

**HOUSE . . . . . No. 1747**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Thomas A. Golden, Jr.*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to increase renewable energy and reduce high-cost peak hours.

PETITION OF:

NAME:

*Thomas A. Golden, Jr.*

DISTRICT/ADDRESS:

*16<sup>th</sup> Middlesex*

**HOUSE . . . . . No. 1747**

By Mrs. Haddad of Somerset, a petition (accompanied by bill, House, No. 1747) of Patricia A. Haddad and others relative to providing for annual increases in provision of Class I renewable energy generating sources. Telecommunications, Utilities and Energy.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninetieth General Court  
(2017-2018)**

An Act to increase renewable energy and reduce high-cost peak hours.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Definitions

2 Section 3 of Chapter 25A of the General Laws, as appearing in the 2016 Official Edition, is  
3 hereby amended in line 14 by inserting after the word “commissioner of energy resources” the  
4 following words:

5 “Clean Peak Resource,” either: i) Qualified RPS Resource; ii)  
6 Qualified Energy Storage System; or iii) Demand Response Resource.

7 “Clean Capacity Credits,” (“CCCs”) a fixed price credit received for each MWh of energy or  
8 reserves provided during a Seasonal Peak Period that represents a compliance mechanism that  
9 makes no claim on other attributes.

10 Said section is further amended in line 90 by inserting after the words “public agency” the  
11 following words:

12 “Net Load Peak,” the time period when demand of electricity is the highest, excluding demand  
13 met by variable renewable generation.

14 Said section is further amended in line 106 by inserting after the words “synthetic gas for  
15 burning” the following words:

16 “Qualified Energy Storage System,” an energy storage system, as defined in Section 1 of  
17 Chapter 164 of the General Laws, as appearing in the 2016 Official Edition, provided that said  
18 system must either be co-located with a Class I RPS eligible resource, or if standalone storage  
19 must charge battery during lower emitting hours (to be determined by the department of energy  
20 resources), or if standalone storage must buy renewable energy certificates from Class I RPS  
21 eligible resources for those hours.

22 Said section is further amended in line 111 by inserting after the words “energy saving  
23 measures” the following words:

24 “Qualified RPS Resource,” an existing Class I RPS eligible resource that has begun  
25 commercial operation as of December 31, 1997 and that has installed an energy storage system  
26 at its facility after the effective date of this act, or a new Class I RPS eligible resource that begins  
27 commercial operation after the effective date of this act.

28 Said section is further amended in line 122 by inserting after the words “request for proposals”  
29 the following words:

30 “Renewable Portfolio Standard,” retains the same meaning as defined in Section 11F of Chapter  
31 25A of the General Laws.

32 “Seasonal Peak Period,” the time window during the Net Load Peak in each season when  
33 the peak hour of the day is expected to occur. The peak period should be no less than one  
34 hour and no longer than four hours in any season. The department will determine Seasonal  
35 Peak Periods.

## 36 SECTION 2. Clean Peak Standard

37 Chapter 25A of the General Laws, as appearing in the 2016 Official Edition, is  
38 hereby amended by inserting after section 16, the following section:

### 39 “Section 17: Clean Peak Standard

#### 40 (a) The Clean Peak Standard

41 The department of energy resources shall establish a clean peak standard for all retail electricity  
42 suppliers selling electricity to end-use customers in the commonwealth that incorporates  
43 existing RPS eligible resources and new clean peak resources. By December 31, 2018, the  
44 department of energy resources shall determine the current percentage of kilowatt-hours sales  
45 to end-use customers in the commonwealth from existing clean peak resources during the  
46 Seasonal Peak Load hours to establish a baseline. During the Seasonal Peak Load hours, every  
47 retail electricity supplier shall provide a minimum percentage of kilowatt-hours sales to end-  
48 use customers in the commonwealth from clean peak resources according to the following  
49 schedule: (1) an additional .75 percent of sales by December 31, 2019 and an additional .75  
50 percent of sales each year thereafter until December 31, 2050.

51 The department of energy resources shall conduct a study in 2030 to evaluate the impact of the  
52 Renewable Portfolio Standard on emissions, reliability and resiliency, and evaluate the impacts  
53 of the Clean Peak Standard on emissions, reliability and resiliency, as well as the impacts on

54 increasing renewable energy penetration and deploying energy storage. The department shall  
55 submit a report with its findings to the legislature by December 31, 3030. The department  
56 shall conduct an additional review every five years and shall submit a report with its finding to  
57 the legislature within three months of concluding the review. The report may be included as  
58 part of the report published by the secretary on energy and environmental affairs, pursuant to  
59 Section 5 of Chapter 21N of the General Laws, as so appearing.

