

**CY 2013 Alternative Compliance Payments - Spending Plan**

ACP Receipts	Total
Compliance Year 2013 Spending Plan Budget	\$32,477,648

as of 12/17/2014

CY 2013 ACP Spending Plan	Budget	Short Description
<b>Strategic Initiatives</b>		
Energy Storage for Renewables and Grid Support	\$10,000,000	Electrical energy storage is a critical technology to enable the necessary penetration of intermittent renewable energy generation on the regional grid to meet the Commonwealth's 2020 and 2050 GHG commitment. Storage can provides critical power quality support to the distribution system, and can serve the critical need for meet peak demands for ISO-NE. These ACP funds will be used to establish a range of programs to further MA energy storage activities, including pilot projects, market development, and industry support.
Low Income Strategies for PV and Renewable Thermal Adoption	\$10,000,000	While MA has made substantial progress in establishing and growing the solar and renewable thermal markets and have on-going programs to support the low income sector, much more can be done to create strategic and systemic opportunities for these technologies to penetrate and benefit the low income sector which is most vulnerable to energy costs. These ACP funds will be used to create and implement leveraged programs to bring clean energy cost savings and employment benefits to the low income sector.
Biomass Thermal and Forest Economic Development for Mohawk Trail towns (Franklin/Berkshire)	\$5,000,000	Twenty cities and towns in the northwest corner of the Commonwealth are currently engaged in a regional strategy with the U.S. Forest Service regarding a national designation of the forestlands for economic development. A significant component of this vision brought forward by the towns has been the sustainable use of unmerchantable forest products to source a local wood pellet production facility to serve local heating needs. In coordination with EEA and the regional planning authorities of Berkshire and Franklin Counties, these funds will be used to support this regional effort.
Enhanced Geothermal Generation - Geological Investigation	\$500,000	Research undertaken by the Massachusetts State Geologist has suggested some probability in select locations in MA of geothermal resources of sufficient temperature (100 to 150 C) and depth (under 3 to 5 km) to provide a feasible electric generation resource. This investigation will be led by the State Geologist and a team of geoscientests at the University of Massachusetts to establish substantially more definitive data on the geothermal resources, and to conduct a study on the feasibility and cost effectiveness of recovering the resource for power generation.
<b>Renewable Thermal Market Support</b>		
Biomass pellet certification	\$1,500,000	The CARTS report identified the need for a pellet fuel quality and sustainability standard as one of the primary needs for the biomass thermal market to grow, consistent with the experience in European countries. DOER has commented to EPA to establish such as standard. While other states and NESCAUM generally recognize the need, no state or entity has committed to the effort. These ACP funds will be used to analyze and establish a MA-based quality and sustainability certification scheme, support businesses to acquire the certification and communicate it to the public and installers. The intent will be to include as many other (Northeast) states as possible.

Biomass pellet HEAT loan	\$500,000	As renewable thermal opportunities expand with the APS incentive, having HEAT loans available for low cost financing will be important. Currently, the HEAT loan program supports loans for solar heating and heat pumps, but are not available for biomass/pellet boilers, except for the roughly \$200,000 DOER allocated from ARRA funds. These ACP funds will be added to the remaining ARRA funds to assure that biomass/pellet systems maintain access to the HEAT loan program.
<b>State and Municipal Facilities</b>		
Leading by Example - Fuel Oil Displacement and Solar Canopies	\$2,000,000	With the objective of eliminating significant use of heating oil by state facilities, \$1 million of these funds will be dedicated to feasibility studies and implementation grants for energy efficiency and renewable thermal solutions for remaining large heating oil users. Based on progress, momentum, and projected demand in deploying solar parking canopies at our state facilities, the other \$1 million will be dedicated to expanding the LBE incentive program for such systems.
Schools Buildings: Phase II SAPHIRE	\$1,500,000	DOER established the SAPHIRE program under a U.S. DOE grant that ends in September 2015. Renewable thermal projects in schools take a long time, with many of the current projects under preparation going beyond the DOE end date. Additionally the MSBA has expressed an interest to collaborate with DOER to integrate renewables in their main renovation program ("Core"). This is an exciting opportunity to move SAPHIRE to a second phase and structurally embed renewables in the state's school building programs. These ACP funds will be used to extend DOER support for feasibility/design studies, as well as capital investment.
<b>Administrative Support and Reserved Funds</b>		
DOER Support Fellows	\$250,000	These funds will supplement \$1 million in the CY 2011 Spending Plan for ACP Fellow positions at DOER to administer program spending.
Small Projects, Studies/Consultants	\$1,227,648	
<b>Total</b>	<b>\$32,477,648</b>	