

## 83D Questions and Answers

- (6) Does an “Energy Storage System” have to be at the same delivery point as the Clean Energy Generation?

**Answer:** The RFP does not require that energy storage systems be at the same physical delivery point as the Clean Energy Generation. However, while Section 83D allows long-term contracts for Clean Energy Generation resources paired with an energy storage system, the Distribution Companies are only authorized to procure MWhs of energy from a Clean Energy Generation resource(s). Any energy procured under this solicitation must satisfy the definition of Clean Energy Generation, must utilize an “appropriate tracking system to ensure a unit specific accounting of the delivery of clean energy” as stated in Section 2.2.2.10, and “substitution of non-Clean Energy Generation is not allowed for delivery or firming” as stated in Section 2.2.1.9 of the RFP. Regardless of the proposed delivery point, the bidder must demonstrate how the energy storage system is paired with the associated Clean Energy Generation resource(s) such that all MWhs of energy procured under this solicitation are Clean Energy Generation. Proposals that include an energy storage system should demonstrate the benefits the energy storage system contributes to the corresponding Clean Energy Generation resource. It is incumbent upon the bidder to propose and provide the Evaluation Team with the necessary information so the team can accurately assess the bidder’s proposal.

- (7) Do the EDCs have an eligibility requirement or preference regarding the vintage of an “Energy Storage System”? Does an “Energy Storage System” have to be new or can it be existing?

**Answer:** Any proposed “Energy Storage System” must meet the definition of Energy Storage System presented on pages A-B of the RFP. The RFP does not specify a vintage of an Energy Storage System, but because the RFP has solicited proposals for energy deliveries from incremental firm service hydroelectric generation from hydroelectric generation alone, from new Class I RPS eligible resources that are firming up with firm service hydroelectric generation, or from new Class I renewable portfolio standard eligible resources, an Energy Storage System should either be new, or provide a new increment of energy storage capability.

- (8) Please confirm that a pumped storage hydroelectric facility would qualify under the RFP rules as an “Energy Storage System”.

**Answer:** The Bidder must demonstrate that the pumped storage hydroelectric facility meets the definition of Energy Storage System presented on pages A-B of the RFP. It is the bidder’s responsibility to demonstrate that the facility qualifies under this and all other applicable sections of the RFP. Please also see the response to Question 9.

- (9) Would hydroelectric pumped storage qualify as “Clean Energy Generation”?

**Answer:** The bidder would be required to demonstrate that any pumped storage unit’s energy meets the definition of “Clean Energy Generation” as noted on Page A of the RFP. As noted in the response to Question 6, the Distribution Companies are seeking to procure MWhs of energy from a Clean Energy Generation resource. Any energy procured under this solicitation must satisfy the definition of Clean Energy Generation, must utilize an “appropriate tracking system to ensure a unit specific accounting of the delivery of clean energy” as stated in Section 2.2.2.10, and “substitution of non-Clean Energy Generation is not allowed for delivery or firming” as stated in Section 2.2.1.9 of the RFP. It is the bidder’s responsibility to demonstrate the generation unit’s qualification under this and all other applicable sections of the RFP.

- (19) Section 2.2.2.5 – This requirement (“Contribution to Reducing Winter Electricity Price Spikes”) may be challenging for all renewable generation technologies to comply with, without the use of storage systems (for example, during a winter evening peak). Although storage is mentioned in the RFP multiple times, there are no explicit evaluation criteria for storage systems coupled with generation. Are there any additional quantitative or qualitative evaluation criteria for proposals including generation and storage?

**Answer:** Pursuant to Section 2.2.1.2, generation may be paired with storage systems. The quantitative and qualitative evaluation process as described in Section 2.3 will take into account the demonstrated costs and benefits of all resources proposed by the bidder, including energy storage systems. For example, in Section 2.3.1.2, the Evaluation Team will consider the costs and benefits associated with changes in locational marginal prices, resource firmness, GHG emissions, etc. A bidder should demonstrate the benefits of energy storage systems to the corresponding Clean Energy Generation, and it is incumbent upon the bidder to propose and provide the necessary information to the Evaluation Team so the team can accurately assess the bidder’s claim.

