January 30, 2026

BY ELETRONIC MAIL ONLY
Thomas.Ferguson@mass.gov

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

Subject: ELM Responses to Section 83E, Round 2 Stakeholder Questions

Dear Mr. Ferguson,

The Environmental League of Massachusetts ("ELM") appreciates the opportunity to comment offered by the Department of Energy Resources (DOER) to provide input shaping the second solicitation for mid-duration energy storage projects under Section 83E ("83E Round 2"), as required by, "An Act promoting a clean energy grid, advancing equity and protecting taxpayers" ("2024 Climate Act"). ELM respectfully submits comments on select prompts posed by DOER in its January 16 Request for Public Comment.

ELM emphasizes the critical role of battery energy storage systems in improving grid reliability, reducing electric costs, and achieving the Commonwealth's clean energy and climate objectives. We look forward to offering input to enhance the solicitation of the best projects possible.

3. **As a developer of distribution-connected energy storage projects, please describe all the direct and indirect benefits the Evaluation Team should consider for distribution-connected energy storage projects, including but not limited to reduction in transmission cost.**
   ELM appreciates the opportunity to provide input on the evaluation of distribution-connected, mid-duration energy storage projects. In addition to transmission cost reductions, ELM urges the Evaluation Team to fully account for the following direct and indirect benefits when assessing proposals.

- **Anticipated Ratepayer Savings and Avoided Energy Costs**
  Distribution-connected battery energy storage systems (BESS) can deliver meaningful ratepayer savings by reducing peak demand, avoiding or deferring expensive grid upgrades, and lowering wholesale energy costs through peak shaving and load shifting. These projects can reduce reliance on high-cost, fossil-fueled peaker plants, particularly during periods of system stress, resulting in avoided energy and capacity costs that should be explicitly valued in project evaluations.
- **Non-Wires Alternative (NWA) Value**
  Where distribution-connected storage is deployed as part of a non-wires alternative, it can provide targeted grid services that defer or eliminate the need for traditional distribution and transmission investments. The Evaluation Team should give additional

weight to projects that demonstrably address local system constraints or are coordinated with utility NWA planning efforts, as these projects can deliver outsized system and ratepayer benefits.

- **Community Support and Local Benefits**
  Strong community engagement, local support, and potential co-benefits such as improved resilience, reduced local air pollution, and compatibility with municipal climate goals should be recognized as important indicators of project viability and long-term success. The Evaluation Team should give additional weight to projects that have committed to signing a Community Benefits Plan (CBP) and/or a Community Benefits Agreement (CBA), or which receive letters of support from local community groups as part of their application. This should be of heightened weight if a project is sited in a Burdened Area (BA) as defined in EFSB's forthcoming siting and permitting regulations (980 CMR 15.00) and as delineated in MassEnviro Screen.
- **Redevelopment of Fossil or Degraded Sites**
  Distribution-connected BESS projects offer a valuable opportunity to repurpose retired fossil fuel facilities or otherwise degraded sites. Siting storage on these locations can clean up legacy pollution, avoid greenfield development, and support just transition goals for communities historically burdened by fossil infrastructure. The Evaluation Team should account for the environmental and equity benefits associated with these redevelopment opportunities.
- **System Flexibility and Grid Modernization**
  Distribution-connected energy storage enhances overall system flexibility, supports the integration of renewable energy, and strengthens grid reliability at the local level. These benefits, while sometimes indirect, are critical to achieving the Commonwealth's clean energy and decarbonization targets and should be reflected in project evaluations.
- **Consideration of Demonstrated Benefits Beyond Those Explicitly Identified in the RFP**
  ELM encourages DOER to allow for consideration of additional benefits not explicitly enumerated in the RFP, where a project can clearly demonstrate their value. This flexibility would enable innovative project designs to be appropriately recognized for unique or location-specific benefits such as enhanced resilience, equity outcomes, or system services that advance state energy and climate goals but may not be fully captured by a prescriptive evaluation framework.

