225 CMR 14.00 and 15.00 – Renewable Energy Portfolio Standard Regulations (as amended)
- Summary of the amended Regulations in layman's terms

In the development of amendments to 225 CMR 14.00 and 225 CMR 15.00, the pertinent provisions of Chapter 30A, except section five, have been complied with.

In addition to the requirements of Section 12, the Department of Energy Resources has made additional information, including a response to public comments received, available to the public regarding these amendments. That information is accessible through the Department's website:

<https://www.mass.gov/service-details/rps-class-i-ii-rulemaking>

Please direct questions and comments on this regulation to:

Johannes Buchanan  
Legislative Director  
857-268-0011  
Johannes.K.Buchanan@mass.gov

Sincerely,

*s/Patrick C. Woodcock*

Patrick C. Woodcock  
Commissioner

## **Summary Renewable Energy Portfolio Standards – Class I & II –225 CMR 14.00 and 225 CMR 15.00**

The Class I Renewable Energy Portfolio Standard (“RPS Class I”) was established as part of the Electricity Restructuring Act of 1997 and is codified at M.G.L. c. 25A, § 11F (“Statute”). The Department of Energy Resources (“DOER”) first promulgated 225 CMR 14.00: Renewable Energy Portfolio Standard – Class I (“Regulations”) in 2002 to implement the Statute.

The Class II Renewable Energy Portfolio Standard (“RPS Class II”) was established as part of the Green Communities Act of 2008 and is also codified at M.G.L. c. 25A, § 11F. DOER first promulgated 225 CMR 15.00: Renewable Energy Portfolio Standard – Class II in 2009 to implement the Statute.

Both the RPS Class I and Class II allow for qualified renewable energy generators to earn Renewable Energy Certificates (RECs) for every megawatt hour of renewable electricity that they produce. These certificates may then be purchased by retail electricity suppliers, who are required to document annually that they have procured a certain quantity of RECs each year. These resources contribute to the Commonwealth's clean energy goals by increasing renewable energy generation, reducing the need for conventional fossil fuel-based power generation, and assisting the Commonwealth in meeting its obligations under the Global Warming Solutions Act.

In 2019, retail electricity suppliers were obligated to procure Class I RECs equal to an amount of 14% of their total electricity sales to end-use customers. This requirement increases by 2% each following year until 2029, when it will then increase 1% each following year. Under RPS Class II, retail electricity suppliers are required to procure Class II RECs equal to an amount of 3.2056% of their total electricity sales to end-use customers in 2020. This requirement increases each year pursuant to a formula in the regulation, though is capped at 3.6%. Lastly, retail electricity suppliers are also required to procure Class II Waste Energy Certificates (WECs) from qualified waste energy generators. The 2020 retail electricity supplier requirement for Class II WECs is currently equal to an amount of 3.5% of their total electricity sales to end-use customers, but DOER is proposing to increase this requirement to 3.7% to reflect changes in retail load since the requirement was first established in 2009. This obligation remains constant from year to year.

The proposed changes to the RPS Class I and Class II Regulations are designed to meet the objectives of Executive Order 562. The changes streamline the RPS Class I and Class II Regulations, align the rules to other programs, reduce costs to ratepayers, and address specific policy objectives.

The draft RPS Class I and Class II Regulations were released for public comment April 5, 2019. Public comment period was extended to allow more time for comments to be submitted and subsequently closed on July 26, 2019. During that time, DOER held four public hearings on May 13, May 16, May 17, and June 5, 2019. DOER received over 2,500 written public comments. On November 13, 2019, DOER sent a notice to stakeholders to seek comments on the frequency of compliance requirements and closed the public comment period on the matter on December 4, 2019. DOER received seven (7) written public comments.

Following a review of the public comments, DOER undertook additional analysis to assess the impacts of the proposed regulations. The DOER revised the draft RPS Class I and Class II

Regulations and associated guidelines after review of the public comments and the additional analysis.

The draft RPS Class I Regulations include previously proposed provisions such as capping future Alternative Compliance Payment rates, ensuring that retail electricity suppliers cannot avoid discharging obligations in the event of non-compliance, modifying and simplifying provisions related to biomass generation, eliminating capacity commitment obligation requirements that are applicable to certain types of generators, eliminating certain requirements for generators outside of ISO-NE, and reducing the number of Solar Renewable Energy Certificates (SREC) that can be generated after 2020. Following the review of the public comments and the additional analysis, DOER made additional minor modifications to the biomass provisions, including clarifying feedstock eligibility, increasing the overall efficiency requirement for biomass Generation Units, reducing the time period to achieve a reduction in lifecycle greenhouse gas emissions and explicitly prohibiting generation of certificates if lifecycle greenhouse gas emission reductions are not achieved. DOER also amended the draft regulations to incorporate a phased reduction in the the ACP to align with Connecticut RPS Class I ACP, continue to require recertification with LIHI for hydroelectric facilities, and allow DOER to modify a SREC factor.

The draft RPS Class II Regulations include previously proposed provisions such as adjusting the RPS Class II Waste Energy minimum standard, increasing the ACP for RPS Class II Waste Energy, and aligning with proposed changes in RPS Class I regulations. Following the review of the public comments and the additional analysis, DOER has aligned the RPS Class II Regulations with changes made in RPS Class I Regulations, and has adjusted the starting year for Waste Energy minimum standard and ACP to 2021.