

COMMONWEALTH OF MASSACHUSETTS EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS

DEPARTMENT OF ENERGY RESOURCES

100 CAMBRIDGE ST., SUITE 1020 BOSTON, MA 02114 Telephone: 617-626-7300

Charles D. Baker Governor

Bethany A. Card Secretary

Karyn E. Polito Lt. Governor Patrick C. Woodcock
Commissioner

VIA EMAIL AND HAND DELIVERY

June 24, 2022

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/2022-rps-class-i-ii-rulemaking

Please direct questions and comments on this regulation to:

Johannes Buchanan Assistant Secretary of Government Affairs 857-268-0011 Johannes.K.Buchanan2@mass.gov

Sincerely,

s/Patrick C. Woodcock

Patrick C. Woodcock Commissioner

Summary of Proposed Changes – Draft - 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 (Statute). The Department of Energy Resources (DOER) first promulgated 225 CMR 15.00: Renewable Energy Portfolio Standard – Class II (Regulations) 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 2021, retail electricity suppliers are obligated to procure Class I RECs equal to an amount of 18% of their total electricity sales to end-use customers. This requirement increases by 2% each following year until 2025, when it will then increase 3% each year until 2029. Thereafter, the requirement increases by 1% each following year. Under RPS Class II, retail electricity suppliers are required to procure Class II RECs equal to an amount of 3.5634% of their total electricity sales to end-use customers in 2021. 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 2021 retail electricity supplier requirement for Class II WECs is currently equal to an amount of 3.7% of their total electricity sales to end-use customers and this obligation remains constant from year to year. Beginning in 2026, the Class II WEC requirement reduces to 3.5%.

The proposed changes to the Regulations are designed to meet the objectives of Executive Order 562.

The changes to the RPS Class I Regulations are identical to provisions that were proposed in 2019-2021. These include: modifying and simplifying provisions related to biomass generation, increasing the minimum standard between 2025-2029 to align with state statute, removing unnessary and confusing language, and eliminating requirements that are outdated. The proposed changes to RPS Class II Regulations align with the proposed changes in RPS Class I Regulations.

These changes taken as a whole are expected to align with statutory requirements, improve the regulations, and make the regulations easier to administer, with no reduction in consumer or environmental benefits.