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PEOPLE'S Power & Light

Commonwealth of Massachusetts
Department of Environmental Protection (MassDEP)
Comments from Mass Energy Consumers Alliance
Re: Reduction GHG Emissions under Section 3(d) of the GWSA

November 16, 2016

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

Energy Consumers Alliance of New England d/b/a Mass Energy is a nonprofit consumer and environmental advocacy organization with more than 20,000 members. Our mission since 1982 has been to make energy affordable and environmentally sustainable. We are dedicated to helping the Commonwealth reduce greenhouse gas (GHG) emissions as equitably and as economically as possible. We are especially devoted to ensuring the state meets the reductions mandated by the Global Warming Solutions Act (GWSA): 25% by 2020 and 80% by 2050.

It has been nearly a decade since Massachusetts first passed this nation-leading climate law. Although emissions have come down in that time, reductions are not occurring at a sufficient pace. Without more concerted effort and additional regulatory action, Massachusetts will fall short of the 2020 requirement. Failure to comply by 2020 will make it that much more difficult to achieve GWSA compliance in later years. As co-plaintiffs in *Kain v. MassDEP* we commend the Baker Administration for initiating full implement of the GWSA beginning by signing Executive Order 569. We appreciate that DEP has begun to explore strategies for complying with the Supreme Judicial Court's ruling and the GWSA. Especially since now, perhaps more than ever, Massachusetts must lead by example on climate action. The EO and this DEP process mark an important and necessary step in that direction.

Mass Energy offers the following comments related to information presented on November 2, 2016.

Gas-Insulated Switchgear
Mass Energy supports establishing a declining annual cap for SF6 used in gas-insulated switchgear. The regulation should NOT incorporate an option for joint compliance based on the aggregate cap. As noted in the stakeholder presentation given on November 2, there are essentially only two entities that would be directly affected by the regulation: National Grid and Eversource. Allowing for joint compliance based on an aggregate of only two utilities would create a disincentive for either to comply. The cap and compliance should apply individually rather than jointly.

Transportation
Recognizing that the transportation sector is a significant contributor to air pollutants and comprises 40% of Massachusetts' GHG emissions, a declining limit on emissions must be set. The Clean Energy and

Climate Plan relies heavily on Vehicle GHG Standards to achieve the bulk of reductions in the sector. However, Mass Energy supports DOT's amendment to 310 C.M.R. 60.05. We urge the Department to set a limit of zero emissions from state passenger vehicles by 2020. And, to the extent that Massachusetts is able to accelerate conversion of its fleet of passenger vehicles to electric vehicles, it should. Electric vehicles have been shown to be integral to achieving significant emission reductions. In fact, according to a March 2016 study by Synapse Energy Economics[1], increasing adoption of electric vehicles is good for the environment and saves consumers money. Even if the emission reductions achieved by doing so are relatively small, these efforts will allow the state to lead by example, having a far greater impact. Massachusetts has set an ambitious goal of 300,000 electric vehicles registered in the state by 2025. Converting the state's fleet of passenger vehicles is a step in the right direction. Mass Energy also strongly encourages the state to explore ways to accelerate the installation of charging infrastructure and the adoption of electric public buses. In the event that the state contracts with any ride-sharing service, there should be a requirement in place that the rides be provided by electric vehicles only.

Methane Leaks from Gas Distribution System

Leaks in the gas distribution system, particularly "superemitters" and leaks bearing other "significant environmental impact", must be identified, monitored consistently, and repaired. Doing so will benefit the environment, ensure public safety, and potentially save gas customers who are currently paying for lost and unaccounted for gas. Mass Energy supports setting an aggressive limit on emissions from this sector and encourages the Department to prioritize identification and repair of the largest leaks between now and 2020. Mass Energy also supports extending the declining limit for leaks beyond 2020 in order to achieve zero emissions from the distribution system as soon as possible. DEP should set a cap on emissions from lost and unaccounted for gas, as well as methane emissions from gas venting, fugitive emissions from compressor stations, metering and regulating stations, gas storage, and liquefied natural gas facilities.

