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JERA AMERICAS

March 14, 2025

Mr. Thomas Ferguson
Massachusetts Department of Energy Resources
100 Cambridge Street, 9th Floor
Boston, MA 02114

To the RFP Drafting Parties:

JERA Americas Inc. ("JERA") respectfully submits the attached responses to the stakeholder questions solicited by the Massachusetts Department of Energy Resources ("DOER"), the Massachusetts Electric Distribution Companies ("EDCs"), and the Attorney General's Office ("AGO") (collectively "RFP Drafting Parties"). JERA appreciates the opportunity to provide input into the 83E Round 1 solicitation process.

Sincerely,

John D O'Brien, Jr.
Chief Operating Officer

Attachment: JERA Responses to 83E Stakeholder Questions

Question 1: Procurement Schedule

a. The factors the RFP Drafting Parties should consider when designing the schedule for the 83E Round 1 solicitation, including deadlines for bid submission and selection of projects for negotiation. Please include as much specificity in key schedule milestones and timing as well as justification for preferred dates.

b. How the 83E schedule could be designed to best align with other energy storage procurements being conducted or planned in neighboring New England states.

Response:

a. JERA has several comments regarding schedule, with the main points as follows:

- **Ensure transparency by releasing draft RFP and contract available for comment.** JERA requests that the RFP Drafting Parties maintain transparency during the solicitation process to the benefit of all stakeholders. This includes certainty in timing of the solicitation as well as the content of the RFP itself in order to ensure greater participation and a competitive process is achieved. JERA requests that the Drafting Parties hold standard practice to release a draft RFP including a draft contract. This draft RFP should allow for a stakeholder comment period and sufficient time for the Drafting Parties to review and incorporate reasonable feedback.
- **To ensure overall competitiveness of the Round 1 solicitation and viability of proposed projects, JERA strongly encourages the RFP Drafting Parties to consider the eligibility of projects that utilize Surplus Interconnection Service ("SIS").** The RFP schedule will also necessarily need to consider when bidding projects are able to come online to support MA's need for beneficial, reliable energy storage systems as outlined in Section 83E. Assuming that the Round 1 Solicitation is released in the second half of 2025, JERA notes that the RFP timeline and the status of the ISO-NE interconnection process would not allow for any new entrants that are not already in the queue. ISO-NE is implementing a cluster process to review interconnection requests, contingent on FERC's approval of ISO-NE queue reform under Order 2023. Our expectation is that the standard interconnection queue will remain closed until at least Q1 2026. In order to allow for (1) significant participation in the solicitation, and (2) certainty of project viability and ability to meet a reasonable schedule, we strongly urge DOER to include Surplus Interconnection Service ("SIS") as a qualifying interconnection option. SIS allows projects to share an existing interconnection and the approval process happens outside the interconnection queue. Therefore SIS projects can meet the RFP timeline.

  As long as the proposed facility otherwise meets the RFP eligibility criteria, projects that propose interconnection via SIS can provide the RFP Drafting Parties several benefits that are aligned with the overall need for these types of assets. First, SIS is only available if no "Network Upgrades"[1] are needed to implement the Surplus Service arrangement, which

[1] "Network Upgrades" are defined in Schedule 22 to the ISO-NE Tariff as "additions, modifications, and upgrades to the New England

greatly minimizes transmission costs, enhancing the overall cost effectiveness of any proposed projects. Second, the SIS process has the potential to bring the proposed energy storage facility online much earlier than if the project were to go through the standard ISO-NE interconnection process.

- **Accelerated contracting schedule between bids and contract execution will lower risk of supply chain impact.** From the issuance of the RFP until the proposed projects are able to lock in financing and equipment supply, which typically occurs in line with or after contract execution, there will be continued uncertainty over eligibility for certain tax credits as well as trade restrictions that may affect pricing or availability of supply. This can be addressed in multiple ways, one of which is the offtake contract should include provisions to account for this uncertainty. The other is that the RFP should minimize the time between a project bid and contract execution to ensure that pricing remains valid and the project developers have certainty with which to make procurement and financing decisions.

b. No response.

Question 2: Environmental Attributes

a. The environmental attributes in addition to Clean Peak Energy Certificates ("CPECs") that could be procured from your project.

Response:

a. JERA does not expect BESS to qualify for other environmental attributes.

Question 3: Clean Peak Qualification

a. Any barriers to energy storage facilities qualifying for the Clean Peak Standard ("CPS") or other attribute-generating program.

b. Whether you have been awarded a Clean Peak Program Statement of Qualifications ("SoQ") for the project you intend to bid into this solicitation.

i. If not, whether you anticipate having a SoQ prior to bidding your project.

Response:

a. No response.

b. While JERA fully intends for the project to secure a Clean Peak Program SoQ, it is unlikely the project will be able to do so prior to the bid submission as the interconnection queue remains closed. JERA expects to obtain the manufacturer's product specification sheet, which will support the qualification process.

