



January 30, 2026

Elizabeth Mahony, Commissioner
Samantha Meserve, Director
Thomas Ferguson, Energy Storage Programs Manager

Renewable and Alternative Energy Division
Massachusetts Department of Energy Resources
100 Cambridge Street, 9th Floor
Boston, MA, 02114

Re: 83E Round 2 Procurement Comments

Flatiron Energy is an independent power producer focused on the development of utility-scale, standalone storage in the Northeast. The leadership team at Flatiron Energy has over 60 years of collective experience working in standalone storage and over 100 years of combined experience working in the power and finance industries. The Flatiron leadership team has extensive experience developing storage in New England and is currently under construction on the largest battery storage project in the Northeast, located in Uxbridge, Massachusetts. Flatiron Energy is a partially woman owned, certified B Corporation, with a commitment to ethical, community-first development.

Flatiron Energy commends DOER for their commitment to supporting clean, affordable and reliable energy projects built in Massachusetts. DOER has shown consistent leadership in the energy industry and made Massachusetts a leader in energy storage in the eastern U.S. Flatiron appreciates the opportunity to comment on the 83E Round 2 Procurement and looks forward to continuing to engage with DOER on the future of storage development in the Commonwealth.

Please provide suggestions for how an energy services contract for a transmission-connected energy storage system should be structured.

Flatiron supports structuring the Round 2 Procurement as an energy attribute-only procurement, consistent with the successful approach used in Round 1. The existing energy attributes procurement model developed by DOER proved to be a viable and efficient manner of contracting new resources, enabling over 3.5GW of energy storage resources to bid and over 1GW of those to receive offtake offers. This structure reduces complexity and costs for administration, while allowing energy storage systems access to a predictable and low-cost financing mechanism. Adding additional contracts for energy services is likely to significantly complicate the offtake structure, without providing additional cost-savings to ratepayers.

An energy attribute-only procurement is the simplest offtake structure and would best position the Round 2 Procurement to move forward in 2026. Releasing the second procurement in 2026 is both key to progressing projects currently in development and reinforcing a clear, consistent signal of market viability and predictability, helping incentivize future development in the state. Maintaining this momentum is essential to sustaining a robust project pipeline and continuing the development of clean capacity in the Commonwealth.

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?

Procuring energy services in addition to environmental attributes is unlikely to provide ratepayers with significant incremental cost or climate benefits. Projects generating CPECs are incentivized to dispatch into the most expensive and polluting energy hours, displacing the highest priced resources and lowering costs for consumers. Procuring CPECs incentivizes this behavior and can pass along tangible benefits, like lowered peak electricity costs, to consumers.

Energy storage projects generating CPECs are already incentivized to participate in the capacity market. Capacity market resources are required to dispatch during periods of highest grid stress, which closely aligns with Clean Peak incentives to perform during peak load hours. Given this alignment, storage resources holding capacity rights (CNRC) are fully motivated to participate in the capacity market, which in turn helps lower prices for all consumers. Contracting capacity from a storage resource is unlikely to materially change its market participation, and therefore unlikely to lower capacity costs.

Bringing new, clean capacity onto the Massachusetts grid is critical to lowering energy costs. However, the focus should be on providing the minimum viable contract to resources to ensure projects can receive financing, not on shifting full operational risk away from projects. The Round 1 procurement mechanism for energy attributes-only successfully strikes this balance, and utilizing the existing structure in Round 2 will allow DOER to effectively continue its procurements.

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?

Storage projects holding CNRC are incentivized to dispatch during peak system hours and provide grid-wide reliability benefits, regardless of whether they carry a Capacity Supply Obligation (CSO). CNRC designation ensures that an energy storage resource is fully deliverable across the system during periods of high grid stress and capable of dispatching when needed. As a result, even in the absence of a CSO, storage resources with CNRC can respond to market dispatch signals in a manner that supports regional reliability when it is most critical.

Please add any additional comments not captured by your responses to the prior questions that you believe the RFP Drafting Parties should consider.

Flatiron appreciates the work DOER has put into developing the 83E procurements. To ensure a steady pipeline of development, DOER should utilize the same schedule as Round 1 and issue a procurement in July of 2026, with bids due in September and projects selected by December. This schedule creates

predictability in the procurement process, which makes it easier to continue investment spend in Massachusetts. Additionally, this schedule aligns the Round 2 procurement with the ISO-NE Cluster Study results, which concludes in August of this year, leading to minimal gaps between projects receiving interconnection results and moving forward with full project development.

Flatiron Energy thanks DOER for the opportunity to comment on the 83E Round 2 Procurement.

Sincerely,

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