This concludes comments related to materials presented on November 2. Separately, Mass Energy will submit comments related to the Electric Sector presentations provided on November 7. We look forward to ongoing engagement in this process.

Please contact Clean Energy Program Director Eugenia Gibbons with questions about these comments, Eugenia@massenergy.org or 617-524-3950.

[1] http://www.synapse-energy.com/sites/default/files/RGGI_Opportunity_2.0.pdf

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Initial Comments from Mass Energy Consumers Alliance
Re: Reduction GHG Emissions under Section 3(d) of the GWSA

November 21, 2016

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

Energy Consumers Alliance of New England d/b/a Mass Energy is a nonprofit consumer and environmental advocacy organization with more than 20,000 members. Our mission since 1982 has been to make energy affordable and environmentally sustainable. We are dedicated to helping the Commonwealth reduce greenhouse gas (GHG) emissions as equitably and as economically as possible. We are especially devoted to ensuring the state meets the reductions mandated by the Global Warming Solutions Act (GWSA): 25% by 2020 and 80% by 2050.

It has been nearly a decade since Massachusetts first passed this nation-leading law mandating significant climate action. Although emissions have come down in that time, reductions are not occurring at a pace that is sufficient to achieve meet the most immediate milestone. Without more concerted effort and additional regulatory action, Massachusetts will fall short of the 2020 requirement. Failure to comply by 2020 will make it that much more difficult to achieve GWSA compliance in later years. As co-plaintiffs in *Kain v. MassDEP* we commend the Baker Administration for initiating full implementation of the GWSA beginning with the signing of Executive Order 569. We also appreciate that DEP has begun to explore strategies for complying with the Supreme Judicial Court's ruling and the GWSA. Now, perhaps more than ever, Massachusetts must lead by example on climate action. The EO and this DEP process mark an important and necessary step in that direction.

We are grateful for the opportunity to offer feedback as DEP undertakes this endeavor and submit the following initial comments for your consideration.

Emissions Cap on in-state electric generating units (EGU). (Proposed 310 C.M.R. 7.77)

Before discussing the proposed clean energy standard, it should be noted that Mass Energy supports DEP's efforts to establish a cap on emissions from in-state emitting generating units (newly proposed 310 C.M.R. 7.77), but believes the cap should be set at a level stringent enough to ensure GWSA 3(d) compliance by 2020 – 70.8 MMtCO2e. Toward that end, the proposed aggregate cap must be lowered to more accurately reflect what is required of in-state EGUs if the Commonwealth is to comply with 3d. Additionally, given that the cap must be designed to accelerate emission reductions for existing and new generating facilities, there should be NO separate allowances for new facilities. And, to the extent that over-compliance credits are issued, they should not be bankable and must be used in the year in which they are created. Similar to the CES, the aim of this program should be to compel compliance rather than create incentives to prolong or extend the ability of a facility to emit GHGs.

Clean Energy Standard (CES) applied to retail electricity sellers. (Proposed 310 C.M.R. 7.75)

With regard to specific questions raised by DEP relative to proposed 310 C.M.R. 7.75, Mass Energy offers the following:

When should the CES take effect, and should the CES remain in effect until 2050?

The CES should be instituted immediately. 2018 should mark the first year of compliance and the standard should remain in place through 2050.

What should the standard (expressed as a percent of electrical load) be for each year, or how should it be determined?

The 2015 proposed regulation included a standard consistent with the goal of substantially reducing electric sector emissions by 80-95% by 2050, relative to the 1990 baseline. However, given delayed implementation, the urgency of climate mitigation, the GWSA mandate and compliance with the SJC's ruling, and recognizing that Massachusetts has an opportunity to be an exemplar in the region and the nation, Mass Energy proposes that a clean energy standard be set with the goal of reducing electric sector emissions in each subsequent year such that by no later than 2050 electricity is completely supplied by clean energy.