However, if SIS is permitted under the RFP, the project should be able to secure an SoQ and achieve commercial operation on an expedited timeline by leveraging an existing interconnection. This

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Transmission System required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the Administered Transmission System."

approach would enhance the project's ability to contribute to the Clean Peak Standard efficiently and accelerate decarbonization progress in Massachusetts.

Question 4: Eligible Bids

a. Project's technology type (e.g., lithium ion, flow batteries, thermal, etc.), and how it meets the defined Section 83E criteria.
b. Appropriate minimum and/or maximum bid size, both in terms of MW and Attributes.
c. Minimum delivery requirements (e.g., a certain number of CPECs delivered that is a function of Qualified Energy Storage Systems ("QESS") capacity); the frequency with which that requirement must be met (e.g., over entire contract, yearly, quarterly); and inclusion of an operational schedule in the bid to support delivery feasibility.
d. Appropriate project maturity requirements.

Response:

JERA respectfully submits that the technical requirements determining eligible bids should match the requirements for eligibility in the Clean Peak Energy Portfolio Standard pursuant to the Clean Peak Energy Standard Regulations at 225 CMR 21.00.

Question 5: Facilitating the Financing of Projects

a. How the requirement from Section 83E—that this solicitation provide a "cost-effective mechanism for facilitating the financing of beneficial, reliable energy storage systems"— could be applied under this RFP.
i. Standards the RFP should set to confirm that projects are using this solicitation to facilitate financing.
ii. How those standards could be applied to existing projects to allow their participation in this RFP.
b. The application of tax credits, for example the Investment Tax Credit and associated guidance, towards the financing of new projects, including whether your project would still be fully financeable if these credits are not available.
c. The approximate percentage of your capital costs met by:
    i. CPECs revenue
    ii. Energy/Energy Arbitrage
    iii. Ancillary Services (Regulation, etc.)
    iv. Forward Capacity Market
d. The risks associated with each revenue over the life of the project.
e. Please comment on the following examples of lifetime values pictured below from the Massachusetts Charging Forward report and how they may correspond to your project.
f. How a project's participation in the ISO-NE market affects its bid. Please specifically comment on how any ISO-NE operational obligations will impact the creation of CPECs.
g. How a project and potential awarded contract will contribute to short- and long-term affordability for ratepayers in the Commonwealth.

Response:

a. Financing will be dependent on securing a creditworthy contracted revenue stream for sufficient duration. Depending on the use case, a tenor of 12+ years should be adequate.

b. Tax credits and tax equity make up a part of the project capital stack, which help to reduce the price the project would need to secure from the market. However, availability of the tax credits are not necessary to ensure financeability of the project. As noted in 5a above, the necessary element of financeability is a contracted revenue stream with a creditworthy counterparty. Any changes in tax credit eligibility would simply affect the price. JERA urges the RFP Drafting Parties to include appropriate Change in Law provisions.
c. No response.
d. No response.
e. No response
f. Over the project's life, JERA expects the project to participate in any ISO-NE market product for which it is eligible, the requirements for which may change from time to time. The primary constraint to consider is whether the charging and discharging windows for CPECs remain consistent with any ISO-NE products.
g. As discussed in JERA's response to 1a, projects that propose to interconnect utilizing SIS provide a particular advantage in short- and long-term affordability for ratepayers. JERA urges the RFP Drafting Parties to ensure such project proposals are eligible to participate fully in the 83E solicitation. By utilizing existing available capacity and infrastructure, projects proposing to connect via SIS can do so for far less cost than other interconnection options, as this existing infrastructure can be made available immediately with no Network Upgrade costs and virtually no constraints. This is the essential premise of SIS. Further, since the 83E procurements will not procure capacity, there is no reason to require a Capacity Capability Interconnection Standard to qualify, which would only drive up the cost of bids without providing additional value.

Question 6: Commercial Operation Date

a. Any appropriate commercial operation date for 83E Round 1.

Response:

a. As the 83E Solicitation is intended to be the contracted revenue source that allows for project financing, most proposed projects will not enter construction until after contract award, which according to the RFP Drafting Parties potential schedule will be mid-2026. The RFP should allow for sufficient schedule for financing and construction after contract award.

Question 7: Resource Types

a. Whether this procurement should allow for both transmission and distribution connected resources. Should allow for any resources that are eligible for CPS.
b. The appropriate resource mix in Section 83E Round 1 procurement between distribution- connected QESS and transmission connected QESS.
    i. If both distribution- and transmission-connected QESS are to be procured in Section 83E Round 1, please comment on:
        1. The need, if any, for a carveout for either distribution- or transmission-connected QESS; and
        2. The need, if any, for separate bidding criteria between distribution- and transmission- connected QESS to be considered by the RFP drafting parties.