7. **What benefits could be guaranteed in a Round 2 potential energy services contract that are different from the environmental attribute only Round 1 solicitation? How could those benefits be measured?**
   A contract for energy, in addition to providing the benefits outlined in ELM's response to Question 2 above (e.g., avoided energy costs, system flexibility, peak shaving, etc.), an energy services contract would create an additional source of revenue and sense of certainty for battery energy storage projects. Such certainty and stability creates greater likelihood that projects get built and that Massachusetts achieves its clean energy and climate targets which innately benefit the public good.

9. How would a project guarantee continued reliability benefits over the life of a contract if the developer chooses not to or cannot obtain a capacity supply obligation?

First, ELM emphasizes that a Capacity Supply Obligation (CSO) is not a comprehensive benchmark for reliability. A CSO is fundamentally a financial and market construct that reflects a resource's ability to clear the ISO-NE Forward Capacity Auction under specific market conditions and rules. While clearing the FCA may signal a resource's economic competitiveness and qualification within the capacity market, it does not directly measure a project's inherent technical capability to deliver reliable electricity when needed. Many resources that do not hold CSOs provide real, measurable reliability benefits to the electric system through energy delivery, peak reduction, and local grid support. As such, the presence or absence of a CSO should not be treated as a proxy for guaranteed reliability benefits.

Second, previous DOER clean energy procurements – including 83E Round 1 - required eligible projects to obtain a Capacity Capability Interconnection Standard (CCIS) as a proxy for deliverability. ISO-NE uses CCIS as an engineering standard to determine whether a new generator can deliver its full capacity to the regional system. Further, to participate in the Forward Capacity Market, resources must secure CCIS. DOER has reasoned[1] that requiring CCIS is necessary to ensure any given generator's qualified capacity can be delivered during worst-case conditions.

While CCIS is one way of contributing to reliability, DOER and ISO-NE rules regarding CCIS overlap to effectively bar clean energy resources from leveraging surplus interconnection service (SIS) at existing resources, which are some of the least-cost points of interconnection. There are several older fossil fuel-fired peaker plants in Massachusetts that operate only a limited number of hours per year and therefore have significant unused interconnection capability. These facilities can sell surplus interconnection service to new resources (such as BESS projects) without the need for costly network upgrades that would otherwise be passed through to consumers. While DOER *requires* resources to have CCIS to participate in its procurements, the ISO-NE Tariff effectively *prohibits* clean energy resources co-located with an existing generator from securing CCIS. The result is that clean energy resources are unable to access the lowest-cost points of interconnection, which slows the pace and increases the cost of clean energy deployment. This in and of itself undermines reliability and affordability.

ISO-NE already recognizes the need to remove barriers to SIS in its Tariff and has committed to doing so as part of its 2026 Workplan[2]. DOER can similarly address barriers to SIS in the 83E Round 2 procurement by removing the CCIS requirement and allowing resources to participate in they are a Network Resource (NR) customer. As a Network

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[1] MA DOER. "Massachusetts Solicitation and Procurement Effectiveness Report." Jun 16, 2025. Pgs.75-77. https://www.mass.gov/doc/doer-solicitation-and-procurement-effectiveness-report/download

[2] ISO New England's 2026 Annual Work Plan. October 10, 2025. https://www.iso-ne.com/static-assets/documents/100028/2026_awp_final_10_10_2025.pdf

Resource (NR) customer co-located with an existing resource, a storage project would not necessarily have priority access during the most stressed system conditions, as the existing generator would retain dispatch priority. However, these sites are often located in constrained load pockets where additional flexible resources can still deliver substantial reliability value during most operating hours. Further, ELM notes that 100% of nameplate capacity isn't available for ANY resource, and it's feasible to discount a percent of the nameplate capacity to account for a resource's non-availability during all hours of the year if it allowed NR-only resources to participate.