



March 5, 2021

Massachusetts Department of Energy Resources  
Commissioner Patrick Woodcock  
100 Cambridge Street, Suite 1020  
Boston MA, 02114

Re: **SMART Revised Guideline on Energy Storage Comments**

Dear Commissioner Woodcock,

Enel X<sup>1</sup> appreciates the opportunity to provide feedback to the Department of Energy Resources (DOER) on the Solar Massachusetts Renewable Target (SMART) Program *Guideline on Energy Storage*. Overall, Enel X strongly supports DOER's proposed modifications to the Guideline, and thanks DOER for incorporating stakeholder feedback. The added clarity provided by the Guideline will benefit all stakeholders by providing greater certainty and confidence in resources' participation in the SMART Program.

We offer the follow comments and requests for clarification:

1. Enel X commends the DOER for revising the treatment of energy storage systems (ESS) that are temporarily non-functional, unable to complete the 52 complete cycle requirements, or otherwise do not satisfy the operational requirements under 225 CMR 20.06(1)(e)5. We believe the revised Guideline strikes the appropriate balance for ensuring ESS provide the necessary benefits to Massachusetts ratepayers, while simultaneously allowing project developers sufficient ability to manage investment risk and obtain financing.
2. Similarly, Enel X appreciates the revised Guideline now requiring Energy Storage systems to meet the requirement to cycle 52 times a year beginning in the first full calendar year after Commercial Operation Date. For projects that come online after the start of the year, this change provides a fair means to meet the compliance requirement.

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<sup>1</sup> **Enel X** is Enel's global business line dedicated to the development of innovative products and digital solutions in sectors where energy is showing the greatest potential for transformation: cities, homes, industries and electric mobility. The company is a global leader in the advanced energy solution sector, managing services such as demand response for over 6 GW of total capacity at global level and 110 MW of storage capacity installed worldwide, as well as a leading player in the electric mobility sector, with approximately 130,000 public and private EV charging points made available around the globe.

Enel X in North America has approximately 4,500 business customers, spanning more than 35,000 sites, representing approximately \$10.5B in energy spend under management, approximately 4.7 GW of demand response capacity and over 70 battery storage projects that are operational and under contract.

3. We request that the DOER please confirm that the added language at the bottom of Page six for item 6f, *"The first time an Energy Storage System is (a)..."* is intended to apply equally to both behind-the-meter (BTM) and front-of-the-meter (FTM) (or standalone) SMART projects.
4. The word "primarily" added to the language for *Standalone Systems Option #1* and is taken to mean that more than three-quarters of the 52-cycle requirement is met within summer and winter peak hours. We request the DOER clarify this is intended to mean 39 complete cycles (i.e.  $52 \times 75\% = 39$  cycles) per calendar year occur during winter and summer peak hours, and not three quarters of the total number of cycles in a year for projects that may cycle more than 52 times in a year.
5. Section 6f states on Page six that an Energy Storage System must accomplish one of two options (i.e. 52 cycles or participation in a DR program) to comply with the operational requirements of 225 CMR 20.06(1)(e)5. Later in the same section on Page seven, the Guideline states that Standalone Systems may demonstrate operational compliance with 225 CMR 20.06(1)(e)5 by adopting either Option #1 (primarily dispatching during peak hours) or Option #2 (ISO-NE participation or retail-level program). Enel X recommends that DOER clarify whether Energy Storage Systems are required to accomplish one of the two operational requirements listed in 6f at the bottom of Page six in addition to either Option #1 or #2 on Page seven, or is compliance with either of those Standalone Systems Options on Page seven sufficient?

As an example, can a Standalone System comply with Option #2 *"The Energy Storage System may fulfill the operational requirement through registration in the ISO-NE wholesale market or a retail-level program aimed at reducing ratepayer costs, if deemed satisfactory to the Department."* and is then not required to discharge at least 52 complete cycles per calendar year or participate in a demand response program as described on Page 6 of the Guideline?

6. Under the *Standalone Systems Option #2*, the existing guideline language reads:

**Option #2:** The Energy Storage System may fulfill the operational requirement through registration in the ISO-NE wholesale market or a retail-level program aimed at reducing ratepayer costs, if deemed satisfactory to the Department.

We request two clarifications on this language.

First, does *"if deemed satisfactory to the Department"* apply to the entire option, i.e. does the Department need to deem the ISO-NE wholesale market registration satisfactory, or is that only applicable to retail-level programs?

Second, we request the DOER consider providing clear guidance as to what programs are currently deemed satisfactory to the Department so as to satisfy the operational requirements of 225 CMR 20.06(1)(e)5. This list could provide the current programs that meet the eligible

requirements with an understanding that list is not exhaustive and could be revised at a later date.

Enel X thanks the DOER for their consideration of these comments and looks forward to the opportunity to review any clarifications that can be provided on these matters.

Sincerely,

/s/

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