



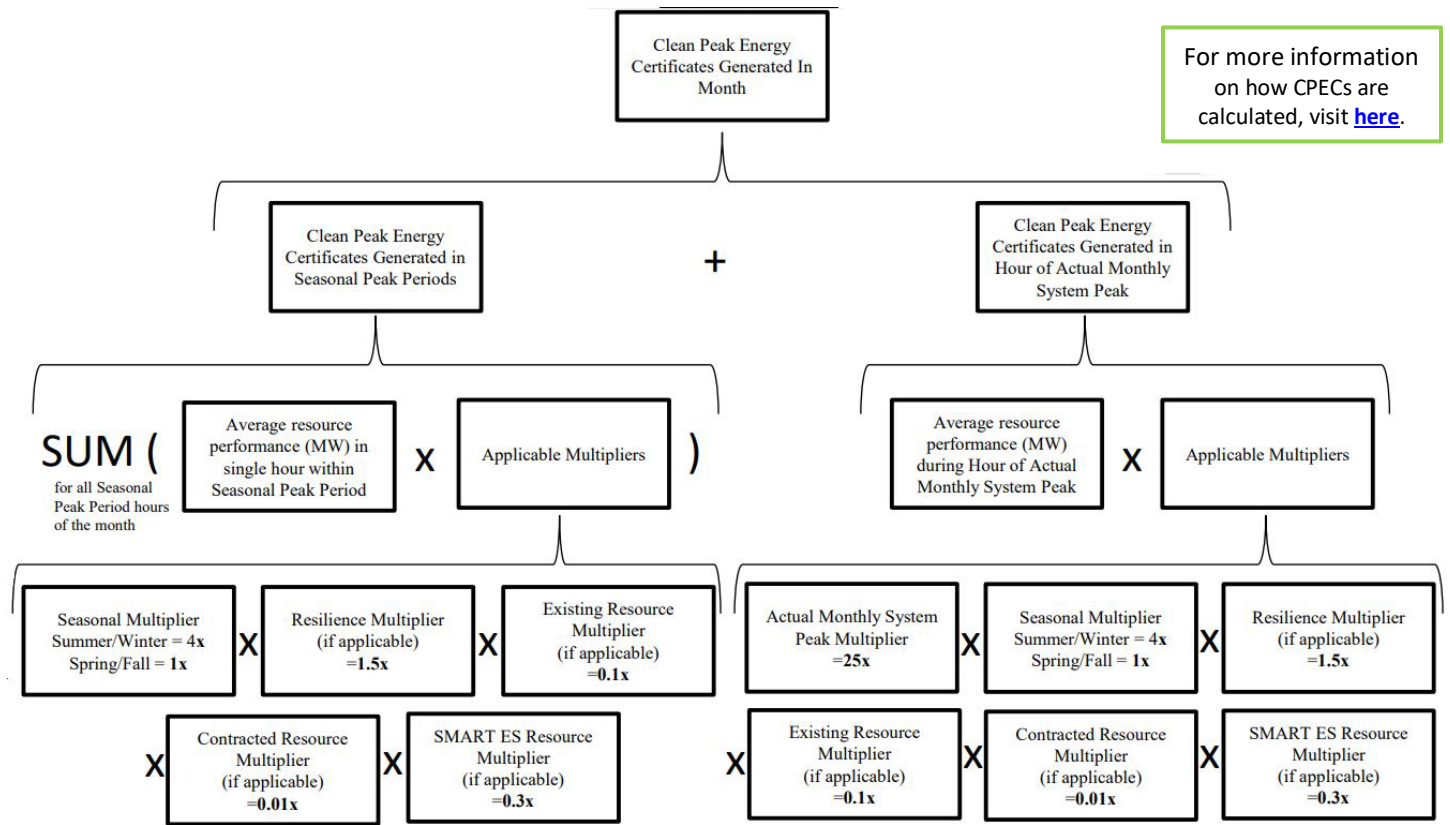
# Clean Peak Energy Standard (CPS)

## Massachusetts

### Policy Description

The Clean Peak Energy Standard (CPS) was established by the Massachusetts Department of Energy Resources (MA DOER) in July of 2020 to reduce the Commonwealth’s reliance on fossil-fueled peaker plants. The CPS provides Clean Peak Energy Certificates (CPECs) for clean energy technologies that supply electricity or reduce demand on the utility grid during seasonal peaks.<sup>1</sup> The CPS program gives credits for each Megawatt-hour (MWh) of energy generated, which are then adjusted by multipliers. Electricity suppliers in Massachusetts are required to purchase a certain amount of CPECs annually (4.5% of sales for 2022, increasing by 1.5% annually until 2050). Otherwise, they are forced to make an Alternative Compliance Payment (\$45.00/MWh for 2022) in lieu of purchase of CPECs.

