

January 30, 2026

By email to Thomas.Ferguson@mass.gov

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Subject: 83E Round 2 Distribution-Connected Energy Storage Comments

Mr. Ferguson:

On January 16, 2026, the Massachusetts Department of Energy Resources (“DOER”), the Massachusetts Electric Distribution Companies (“EDCs”), and the Attorney General’s Office (“AGO”) (collectively “RFP Drafting Parties”) issued a request for public comments on a second-round solicitation for mid-duration energy storage (“MDES”) projects under Section 83E (“83E Round 2”). RENEW Northeast, Inc. (“RENEW”)¹ appreciates the opportunity to submit these comments on 83E Round 2. RENEW members own existing pumped-hydro projects and are developing new energy storage systems in the Commonwealth.

I. Responses**A. Overview**

RENEW supports the RFP Drafting Parties in the competed 83E Round 1 and the upcoming 83E Round 2 having taken a portfolio approach to MDES in the Commonwealth that balances the economies of scale of transmission storage and the distribution benefits of distributed storage. While distributed storage can provide valuable location-specific reliability services, larger front-of-the-meter systems—sited at the transmission level or in optimal grid locations—can deliver capacity, frequency regulation, and bulk energy shifting at a lower per-MWh cost. The RFP Drafting Parties should seek to have each resource type deployed where it provides the greatest system value, minimizing duplicative investments while maximizing both reliability and affordability for ratepayers.

¹ The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW. RENEW Northeast (www.renew-ne.org) unites environmental advocates with developers and operators of the region’s largest clean energy projects to coordinate their ideas and resources with the goal of increasing environmentally sustainable power generation in New England from the region’s abundant renewable energy resources.

B. Capacity Market

The RFP Drafting Parties should understand that ISO New England's ("ISO-NE") ongoing Capacity Auction Reform ("CAR") market design project will affect the capacity market value of any resources selected in 83E Round 2. Uncertainty over the outcome of this project for energy storage will persist beyond 83E Round 2 with final approval by the Federal Energy Regulatory Commission not expected until well into 2027 at the earliest. Notwithstanding this uncertainty, ISO-NE's proposed move to a prompt auction framework would mean the new capacity market would not provide the revenue certainty of the current Forward Capacity Market. As a result, the new capacity market would not be able to support financing, and long-term contracts such as those under Section 83E would be even more critical to the financing of new storage facilities. RENEW recommends that DOER stay engaged with stakeholders and ISO-NE as these market design efforts continue, and advocate for fair treatment of energy storage in the ISO-NE Tariff.

C. Contracting Model

RENEW supports use of attributes-only, Clean Peak Energy Certificates ("CPEC"), in the long-term contracts for 83E Round 2 as it is a known procurement model that will enable the RFP Drafting Parties to act quickly and stay on schedule for this near-term procurement.

For procurements of transmission-level projects after 83E Round 2, the form of contracting for future RFPs needs to consider specific energy storage technologies and the capabilities the Commonwealth is seeking to achieve. The variety of offtake revenue contracts for energy storage projects has expanded rapidly. For large or transmission-level resources, arrangements have taken the form of energy storage tolling agreements, capacity sales agreements, hybrid agreements, and indexed agreements. An energy services contract could be tailored to procure storage performance characteristics, including longer durations, not captured by CPEC procurements. Because energy storage facilities with different durations provide unique benefits to the grid and ratepayers, DOER should consider, to the fullest extent possible, flexibility in the preferred method of contract to maximize grid-enhancing and economic development benefits for the state. Individual RENEW members may comment on geographic eligibility requirements for energy storage resources and the form of contracting offered to them.

Long-term contracts provide greater revenue certainty, reducing investor exposure to commodity market price risk. That results in lower financing costs, enabling projects to benefit consumers by bidding lower on a per unit basis. Contracts should have terms of at least 15 years. RENEW recommends 20-year terms as it is consistent with the expected useful life of energy storage systems.

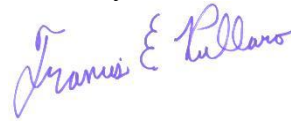
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II. Conclusion

Thank you for considering RENEW recommendations for 83E Round 2. This important procurement will enable the financing of projects and ensure they are providing their cost-effective energy benefits in time to meet the Commonwealth's 2030 clean energy and legal greenhouse gas reduction requirements.

Sincerely,

A handwritten signature in blue ink that reads "Francis E. Pullaro". The signature is written in a cursive style with a large initial 'F'.

Francis Pullaro
President