

MEMORANDUM

TO: NEPOOL Markets Committee

FROM: Paul Belval, NEPOOL Counsel

DATE: September 30, 2020

RE: Referral to GIS Operating Rules Working Group
Massachusetts Clean Energy Standard – Clean Existing Generation

At its October 6, 2020 meeting, the NEPOOL Markets Committee (the “Markets Committee”) will be asked to direct the NEPOOL Generation Information System (“GIS”) Operating Rules Working Group (the “Working Group”) to consider potential changes to the GIS and the GIS Operating Rules (the “Rules”) relating to the addition of “Clean Existing Generation” (“CES-E”) to the Massachusetts Clean Energy Standard (“CES”). The changes were requested by the Massachusetts Department of Environmental Protection (“Mass DEP”).

The Mass DEP recently revised its CES regulations to include a requirement that retail load serving entities that are subject to the CES include a certain percentage of energy from “Clean Existing Generation Units” in the energy they provide to retail customers. Clean Existing Generation Units are nuclear or hydroelectric units that have a nameplate capacity of at least 30 MW, commenced commercial operation before January 1, 2011 and satisfy certain geographic requirements. In addition to adding CES-E as a new category in the GIS, the Mass DEP regulations contemplate two other changes to the Rules:

1. Multiple co-located GIS Generators could have their generation aggregated for purposes of the CES-E, and certain annual caps in the CES-E regulations on the output that qualifies for the CES-E would have to be allocated among those GIS Generators.
2. Certain generators in Newfoundland and Labrador, Canada could be eligible for the CES-E, and that would require a slight expansion (beyond adjacent control areas) of the area where generators that are qualified for the CES-E can receive unit-specific Certificates in the GIS.

The Markets Committee is not being asked to vote on any changes to the Rules at this time. Rather, the Markets Committee is only being asked to refer the issues outlined above to the Working Group so that the Working Group can further discuss and determine the Rule revisions needed if the Working Group supports the proposal. Of course, if the Markets Committee decides to refer these issues to the Working Group, its input at this time would be appreciated, as it may help direct the Working Group’s discussions.

cc: NEPOOL GIS Operating Rules Working Group