60 (b) Clean Capacity Credit Value

61 The Clean Capacity Credit Value (\$/MWh) shall be established through an annual competitive  
62 procurement process. A Clean Peak Resource will be eligible to receive the Clean Capacity  
63 Value for ten to twenty years from the unit's effective CPS date. The electric distribution  
64 companies shall purchase clean capacity credits from clean peak resource owners, and shall be  
65 prohibited from owning clean peak resources and from enrolling and registering resources in the  
66 wholesale market without the prior approval from the system owner and the department of  
67 energy resources. The department may deem projects that are already receiving funding from  
68 another Commonwealth program as ineligible to receive Clean Capacity Credits, with the  
69 exception of Renewable Energy Certificates created by Class I RPS eligible resources. The  
70 department shall, after notice and the opportunity for public comment, promulgate rules and  
71 regulations implementing the values.

72 (c) Compliance

73 The department of energy resources shall establish a market-based mechanism using fixed  
74 priced clean capacity credits for determining compliance with the clean peak standard. By  
75 Seasonal Peak Period, DOER shall determine whether clean capacity credits are awarded  
76 based on total hourly production during the seasonally designed peak period or based on

77 average hourly production over each peak period hour. The department of energy resources  
78 shall establish and maintain regulations allowing for a retail supplier to discharge its  
79 obligations under this section by making an alternative compliance payment in an amount  
80 established by the department of energy resources. The department of energy resources shall  
81 establish and maintain regulations outlining procedures by which each retail supplier shall  
82 annually submit for the department's review a filing illustrating the retail supplier's compliance  
83 with the requirements of this section.

84 A Qualified RPS Resource and a Qualified Energy Storage System may qualify for a Clean  
85 Capacity Credit and a Renewable Energy Credit during the Seasonal Peak Period, provided that  
86 the Qualified Energy Storage System is either co-located with a Class I RPS eligible resource, or  
87 if standalone storage must buy Renewable Energy Certificates from Class I RPS eligible  
88 resources for those hours. A retail electricity supplier may elect to retain Renewable Energy  
89 Credits received during the Seasonal Peak Period pursuant to section 11F of chapter 25A. If the  
90 Clean Peak Resource elects to receive the Clean Capacity Credit, then the retail electricity  
91 supplier shall retire the Renewable Energy Credits and shall not receive compensation for the  
92 Renewable Energy Credits produced in the Seasonal Peak Period to minimize costs to ratepayers.  
93 Retired Renewable Energy Credits may count towards RPS compliance. The department of  
94 energy resources shall promulgate regulations utilizing an appropriate tracking system to ensure  
95 the accounting of the delivery of clean peak resources to accurately measure progress in  
96 achieving the commonwealth's goals under chapter 298 of the acts of 2008 or chapter 21N of the  
97 General Laws.

98 The electric distribution companies shall file annual reports with the department of  
99 energy resources and the legislature to demonstrate compliance.

100 (d) Prioritization of CCC's

101 The department of energy resources shall adopt regulations to establish locational based adder  
102 rates for clean capacity credits produced by clean peak resources with respect to the minimum  
103 percentage of kilowatt-hours sales that retail electricity suppliers must provide to end-use  
104 customers in the commonwealth calculated under subsection (a) for the following:

- 105 1) Mission critical facilities, including but not limited to hospitals, police and  
106 fire stations, and wastewater treatment facilities.
- 107 2) Commercial and industrial companies with peak demand greater than one  
108 megawatt.
- 109 3) Congested and/or critical load pockets.

#### 110 SECTION 3. RPS Increase

111 Section 11F of chapter 25A of the General Laws, as appearing in the 2016 Official Edition, is  
112 hereby amended by striking out, in lines 16 and 17, the words "and (3) an additional 1 per  
113 cent of sales every year thereafter" and inserting in place thereof the following words:- (3) an  
114 additional 1 per cent of sales every year until December 31, 2018; and (4) an additional 1.20  
115 per cent of sales by December 31, 2019; and (5) an additional 1.40 percent of sales by  
116 December 31, 2020; and (6) an additional 1.60 percent of sales by December 31, 2021; and  
117 (7) an additional 1.80 per cent of sales by December 31, 2022; and (8) an additional 2 per  
118 cent of sales every year thereafter, subject to the provisions in Section 17 of Chapter 25A of  
119 the General Laws. Each annual increase shall be prospective for new customer contracts  
120 entered into by the retail electricity suppliers after the increase goes into effect."

#### 121 SECTION 4. Public Comment

122 The department shall not determine what constitutes lower emitting hours for a Qualified  
123 Energy Storage System without first providing notice and opportunity for public comment.

124 SECTION 5. Severability Clause

125 If this act is subjected to a legal challenge, the department of energy resources may suspend the  
126 applicability of the challenged provision during the pendency of the action until a final  
127 resolution, including any appeals, is obtained and shall issue an order and take other actions as  
128 are necessary to ensure that the provisions not subject to the challenge are implemented  
129 expeditiously to achieve the public purposes of this section.