



February 24, 2017

Commissioner Martin Suuberg
Massachusetts Department of Environmental Protection
One Winter Street, 7th Floor
Boston, MA 02108

--- Submitted via email to climate.strategies@state.ma.us

Re: Comments from Mass Energy regarding adoption of proposed Clean Energy Standard (CES) – 310 CMR 7.75

Dear Commissioner Suuberg:

Mass Energy is a nonprofit consumer and environmental advocacy organization whose mission since 1982 has been to make energy affordable and environmentally sustainable. We have more than 20,000 members and advocate on their behalf for clean energy solutions capable of helping Massachusetts meet the GHG emission reductions mandated by the Global Warming Solutions Act (GWSA) as equitably and economically as possible. Mass Energy commends the Baker Administration for initiating necessary steps to achieve full implementation of GWSA. We also thank the Department for this opportunity to submit comments related to regulations proposed as part of the state's efforts to comply with GWSA Section 3(d) per the May 2016 Supreme Judicial Court decision in *Kain v. MassDEP*. Specifically we offer feedback regarding the proposed Clean Energy Standard (CES) – 310 CMR 7.75.

Mass Energy supports a CES as means of curbing electric sector emissions. Greenhouse gases emitted from Massachusetts' electric sector may be on the decline, but at 21.5% of state emissions the sector is still the second largest source of GHG emissions in the Commonwealth. Increasingly other sectors are relying on electrification to achieve GWSA compliance, but emission reductions achieved by electrifying transportation and space heating will be irrelevant if we fail to decarbonize the electric sector. Taking steps in the immediate term to transition electricity supply from GHG-emitting fossil fuels to clean renewables is the most cost-effective way to achieve economy-wide GHG emission reductions by 2020 and well into 2050. This is why Mass Energy supports instituting a Clean Energy Standard in 2018 and maintaining the requirement through 2050.

Mass Energy is pleased to see the proposed CES would apply to all retail electricity sellers, including Municipal Light Plants (MLPs). [MLPs comprise 13%](#)¹ of the state's electricity load. 41 communities and towns have MLPs serving all or part of 50 municipalities for electric service. This is not insignificant and without their full participation in GWSA compliance strategies, Massachusetts cannot *equitably* achieve

¹ <http://www.mapc.org/municipal-light-plants>

the required emission reductions. While we agree that it is fair and reasonable to allow MLPs to gradually phase into compliance with the CES, we do not believe MLPs should be allowed to bank credits between 2018 and 2020. Instead, and because we recognize that making a leap from 0% to 7% in a year is ambitious (especially without banked credits), we strongly urge DEP to consider setting even a modest CES requirement in those early years. This will contribute to necessary emission reductions achieved by 2020, as intended by Section 3d, and will allow for an incremental increase leading up to the 7% requirement in 2021. Mass Energy is of the opinion that MLPs should not be exempt from the state's RPS requirements; therefore we do not believe that the standard for MLPs should always be discounted by the full amount of the RPS. The standard should be set based on what is required to achieve sufficient GHG emission reductions and not based on MLPs exemption from RPS compliance.

Banked credits and alternative compliance payments, for any retail supplier in the immediate term, do not achieve the desired outcome of substantially reducing GHG emissions by 2020 and therefore should not be allowed. Beyond 2020, we believe that banking CECs and ACPs should be limited in some way so as to prevent compliance through accounting without taking real action to reduce emissions or transform the electric sector.

Although DEP has indicated that storage and energy efficiency are beyond the scope of the proposed CES, Mass Energy strongly encourages DEP to maintain an open mind towards ways to optimize least cost GHG reduction measures like energy efficiency as a means of complying with the CES. Indeed, Massachusetts is top-ranked nationally for its energy efficiency programs, but the programs are falling short of current goals and fail to capture all cost-effective efficiency. If GWSA compliance is contingent upon exhausting all energy efficiency, and if DEP is, as is noted, relying on gains from efficiency (and storage) to achieve the reductions proposed in the companion regulation, 310 CMR7.74, then consideration must be made to how to optimize these resources beyond what has been laid out in the efficiency plans or included as eligible under the alternative energy portfolio standard. As indicated in our preliminary comments submitted in November, we recognize an approach such as this will require establishing a way to value and assign credit to energy efficiency, but the task is not insurmountable. Furthermore, a CES is a flexible enough mechanism to allow for energy efficiency and, in the first year or two of compliance, this additional efficiency may help to assuage concerns raised at the November 7, 2016 stakeholder meeting about additionality v. accounting maneuvers. Finally, accounting for efficiency in excess of what is required in the Three Year Efficiency Plans is precisely the type of bold and innovative action that Massachusetts must take in order to lead by example in the region and across the country.

Massachusetts has led by example on many critical issues of import, particularly in times of federal inaction. Climate is no exception. For reasons discussed in these comments, Mass Energy supports a CES that complements Massachusetts' Renewable Portfolio Standard (RPS) and promotes incremental clean energy needed to achieve GWSA compliance. The CES has the potential to help drive transformation of our electric grid and is a mechanism best-suited to achieve necessary GHG reductions in the immediate term – 2018 to 2020 – while setting the state and the region on a trajectory for long term compliance economy-wide.

For questions please contact Clean Energy Program Director Eugenia Gibbons, Eugenia@massenergy.org or 617-524-3950.