

COMMENTS OF BROOKFIELD RENEWABLE ON THE CLEAN PEAK
ENERGY PORTFOLIO STANDARD PROCUREMENT STRAW
PROPOSAL

Brookfield Renewable¹ appreciates the opportunity to provide comments on elements of the “EDC Procurements Straw Proposal” (Straw Proposal) issued by the Department of Energy Resources (DOER) on January 22, 2021. Brookfield Renewable focuses its comments on the eligibility component of the proposed procurement mechanism.

Brookfield Renewable encourages DOER to implement a procurement mechanism design that provides revenue certainty to incentivize private investment in Clean Peak Energy Standard resources, and we urge DOER to prioritize deployment of resources that do not have access to long-term revenue certainty outside of wholesale electricity market revenues. Accordingly, Brookfield Renewable agrees with DOER’s proposed eligibility restriction on resources that receive an incentive or contract from a State-sponsored program. These resources do not require additional certainty for financing and development and should remain outside of targeted long-term procurement.

Brookfield Renewable disagrees, however, with DOER’s proposal to include EDC-owned resources as eligible, even with limitations like the Straw Proposal proposes. EDC-owned assets benefit from rate-based cost allocation and including this asset class as eligible for long-term procurement would undermine DOER’s stated intent of decreasing the risks of a new market.² In particular, EDC-owned asset participation would crowd out access to long-term revenue

¹ Brookfield Renewable’s Massachusetts facilities include a 600MW pumped hydropower storage facility (Bear Swamp), a 10MW hydroelectric facility (Fife Brook) and 170 MW of distributed solar generation. In addition, Brookfield Renewable’s North American System Control Center is located in Marlborough.

² Straw Proposal at p. 1: “Procurement Objectives”

certainty for private investment that is shouldering the risks of new development in a nascent market.

Lastly, resources developed with private capital and merchant risk exposure should not be penalized or restricted because of the timing of deployment. Notwithstanding the recommended restrictions described above, Brookfield Renewable urges DOER to enable the participation of any resource that meets the Regulation's locational requirements and the technology and commercial operation date thresholds directed by the Legislature, including incremental pumped hydropower operational after January 1, 2019. Procurement eligibility should be maintained even if a project or eligible incremental capacity is operational prior to a procurement, provided the project or eligible incremental capacity has been developed without a contract, incentive or rate-base. Similarly, a project or eligible incremental capacity that is operational before a procurement(s) occurs should be able to mint Clean Peak Energy Certificates (CPECs) and sell the CPECs to compliance buyers at any time prior to a procurement or in advance of an award start date without precluding the project or eligible incremental capacity from participating in procurement(s) or disqualifying the project or incremental capacity from receiving a contract. Operational uncontracted eligible energy storage resources would benefit from long-term revenue certainty and the policy goals of the Commonwealth would be helped by securing the delivery of CPECs from resources that, absent a long-term arrangement, may not perform as the Clean Peak Energy Standard Program intends.

Brookfield Renewable appreciates the work of DOER to develop and implement the Clean Peak Energy Standard Program, and we thank DOER for its consideration of these comments on the Straw Proposal.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Steve Zuretti', with a stylized flourish at the end.

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