Response:

JERA's position is that the solicitation should allow for any resources that are eligible for the Clean Peak Energy Portfolio Standard pursuant to the Clean Peak Energy Standard Regulations at 225 CMR 21.00

Question 8: Contract Length and Form

a. **The contract length, for a period of up to 30 years, that should be considered under Section 83E Round 1 and associated reasoning, including how the contract term will facilitate the financing of the project, how the term aligns with useful life, augmentation schedules, etc.**
b. **Given the degradation of battery performance over time, how contractual provisions for operational security should be constructed to assure optimal/maximum performance for the duration of the contract.**
c. **For distribution-connected QESS, how the EDCs would develop manageable contract agreements, including but not limited to defined aggregations with one negotiated contract.**

Response:

a. JERA recommends a minimum contract length of at least 12 years to support financing. JERA expects the contract length to be correlated to the standard expected BESS project life. A longer contract would require augmentation that would affect pricing.
b. The performance requirements should be consistent with the Clean Peak Energy Portfolio Standard.
c. No response

Question 9: Safety

a. **Which safety standards should be required as a minimum baseline.**
b. **The safety systems, insurance requirements, relationships with emergency responders and host communities, emergency response plans, and any other necessary protections to keep adjacent communities safe.**

Response:

a. BESS should meet national codes and standards promulgated by the National Fire Protection Association (NFPA), the American National Standards Institute (ANSI), the Institute of Electrical and Electronics Engineers (IEEE) and national laboratory standards, in addition to all state and local building, fire, and zoning requirements that have been adopted or applied during approvals.

   We recommend applicants be required to submit plans for preliminary project siting and specific planning, hazard assessment, safety analysis, and decommissioning, A preliminary siting plan should address: undergrounding on-site utility lines; maintaining the site free of vegetation; following noise, height, and setback requirements; fencing or enclosing the site; and installing screening or other measures to minimize visibility impacts.

   The safety planning should include: fire risk assessments; community risk assessment; hazard detection systems; means of protecting against incipient fires; and ventilation and/or cooling strategies for protecting against thermal runaway, fires, and explosions.

b. Community engagement and first responders shall be included early in the planning of BESS installations. This includes stakeholder and community engagement planning, modules for training and real-time information necessary to gauge conditions at the facility and response planning, periodic training updates. Applicants shall establish a protocol for extinguishing, ventilation, and entry and an organization chart designating specific responsibilities for operations and maintenance (O&M) personnel, emergency responders, and staff of the owner organization. Informational Technologies should be implemented, setting up a remote display for first responders to monitor conditions such as state of charge, module temps, ambient temps, gas levels, etc. This station could also contain exhaust ventilation controls and the dry pipe fire department connection. Battery management systems should

be provided with auxiliary backup to ensure communications in the event that an emergency triggers isolation of the entire BESS facility.

Applicants should demonstrate a thorough risk evaluation was conducted in collaboration with the owner/operator's insurance advisor that reviewed asset attributes including geographic considerations, system design, system layout and configuration, surrounding conditions and infrastructure, safety planning and response characteristics and any additional liability inputs.

Question 10: Project Viability and Other Qualitative Factors

a. Any risks associated with uncertainty related to tariffs on imports that may impact the supply chain for energy storage systems. Similarly, any risks associated with uncertainty related to the domestic supply chain.
    i. What strategies can be implemented to minimize these risks and increase project viability.
b. The key elements that should be considered in evaluating project viability, including any minimum requirements for participating in the RFP. Please specifically comment on:
    i. Site control
    ii. Interconnection studies
    iii. Technical and logistical viability
    iv. Ability to finance the project
    v. Bidder experience
c. Any other considerations that should be considered when drafting the RFP that would impact project viability.
d. How the above factors are considered in CPS qualification.

Response:

a. Supply chain may be impacted by tariffs. Therefore, JERA urges the RFP Drafting Parties to include appropriate Change in Law provisions.
b. No response.
c. Massachusetts should design its battery storage RFP to lower the barriers for energy storage deployment and use. To achieve this, the 83E procurement process must establish interconnection standards that promote robust competition. DOER can do this by authorizing SIS as a qualifying interconnection option without a requirement to participate in ISO-NE's Forward Capacity Auction Qualification ("FCAQ") process. SIS was established by the Federal Energy Regulatory Commission because of its potential to "reduce costs for interconnection customers by increasing the utilization of existing interconnection facilities and network upgrades rather than requiring new ones." Since the 83E procurements will not procure capacity, there is no reason to require capacity market qualification or participation. If the Commonwealth were to require a Capacity Capability Interconnection Standard to qualify, it will drive up the cost of bids without providing additional value.
d. No response.