- (83) Section 2.2.1.9: This subsection states that “[t]he Distribution Companies are seeking projects where energy is able to be delivered to their customers without material constraint or curtailment (i.e., that the project will be fully dispatched).” Please explain what “fully dispatched” means in this context and explain how the Evaluation Team will determine whether or not a project will be “fully dispatched.” For example, does the “fully dispatched” provision require bidders to demonstrate full dispatch and the absence of any congestion at peak load, stressed system conditions and the existence of one or more transmission system contingencies? Alternatively, does this provision contemplate potential bidders offering production cost modeling results showing dispatch results with little or no curtailment for the proposed Clean Energy Generation across all 8,760 hours of a year under expected economic dispatch conditions? Please also explain the Evaluation Team’s expectations regarding (a) how a bidder should demonstrate that a proposed project will be fully dispatched, (b) what “sufficient supporting documentation” is necessary to make this demonstration, and (c) the “range of assumptions” that will be used to evaluate deliverability under this subsection.

**Answer:** The term fully dispatched refers to a project’s delivery profile and the need to ensure delivery of that profile throughout the year with little or no curtailment. To the extent a bidder projects some degree of curtailment throughout the term of the delivery period, it should be reflected in the delivery profile provided with the proposal, with an explanation provided by the bidder. It is up to the bidder to provide sufficient documentation supporting the proposed delivery profile. That documentation can come in several forms such as ISO-NE I.3.9 studies, or engineering evaluation reports from a reputable third party etc. Also see response to question 22. Please note that the Clean Energy Generation profile provided with the bid will be evaluated during the evaluation process and may be used for contractual purposes (see the draft contract forms posted on the solicitation website).

- (94) Section 2.3.2(v): Regarding the statement on page 34 of the RFP that the “[e]xtent to which the proposed project for Clean Energy Generation is to be paired with energy storage systems” will be a factor for evaluation, please:

a. Clarify how this factor will be included in the Qualitative Evaluation;

**Answer:** The method for assigning points in the Qualitative Evaluation will be established by the Evaluation Team with the help of the Evaluation Team Consultant. This methodology will not be made available to bidders.

b. State whether the Distribution Companies or DOER plan to identify preferred locations for energy storage systems included with bids for Clean Energy Generation;

**Answer:** The Distribution Companies and DOER do not plan to identify preferred locations for energy storage systems paired with Clean Energy Generation.

c. State whether the delivery point for any energy storage system included with a bid must be the same as the delivery point for the proposed Clean Energy Generation under the terms of the RFP, including in the response whether the delivery point must be the same for both physical injections of energy and for financial settlements purposes;

**Answer:** Please see the response to Question 6.

d. Clarify whether hydroelectric generation facilities with storage capabilities qualify as an “energy storage system” under the terms of the RFP; and

**Answer:** Please see the response to Questions 8 and 9 respectively.

e. State whether the requirement found in Section 83(D)(d)(5)(v) of Chapter 169 of the Acts of 2008, as amended by Chapter 188 of the Acts of 2016, and 220 CMR 24.05(1)(a)(5) that all long-term contracts for Clean Energy Generation must be determined by the Department to “allow Long-term Contracts for Clean Energy Generation resources to be paired with energy

storage systems” means that all bids must include a proposal for an “energy storage system” as defined in the RFP in order to be approved by the Department.

**Answer:** As stated in Section 2.2.1.2, “Pursuant to Section 83D, Clean Energy Generation resources proposed may be paired with energy storage systems” (emphasis added). Energy storage systems may be proposed at the bidder’s discretion. Energy storage systems are not required.

- (110) Section 2.2.1.9 of the RFP states that “The Distribution Companies are seeking projects where energy is able to be delivered to their customers without material constraint or curtailment...”. What percentage of Clean Energy Generation would need to be constrained or curtailed in order to be considered material under this section?

**Answer:** There is no set percentage of generation that if constrained would constitute materially constrained. Bidders should be able to deliver their delivery profile at the delivery point. Please see the answers to questions 22 and 83.