Should municipal light plants be required to comply?

Yes, the CES requirement should extend to municipal light plants. MLPs comprise 15% of the state's electricity load. Massachusetts cannot *equitably* achieve the required emission reductions without their inclusion in the CES. Therefore, MLPs like all other suppliers should also comply with the policies, programs, and standards designed to get us there.

Should eligibility for clean generators be based on a list of "clean" technologies, or on an emissions threshold (e.g., a percent cleaner than new combined cycle natural gas generation)? How should the list of technologies or the emissions threshold be determined?

CES-eligible facilities must be zero-emitting in order to effectively reduce emissions at a level capable of achieving GWSA compliance. Put another way, the only acceptable emissions threshold for eligible resources is ZERO. However, in instances when non-emitting resources are being considered, we strongly encourage DEP to also account for life-cycle emissions when considering what does or does not qualify (i.e., new large-scale hydro facilities).

Should eligibility for clean generators be limited to "new" facilities? E.g., should existing hydroelectric generation be allowed for compliance? If so, what should be the cutoff for being considered new? What about transmission capacity for electricity imported into New England?

Eligibility for the proposed CECs associated with a CES should be limited to "new" facilities that meet the zero emission threshold mentioned above, but excluding large-scale hydro in part because of the issue of life-cycle emissions. With regard to existing facilities, in order to avoid what has been referred to as windfall profits,[1] CES eligibility should not be extended to existing large hydroelectricity units or nuclear generation, despite their low-emission profile.

Mass Energy 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. We also encourage DEP

[1] See discussion of windfall payment, Stanton et al., *A Clean Energy Standard for Massachusetts* (October 25, 2013).

to consider ways to account for the potential of emerging technologies, like storage, as a CES-eligible resource. We recognize this approach will require establishing a way to assign credit to and value EE (consider regional EM&V standards or a GIS-like tracking system), but it is not insurmountable.

A Clean Energy Standard is a flexible enough mechanism to allow for energy efficiency and in the first year or two of compliance, this additional EE may help to assuage concerns about additionality v. accounting maneuvers that were expressed at the November 7th meeting. This was specifically in regards to the 6% of existing, unclaimed renewable resources that DEP identified as being potentially available to comply with the CES by 2020. Finally, accounting for EE represents the type of bold and innovative action that Massachusetts must take in order to lead by example in the region and across the country.

Should the CES include flexibility options such as an alternative compliance payment?
No, alternative compliance payments should NOT be allowed under the CES. The purpose of the CES is to incent annual GHG emission reductions capable of attaining GWSA compliance. ACPs would create a means for electricity suppliers to pay their way to compliance without taking real action to reduce emissions, rendering the CES ineffectual.

In closing, Mass Energy is encouraged by DEP's consideration of a cap on EGUs and a Clean Energy Standard (CES). We support establishing a stringent cap and view it as integral to ensuring GWSA 3d compliance, but also recognize the cap as key component in transitioning to clean energy generation within the Commonwealth. In the same way, Mass Energy supports a CES that complements Massachusetts' Renewable Portfolio Standard (RPS) and promotes incremental clean energy precisely because it will facilitate compliance with the GWSA while driving transformation of our electric grid. Mass Energy encourages DEP to establish a standard capable of accomplishing this so long as it does NOT create incentives for mature resources like large-scale hydroelectricity or nuclear generation, despite their low-emission profile. Additionally, Mass Energy strongly supports a CES that places emphasis on maximizing the benefits of energy efficiency alongside renewable generation technology and urges DEP to explore ways to integrate energy efficiency above what is required in the Three Year Energy Efficiency Investment Plans (3YP) and emerging technologies, such as storage.

This concludes comments related to materials presented on November 7. We look forward to ongoing engagement in this process.

Please contact Clean Energy Program Director Eugenia Gibbons with questions about these comments, Eugenia@massenergy.org **or 617-524-3950.**