The amount of Clean Peak Energy Certificates that are generated for a given month shall be equal to:



**Clean Peak Energy Certificate Generation Per Month**

Photo courtesy of [mass.gov](https://www.mass.gov)

### Policy Specifics

For a clean energy technology to be considered under this policy, the system must be an “Eligible Resource”, defined in A-D on the following page. Additionally, the system must generate, dispatch, or discharge electricity to the electric distribution system or reduce the load on the electric network. The system must also be metered at 15-minute intervals by a third-party designated by the MA DOER, and the data must be reported for the previous month, which is reviewed and approved by the MA DOER. Further, resources must be interconnected with a distribution or transmission system in the Commonwealth of Massachusetts. If the resource is interconnected with the transmission system, it must be delivered to the Commonwealth of Massachusetts. Credits earned through the CPS program cannot be used for any

other program (i.e. Alternative Portfolio Standard and Renewable Portfolio Standard). Since the program's inception, 134 projects have been approved.

Currently, there are four types of "Eligible Resources":

- A. RPS Class I Renewable Generation Units with a Commercial Operation Date on or after January 1, 2019, that have received a Statement of Qualification and meet all other applicable requirements, or
- B. RPS Class I Renewable Generation Units or RPS Class II Renewable Generation Units with a Commercial Operation Date prior to January 1, 2019, that are co-located with a Qualified Energy Storage System that has a Commercial Operation Date on or after January 1, 2019, subject to all of the following:
  - i. Minimum Nominal Rated Power. The nominal rated power capacity of a Qualified Energy Storage System paired with a RPS Class I Renewable Generation Unit or RPS Class II Renewable Generation Unit must be at least 25% of the nameplate power rating of the RPS Class I Renewable Generation Unit or RPS Class II Renewable Generation Unit. Special provisions for De-rated Qualified Energy Storage Systems are available.
  - ii. Minimum Nominal Useful Energy. The nominal useful energy capacity of the Energy Storage System must be at least four hours at the nominal rated power.
  - iii. Co-Location. The RPS Class I or Class II Renewable Generation Unit and the Qualified Energy Storage System must be located on the same, or adjacent, parcels within the same Distribution Company's service territory and must be interconnected to the same common collector located on the same parcel(s) on which the RPS Class I or Class II Renewable Generation Unit and Qualified Energy Storage System facilities are located.
- C. Qualified Energy Storage System that operates primarily to store and discharge renewable energy. These systems can be subject to one or more factors, which can be found in the referenced document.<sup>1</sup>
- D. Demand Response Resources that demonstrate changes to electric usage from normal consumption patterns, which are measurable and verifiable. A facility that generates electricity, even from a qualified RPS resource, is not considered a Demand Response Resource under the CPS.

**For a combined heat and power (CHP) system to be considered eligible for the CPS program, the system must either fall under criteria A or B above. For the CHP system to fall under criteria A or B, it must be fueled by either landfill methane, anaerobic digester gas, or eligible biomass fuel. One example of a system currently qualified under the CPS is the Greater Lawrence Sanitary District (GLSD), explained further below.**

### Example of Policy Outcome

The GLSD, located in North Andover, Massachusetts, began operation in 1977. The plant processes an average of 30 million gallons of waste per day from six different communities in the surrounding area.

Prior to 2019, GLSD would flare the gas produced by three anaerobic digesters. In 2019, GLSD received approximately \$10 million in incentives from various organizations, including MassDEP, MA DOER, National Grid, and MassCEC, to install a 3.2 MW CHP system along with a fourth digester. Since the CHP commenced operation in the late months of 2019, the system has saved the facility approximately \$2.8 million annually and has reduced onsite GHG emissions by approximately 20%.

Through this project, GLSD became eligible to apply for a continued revenue stream through the CPS program under criteria A above. GLSD receives quarterly CPEC payments which, for example, totaled \$1.4 million in 2021.



**GLSD CHP Building and Gas Process**

Photo courtesy of GLSD

### For More Information

**U.S. DOE NEW ENGLAND  
CHP TECHNICAL ASSISTANCE  
PARTNERSHIP (CHP TAP)**  
[www.nechptap.org](http://www.nechptap.org)

**COMMONWEALTH OF  
MASSACHUSETTS**  
[DOER.CPS@mass.gov](mailto:DOER.CPS@mass.gov)  
[www.mass.gov/clean-peak-energy-standard](http://www.mass.gov/clean-peak-energy-standard)

Date produced: August 2022

1. Clean Peak Energy Standard," accessed March 21, 2022, <https://www.mass.gov/doc/clean-peak-energy-standard-final-regulation/download>