



August 28, 2025

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

re: 83E Round 2 Distribution-Connected Energy Storage – New Leaf Comments

Dear Mr. Ferguson,

Thank you for the opportunity to provide input on the 83E Round 2 procurement and the treatment of distribution-connected energy storage. We have a number of distribution-connected Clean Peak projects in our pipeline, and are eager to get these projects online and generating CPECs. Due to the COD deadlines associated with the Near-Term Resource Multiplier, some of our projects will begin construction before the Round 2 RFP is released next summer. However, this is not an indication that the financing of these projects would not be meaningfully facilitated by an award in the Round 2 solicitation. To the contrary, we are taking on substantial additional risk by advancing these projects into construction in advance of the RFP, because the projects are marginal at best without access to contracted revenue.

We are submitting joint comments with several other storage companies under separate cover. We are submitting additional comments here to underline our position on maturity requirements.

New Leaf feels strongly that the 83E Round 2 solicitation should have high maturity requirements for distribution-connected storage. Specifically, the RFP should require site control and completed non-ministerial permits, and System Impact Study (SIS) results with a strong preference for projects that have a signed Interconnection Services Agreement. There are three main reasons for this: avoiding attrition, speed of deployment, and better bid pricing.

Projects that do not have completed permits and ISAs still carry a significant amount of risk. This risk is transferred to ratepayers if such immature projects are allowed to bid and receive an award. If those projects are not able to secure their permits and/or ISA, they will be forced to cancel their contract. This leads to further delay, potentially less-advantageous pricing, and additional administrative burden if the capacity is re-bid. A security fee is a useful tool to force bidders to think carefully about the amount of risk that remains on each project, but if an awarded project fails the security amount does not sufficiently compensate ratepayers and administrators for the lost benefits and wasted effort.

In addition to potential delays in storage deployment caused by attrition, allowing less-mature projects to bid is likely to lead to delayed deployment among those projects compared to projects that are more mature at the time of bid, even if the less-mature projects are ultimately successful. If a project has secured its permits and ISA, it is ready to begin construction as soon as it secures financing; the RFP and award are the only outstanding items before financing and construction can proceed. A less-mature project may have months or even years of development remaining before construction can begin. This could be addressed by having a COD deadline for award, but given that interconnection lead times are not within project developers' control, any aggressive COD deadline is likely to lead to requests for extensions and the administrative burden of processing those requests. Furthermore, if DOER intends to

allow distribution-connected projects in future solicitations, and to continue issuing solicitations annually, less-mature projects suffer no significant harm by waiting until a subsequent solicitation, when they will be more shovel-ready.

Finally, the cost of a project is a guess until construction is complete, but it is a better and better guess the more mature a project is. This is more true than ever in the current context of unprecedented uncertainty caused by rapidly-shifting federal policy and the extensive ripple effects of those policy changes in the storage industry and broader economy. For example, the cost of a storage project may vary significantly based on tariffs that could change multiple times over the course of a year. A project that is construction-ready will have a much smaller band of uncertainty about its cost, and therefore will be able to bid a price much closer to the actual cost plus return. If a project has a large band of cost uncertainty, some bidders will lowball and risk attrition, while others will pad their bid. Either case is a poor outcome for ratepayers.

For all of these reasons, we strongly encourage the RFP Drafting Parties to take a strong stance on project maturity for distribution-connected projects.

Thank you again for considering these comments. We look forward to further opportunities to provide input as the Round 2 solicitation is developed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jessica Robertson', is positioned above the typed name and contact information.

Jessica Robertson
Director of Policy & Business Development, New England
New Leaf Energy
607-592-3349
jrobertson@newleafenergy.com