



## Electricity Sector Regulations

### 310 CMR 7.75: Clean Energy Standard

### 310 CMR 7.74: Reducing CO<sub>2</sub> Emissions from Electricity Generating Facilities

#### Overview

On August 11, 2017, the Massachusetts Executive Office of Environmental Affairs and the Massachusetts Department of Environmental Protection published two regulations to reduce CO<sub>2</sub> emissions from power plants in Massachusetts. 310 CMR: 7.75: *Clean Energy Standard* (CES) requires utilities and competitive suppliers of electricity to procure increasing amounts of clean energy. 310 CMR 7.74: *Reducing CO<sub>2</sub> Emissions from Electricity Generating Facilities* sets annually-declining emission limits for large in-state fossil fuel-powered power plants to ensure that emissions reductions occur in Massachusetts. Taken together, these programs place the Commonwealth on a path toward a fully decarbonized electricity sector in 2050. Program reviews for both programs are scheduled for 2021.

#### Requirements

##### 310 CMR 7.75:

- Sets a minimum percentage of electricity sales that utilities and competitive suppliers must procure from clean energy sources. Began at 16% in 2018 and increases 2% annually to 80% in 2050.
  - RPS Class I compliance counts toward the CES.
- Allows for compliance using clean energy certificates (CECs) or alternative compliance payments (ACPs).
- Requires eligible clean energy generators to be RPS-eligible or:
  - Demonstrate net lifecycle GHG emissions of at least 50% below those from the most efficient natural gas generator (e.g., hydro, nuclear, etc.);
  - Be located in the ISO-NE control area, or be located in an adjacent control area and utilize new transmission capacity;
  - Have commenced commercial operation after December 31, 2010.
- Energy procured pursuant to the 2016 Energy Diversity Act also counts toward compliance.
- Allows banking of clean energy certificates (CECs) for use after 2020.
- Required MassDEP to review options for addressing existing (pre-2010) resources.
  - In 2020, MassDEP finalized the “CES-E”, which addresses existing resources by requiring utilities and competitive suppliers to continue procuring a set amount of electricity from these sources each year from 2021 until 2050.

##### 310 CMR 7.74:

- Establishes an allowance trading program for CO<sub>2</sub> emissions from electricity generation.
- Sets a declining limit on aggregate CO<sub>2</sub> emissions from 24 large fossil fuel-fired power plants, from 9.15 million metric tons of CO<sub>2</sub> in 2018 down to 1.8 in 2050.
- Includes allowance auctions.
- Allows flexibility in the form of limited allowance banking and an “emergency deferred compliance” option.

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