

Commonwealth of Massachusetts
Executive Office of Energy and Environmental Affairs
DEPARTMENT OF ENERGY RESOURCES
RPS SOLAR CARVE-OUT

Determination of CY 2017 Total Compliance Obligation
(per 225 CMR 14.07(2))
8/30/2016

Formula per 225 CMR 14.07(2)(g)

$$\text{Total Compliance Obligation}_{\text{CY}} = \text{Estimated Generation}_{\text{CY-1}} - \text{ACP Volume}_{\text{CY-2}} + \text{Banked Volume}_{\text{CY-2}} + \text{Auction Volume}_{\text{CY-2}}$$

Term in Formula	CY 2017 Min Std Term	Value (MWh)	Source
Estimated Generation _{CY-1}	Estimated Generation ₂₀₁₆	772,085	per regulation; 225 CMR 14.07(2)(g) (see projection details in table below)
ACP Volume _{CY-2}	ACP Volume ₂₀₁₅	3,259	2014 Annual Compliance Filings (see 2014 RPS/APS Annual Compliance Report, forthcoming)
Banked Volume _{CY-2}	Banked Volume ₂₀₁₅	12,459	2014 Annual Compliance Filings (see 2014 RPS/APS Annual Compliance Report, forthcoming)
Auction Volume _{CY-2} ¹	Auction Volume ₂₀₁₅	1,898	NEPOOL GIS (see 2014 RPS/APS Annual Compliance Report, forthcoming)

Calculations	CY 2017 Min Std Term	Value (MWh)	Source
Total Compliance Obligation _{CY} ²	Total Compliance Obligation ₂₀₁₇	783,183	per formula above and regulation; 225 CMR 14.07(2)(g)
2015 MA Retail Load		48,009,721	2014 Utility Load Verification (see 2014 Annual Compliance Report, forthcoming)
CY 2017 Minimum Standard		1.6313%	division of above two terms

Formula Results

Preliminary Total Compliance Obligation₂₀₁₇
783,183 MWh = 772,085 MWh - 3,259 + 12,459 + 1,898

Preliminary CY 2016 Minimum Standard
1.6313% = 783,183 MWh / 48,009,721 MWh

Projection Details

Projection of CY 2015 Total SRECs Generated (for use in formula above)	Total Capacity (MW)	Actual/Projected CY 2015 SREC Generation ³
SRECs Generated (Q1 2016)	653.324	151,413
Expected MWh generated by qualified projects (Q2-Q4 2016)	653.324	620,672
TOTAL	653.324	772,085

¹ Should the 2nd round of the 2015 Solar Credit Clearinghouse Auction held on July 29, 2016 not fully clear, the auction volume of 1,896 will be added to the Compliance Obligation for 2017 twice, resulting in a total volume of 3,792 added.

² Stakeholders should note that the full compliance obligation is not necessarily required to be met with the purchase of SRECs. This is because any load served by competitive retail electric suppliers that was under contract prior to January 1, 2010 is exempt from paying the full Solar Carve-Out ACP Rate and can instead be met by ACP payments made at the RPS Class I ACP rate. Additionally, any load served under contracts entered into prior to June 28, 2013 is also exempt for the portion of a supplier's obligation resulting from the emergency rule change that expanded the program cap beyond 400 MW. These exemptions effectively reduce the actual demand for SRECs generated in any given Compliance Year. More information on the size of these exemptions and their impact on the market can be under the SREC exemptions section of the following webpage:
<http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/retail-electric-supplier-compliance/rps-and-aps-minimum-standards.html>

³ Projected generation assumes an annual average capacity factor of 13.51%.