Question 11: Grid Resiliency and Transmission Needs

a. How Section 83E Round 1 may be designed to best encourage investments and commitments that maximize grid resiliency and fulfill transmission needs in specific geographic locations. Please be as specific as possible in describing resiliency and transmission needs.

Response:

a. The RFP could incorporate several specific strategies to encourage investments and commitments for maximizing grid resiliency and fulfilling transmission needs:
    - **Prioritize Projects Utilizing Surplus Interconnection Service (SIS).** To enhance grid resiliency, the RFP could prioritize projects that use existing infrastructure and provide non wire solutions, such as the SIS, hence deferring transmission upgrades. This approach leverages underused capacity, reducing the need for new infrastructure and minimizing environmental impact.
    - **Location-Specific Opportunities.** Encourage the development of projects in geographic locations that are known for transmission bottlenecks or have significant renewable generation potential but lack adequate storage and grid infrastructure. This could be supported by detailed grid studies identifying such strategic locations.
    - **Performance-Based Selection Criteria.** Incorporate criteria that prioritize projects based on the actual benefits they provide, such as efficiency improvements and peak load reduction, rather than installed capacity. This approach encourages developers to focus on the effectiveness and operational benefits of their energy storage systems, ensuring that selected projects contribute meaningfully to grid stability and efficiency.

Question 12: Interconnection Capability Requirement

a. **Please comment on your current interconnection status or plan. What interconnection status, level and maturity should be required by the RFP?**

Response:

The RFP should mandate that submissions clearly define their current interconnection status/plan (including recognizing that SIS is an authorized interconnection option). At minimum, projects should have completed a preliminary feasibility study or an initial system impact study. This requirement will ensure all proposed projects have a robust understanding of their specific interconnection needs and the potential impacts on the grid.

Ideally, submissions should demonstrate:

- **Completion of a feasibility study** that confirms the technical and economic viability of the project.
- **Preparation to submit the final interconnection application**, signaling a readiness to advance and underscoring the project's credibility and practicality.

By establishing these detailed maturity levels in the RFP, we ensure that all project proposals come with a well-founded interconnection strategy. This reduces the risk of delays tied to interconnection issues and verifies that the projects are positioned to meet their proposed timelines and capacity commitments effectively.

Question 13: Economic Development, Workforce, and Diversity, Equity & Inclusion (DEI)

a. **How Section 83E Round 1 could be designed to best encourage investments and commitments that maximize economic benefits to the Commonwealth, particularly for transitioning fossil fuel communities, support workforce harmony, and advance DEI goals.**

Response:

The Drafting Parties can best encourage investments and commitments that maximize value to the Commonwealth, particularly for transitioning fossil fuel communities by authorizing and encouraging the use of Surplus Interconnection Service as an interconnection standard. Using SIS is particularly valuable to communities with existing fossil fuel facilities because it leverages the existing infrastructure and workforce. Surplus interconnection service used at an existing fossil facility will:

- Provide economic support to local communities by maintaining or increasing tax benefits;
- Support the employees who work at the existing power generating facility by maintaining and/or adding jobs in the local community; and
- Increase project acceptance by minimizing disruption to host communities. **Question 14: Environmental Justice**

a. **How Section 83E Round 1 could be designed to best encourage project design and investments that avoid negative impacts on, and direct positive benefits of the project to Environmental Justice ("EJ") communities.**

Response:

The Drafting Parties can best encourage project design and investments that avoid negative impacts on, and direct positive benefits of the project to, Environmental Justice communities by authorizing the use of SIS as a qualifying interconnection alternative. Environmental justice communities are often home to existing fossil fuel facilities. Using SIS to facilitate connection of battery storage or renewable technologies will benefit Environmental Justice communities directly because it will:

- Bring clean air and other environmental benefits by accelerating the Commonwealth's ability to meet its clean climate goals;
- Improve affordability of the climate transition by bringing competitive pressure to bear on project costs; and
- Support the local community economically by maintaining and/or adding jobs and contributing to the local tax base.

Question 15: Energy Storage Industry

a. **Any trends in or around the energy storage industry that may impact the Section 83E Round 1 procurement and how the RFP Drafting Team should account for them.**

Response:

a. Over the timeframe of the issuance of the RFP until the projects lock in financing and equipment supply, there will likely be continued uncertainty over continued eligibility for certain tax credits as well as trade restrictions that may affect pricing or availability of supply. JERA urges the RFP Drafting Parties to include appropriate Change in Law provisions.

Question 16: Future RFPs

a. **Whether and how the RFP Drafting Team should consider inclusion of energy services in future 83E RFP Rounds, both in terms of how future RFPs would be similar or different from 83E Round 1's RFP, which is only for environmental attributes.**
b. **The use of indexing or other adjustment mechanism.**

Response:

a. No response.

Question 17: Other

a. Any additional comments that you believe should be known by or would be helpful to the RFP Drafting Team.

Response:

a. No response.