



Solving the MA RPS Compliance Basis Conundrum

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**Renewable & Alternative Energy
Portfolio Standards (RPS & APS)**

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***State-Federal RPS
Collaborative***

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Summit on RPS**

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DOER Mission

***Creating a greener energy future –
economically and environmentally:***

- all available cost-effective energy efficiencies
- greener energy resources
- reliable supplies and improved relative cost
- Clean tech companies and clean energy jobs

MA Renewable & Alternative Energy Portfolio Standards (RPS & APS)

| Standard | Sub-Class | Technologies | Minimum Standard | ACP Rate, 2012 & thereafter, \$/MWh |
|-------------------------|--------------------------------|--|---|---|
| RPS Class I | [Renewable Energy] (post-1997) | Wind, LFG, Biomass, Solar, Small Hydro, etc. | 7% in 2012 (minus Solar Carve-Out), increases 1% per year | \$64.02; increases with CPI |
| | Solar Carve-Out (post-2007) | Solar PV; 6 MW or less per site; grid-connected; in MA | 0.1630% in 2012 (never lower); set by formula to grow MA installed capacity to 400 MW | \$550; reduced annually according to 10-year schedule |
| RPS Class II (pre-1998) | Renewable Energy | same as Class I | 3.6%, stays constant | \$26.28; increases with CPI |
| | Waste Energy | MA Municipal Solid Waste Combustors, | 3.5%, stays constant | \$10.51; increases with CPI |
| APS (post-2007) | | CHP (also fly-wheel storage, paper-derived fuel, fuel gasification w/ CCS) | 2.5% in 2012; rises to 3.5% in 2014; then increases 0.25% per year | \$21.02; increases with CPI |

Massachusetts Electricity Restructuring Act of 1997

“Every retail supplier shall provide a minimum percentage of kilowatt-hours *sales to end-use customers* in the commonwealth [of Massachusetts] from new renewable energy generating sources, according to the following schedule: (i) an additional one percent of sales by December 31, 2003 . . . (ii) an additional one-half of one percent of sales each year thereafter until December 31, 2009; and (iii) an additional one percent of sales every year thereafter . . .”

Defining the Basis for Compliance Calculation: Total Retail Sales per Year

- Electronic certificates at NEPOOL GIS.
 - *not* electron tracking, *not* contract paths.
- How to document **sales** per year, when billing is not done on calendar month basis.
 - If *not* retail sales, *what*?
- Load Obligation as recorded at the NEPOOL Generation Information System (GIS).
 - [What *is* Load Obligation?]
 - But *that* includes line losses.
- How to verify accuracy?

Defining the Basis for Compliance

Calculation: Total Retail Sales per Year

(continued)

- Load obligation records from state-regulated distribution Utility companies.
 - But irregular diligence in Supplier use of GIS.
 - Supplier-reported figures exhibited wide range of variance from Utility figures.
- Tolerated up to certain, small % variance from Utility-provided total for each Supplier, beyond which Supplier required to use Utility total.
 - But arbitrary & unfair.

Why the Variance?

- Determination of Load Obligation
 - Hourly, daily totals, monthly totals – per ISO New England modeling of load profiles for load assets.
 - Adjustments per actual meter readings.
- Delay of several months in recording final adjustments in GIS.
- Some suppliers included final adjustments although not yet recorded at GIS, others not.
- Variance in Supplier sophistication & diligence.
- Occasional inter-Supplier transfer of Load Obligation at GIS.

2012 Compliance Basis Guideline

“DOER requires that each Supplier base its calculation of Generation Certificate obligations under the RPS and APS Minimum Standards each year on Load Obligation data provided to Suppliers by the regulated Utilities both via the ISO New England and via DOER, as adjusted by the Supplier for any inter-LSE transfers of Load Obligation Certificates at the NEPOOL GIS . . .”

2012 Compliance Basis Guideline

(continued)

“If a Supplier used, in determining its Retail Load Obligation for Compliance Year 2010, the total of Load Obligation Certificates in its GIS account, without any adjustment for the fourth quarter any subsequent 90 Day Resettlement figures from its host Utilities, then [for 2011 it] must add to the twelve-month total of its 90 Day Resettlement figures the Monthly Meter Adjustments (“MMAs”) from November and December of 2010 that are listed in its [GIS] account for the first quarter of 2011.”

Questions/Comments?

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<http://www.mass.gov/doer>

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[*Guideline for Retail Electricity Suppliers on the
Determination of Sales to End-Use Customers for
Calculating Their Annual RPS & APS Obligations*](#)

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