

## **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 2025. Following the enactment of the 2021 Climate Act, the RPS will then increase 3% each following year until 2030 when the rate returns to 1%. 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, though this will change to 3.7% when RPS Class II regulations are promulgated.

The proposed changes to the RPS Class I and Class II Regulations filed today entail the changes to the Regulations that relate to biomass. The changes 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, and address specific policy objectives. Due to the Climate Act becoming effective June 24, 2021, the increase to the RPS rate between 2025-2029 has not been reflected in the proposed changes.

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 June May 13, May 16, May 17, and June 5, 2019. DOER received over 2,500 written public comments. DOER further revised two provisions relating to biomass generation and released them from public comment that closed on May 17, 2021. During this public comment process DOER received over 400 comments.

The draft RPS Class I and Class II Regulations include previously proposed biomass provisions such as fixing the overall efficiency requirement, maintaining air permit requirements, streamlining biomass reporting requirements. 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, mandating all new biomass Generation Units to meet the overall efficiency requirement, prohibiting biomass Generation Units if they are located near an Environmental Justice Community, 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.

.