

February 5, 2018

Massachusetts Department of Energy Recourse
100 Cambridge St., Suite 1020
Boston, MA 02114

Re: Clean Peak Energy Standard

To Whom It May Concern;

Thank you for the opportunity to provide comments on the development and design of the Clean Peak Energy Standard. We really appreciate the Department listening to stakeholders before there is even a draft proposed.

Covanta is a world leader in providing sustainable waste and energy solutions. The Company's 44 waste-to-energy facilities, in the United States, Canada and Europe, provide communities and businesses around the world with environmentally sound solid waste disposal by using waste to generate clean, renewable energy. Annually, Covanta's modern Energy-from-Waste facilities safely and securely convert approximately 22 million tons of waste into clean, renewable electricity to power approximately one million homes and recycle over 600,000 tons of metal. In Massachusetts, Covanta operates four of the seven waste-to-energy (WTE) facilities.

The seven WTE facilities in Massachusetts process 3.3 million tons of waste per year to produce enough renewable energy to power 212,000 homes. WTE facilities employ 489 people directly and support 1,441 jobs in the Commonwealth for a total economic output of \$591,600,000 a year, while reducing greenhouse gas emissions by more than 2.2 million tons of CO₂ equivalent.

Waste-to-energy is the perfect technology to be included in the Clean Peak Standard. Waste-to-energy is a baseload energy facility and produces power 24/7, so the addition of a storage facility that could be charged during periods of low demand (e.g. overnight) and be dispatched during the peak load time would be ideal.

We recommend that DOER interpret the use of the term "electric distribution system" in a more expansive sense (Question #2) to ensure that viable energy storage systems can provide the benefits of energy storage regardless of the interconnection option available. Specifically, we propose that clean peak resources be eligible to provide power to both transmission and distribution systems, including through existing interconnect infrastructure at existing RPS resources. It should be clarified that clean peak resources do not need a separate interconnection.

Thermal storage facilities could be designed to provide thermal energy to an end user or electricity. Any inclusion of thermal storage facilities as a Demand Response Resource should not preclude an energy storage system which incorporates a thermal to electric process from serving as a clean peak resource (Question #8, 11).

If not directly physically or electrically connected to a renewable energy resource, we recommend that the qualified energy storage system demonstrate that it primarily operates to store and discharge renewable energy through bilateral virtual energy contracts with the renewable energy resource (Question #10).

Specifically of the questions about "Qualified RPS Resource", we do not believe that the Department should set a specific percentage for the size of the storage unit (Question #12), particularly for baseload and/or non-intermittent sources of renewable energy. A percentage target could have the unintended consequence of eliminating incremental energy storage associated with larger sources of renewable energy which are unable to cost-effectively or practically meet the percentage threshold. Capacities of waste related sources of renewable energy can range from small landfill gas projects of 1 to 2 MW to WTE facilities from 9.4 to 84 MW. At the larger end, the 25% threshold would entail very large energy storage systems with significant capital requirements and financial risk that will likely impede development particularly for advanced storage technologies which may carry more risk.

With regard to verification of metered data, qualified energy storage systems that are connected to a resource already registered with NEPOOL GIS as a participant should be permitted to use existing processes to verify metered data. This will ensure the accuracy of the reported data without adding a duplicative compliance mechanism (Question #24).

With the goal of reducing the peaks in the system, the Department should allow all storage option to qualify that can deliver electricity back to the grid at right time. This should include batteries, thermal storage or any other technologies that can perform this function when needed.

Thank you again for allowing stakeholders to participate fully in the process of developing the Clean Peak Standard.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Henderson", with a long horizontal flourish extending to the right.

Scott Henderson
Senior Director, Government Relations
Covanta