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VIA EMAIL

May 26, 2021

Chairman Jeffrey N. Roy
Chairman Michael J. Barrett
Joint Committee on Telecommunications, Utilities, and Energy
State House, Room
Boston MA 02133

RE: Submission of final Renewable Energy Portfolio Standard – Class I & II –225 CMR 14.00 and 225 CMR 15.00 to the Joint Committee

Dear Chairman Roy and Chairman Barrett:

On behalf of the Massachusetts Department of Energy Resources (“Department”), and in accordance with Section 12 of Chapter 25A of the Massachusetts General Laws, enclosed for filing please find the final amendments to the Renewable Energy Portfolio Standard (“RPS”) – Class I & II –225 CMR 14.00 and 225 CMR 15.00.

On April 29, 2021, the Joint Committee on Telecommunications, Utilities and Energy (TUE) received the Department’s phase 1 final amendments of RPS regulations. The Committee held a public hearing on the draft regulations on May 12, 2021 and accepted public comments. The Committee issued its report, as required by M.G.L. c. 25A § 12, to the Department on May 25, 2021.

I would like to thank you for your report on the RPS regulations and for your and your staff’s effort to expedite the report. The DOER carefully considered the testimony and other materials provided to the Committee and the Committee’s recommendations as reflected in the report. Based on the Committee’s report, DOER is making a modification to the final regulations as reflected in the enclosure. In accordance with M.G.L. c. 25A § 12, DOER will file the final regulations with the state secretary not earlier than thirty days from the date of this letter.

Solar Carve-out Renewable Energy Certificates

The Committee heard significant testimony regarding the success of the Commonwealth's solar program and potential impacts of the proposed change. Specifically, the Committee recommended that the changes to the Solar Carve-out Renewable Energy Certificates (SREC I) program be delayed to address the concerns of market participants that will be impacted by these changes, and to ensure that any cost savings that result from the changes benefit ratepayers.

In response to the Committee report, the Department has amended the regulation and changes to the SREC I program will be effective January 1, 2022, allowing the market time to adjust to these regulatory changes and increase confidence these savings will be transferred to ratepayers.

RPS Class I Alternative Compliance Payment

The Committee recommended a delayed phase down for the reduction of the alternative compliance payment for RPS Class I resources. After careful consideration of the Committee's proposed timeline, the Department has determined that, based on current market conditions as detailed in testimony, it is in the best interest of ratepayers to proceed with implementation as previously proposed.

Waste-to-Energy Market

The Committee requested that the Department conduct a review of the market after three years, in 2023, to assess whether retail electrical sales have increased. If increased electrification has led to increased demand, the Committee recommended that the Department consider returning the Class II waste-to-energy minimum standard to 3.5%. As filed with the Committee, the final regulations contain a provision requiring a review of the waste-to-energy regulations in 2025 to ensure consistency with the solid waste masterplan, as maintained by the Massachusetts Department of Environmental Protection. Furthermore, based on the Committee's feedback, the Department will commit to conducting an assessment of the market in 2023, and evaluating additional changes as necessary. Any additional changes made by the Department will comply with the requirements of M.G.L. c. 30 and c. 25A, § 12.

RPS Imports

The Committee report requested that the Department continue to work to ensure that the legislative intent of Section 105 the Green Communities Act of 2008 is met. The Department has and will continue to work to implement the policy goals express in that section.

Sincerely,

s/Patrick C. Woodcock

Patrick C. Woodcock
Commissioner