



Via Electronic Mail

November 20, 2020

Patrick Woodcock, Commissioner
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston MA, 02114

Re: SMART ESS Guideline Request

Dear Commissioner Woodcock,

The Northeast Clean Energy Council (“NECEC”), the Coalition for Community Solar Access (“CCSA”), the Energy Storage Association (“ESA”), and the Solar Energy Industries Association (“SEIA”) appreciate the Department of Energy Resource’s (“DOER”) consideration of a request regarding the Solar Massachusetts Renewable Target (“SMART”) Program’s Guideline on Energy Storage (“ESS Guideline”). Specifically, NECEC, CCSA, ESA, and SEIA request that, for energy storage projects that reach SMART Incentive Payment Effective Date on or after June 1st in a given year, the ESS operational requirements commence at the beginning of the next calendar year, for the reasons explained below.

The revised SMART regulations require, absent good cause, that any SMART project larger than 500 kilowatts be paired with storage. This requirement will greatly increase deployment of energy storage. As projects begin to come online, the industry has become acutely aware of an aspect of the ESS Guideline that has the potential to cause uncertainty for storage developers and an administrative burden for DOER. The SMART regulations state that “[t]he Energy Storage System must discharge at least 52 complete cycle equivalents per year and must remain functional and operational in order for the Solar Tariff Generation Unit to continue to be eligible for the energy storage adder.”¹ The ESS Guideline further notes that the 52 cycles must

¹ 225 CMR 20.06 (1)(e)5.

occur within a *calendar* year, and that “the 52 cycles may be prorated in the first operational year of the Energy Storage System based on its Commercial Operation Date.”²

We understand and support DOER’s intent to ensure that energy storage systems are providing value to the grid and to ratepayers, and we appreciate that DOER has acknowledged the need to prorate the operational requirements for the first year of operation. However, even a prorated requirement will create compliance challenges for many energy storage system asset managers. Due to the seasonal nature of construction in Massachusetts, many projects come online later in the year, when solar yields are lowest. Furthermore, in the initial months of operation, energy storage systems are often operating below full capacity, due to troubleshooting and/or contractual restrictions on operation during any delay between the Commercial Operation Date and the Incentive Payment Effective Date.

Thus, we request that DOER amend the ESS Guideline to waive the operational requirements for energy storage systems that reach Incentive Payment Effective Date on or after June 1 in a given year. June 1st would coincide with the beginning of the summer peak compliance period under the Clean Peak Standard. Projects that reach Incentive Payment Effective Date before June 1 would be required to meet the full 52 cycle requirement (i.e., compliance would not be pro-rated), which will alleviate the administrative burdens of pro-rating compliance requirements for DOER. This amendment will also alleviate the difficulties some energy storage systems will have complying with the operational requirements, even on a prorated basis, during the year in which they become operational, while ensuring that the energy storage systems deliver grid and ratepayer benefits on an ongoing basis. Further, beginning compliance based on Incentive Payment Effective Date is more appropriate than Commercial Operation Date, as energy storage systems should be subject to SMART operational requirements only once they begin receiving the benefits of participating in the SMART Program.

The redlines below reflect our suggested amendments to the ESS Guideline:

f) How does an Energy Storage System demonstrate compliance with the operational requirements in 225 CMR 20.06(1)(e)5

An Energy Storage System must accomplish one of the following to comply with operational requirements:

- 1) discharge at least 52 complete cycle equivalents in a calendar year, whereby ~~the 52 cycles this requirement~~ may be ~~pro-rated~~ waived in the first operational year of the Energy Storage System ~~based on~~ if its ~~Commercial Operation Date~~ Incentive Payment Effective Date is on or after June 1; or
- 2) participate in a demand response program, such as the Distribution Companies’ Connected Solutions programs or similar programs approved through the Department of Public Utilities’ three-year plans for energy efficiency.

² ESS Guideline (6)(f).

Thank you for your consideration of this request. We look forward to continuing to work with DOER to accelerate the deployment of energy storage and enable further deployment of clean energy resources in the Commonwealth. Please contact us if you have any questions.

Sincerely,

/s/ Jeremy McDiarmid

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cc: Will Lauwers, Department of Energy Resources