

## MASSACHUSETTS RENEWABLE AND ALTERNATIVE ENERGY STANDARDS (RPS & APS)

### *What Sources of Energy Qualify for “Renewable” or “Alternative” Energy Subsidies in Massachusetts?*

- **The Massachusetts RPS and APS regulations** contain the specifics of what qualifies for renewable and alternative energy subsidies. These subsidies are paid for by Massachusetts ratepayers as a clean energy surcharge on their utility bills.
- At present, it’s not just wind, solar, and other non-emitting technologies—burning trees (“woody biomass”) can qualify for ratepayer-funded energy subsidies, too.

**RPS – the Massachusetts Renewable Energy Portfolio Standard** requires retail electric suppliers in the state to source a minimum percentage of their electricity from renewable energy sources.

- In 2021, 17% of electricity must be sourced from RPS-qualified facilities.
- The percentage of RPS-qualified energy required has increased incrementally since the RPS was created in 2003. The percentage required is currently increasing by 2% a year; after 2029, the annual increase drops to 1%.
- **Since 2012, Massachusetts has had the most stringent, science-based RPS standards in the nation for wood-burning power plants.** As a result, only a handful of small, highly efficient combined heat and power (CHP) biomass plants qualified. Unfortunately, the Massachusetts Department of Energy Resources (DOER) has changed the rules to allow highly polluting commercial scale biomass power plants to now qualify as renewable energy (see other side).

### **How the RPS works: Renewable Energy Credits (RECs)**

- Renewable Energy Credits (RECs) represent the positive environmental attributes associated with renewable energy production. RECs are sold separately from the energy/electricity itself.
- To generate RECs, an energy facility must apply to DOER and receive a Statement of Qualification certifying its eligibility. This is how the details of what qualifies under the RPS come into play.
- One REC is created when a qualified facility generates 1 megawatt hour of electricity.
- To meet annual compliance obligations established under the RPS, retail electricity suppliers must purchase RECs amounting to the percentage required for that year (or make “Alternative Compliance Payments” at a rate set by DOER).

## **APS – Alternative Energy Portfolio Standard**

- Established under the Green Communities Act of 2008, initially the APS incentivized Combined Heat and Power (CHP) & several other technologies identified by DOER.
- The APS regulations were revised to include renewable thermal technologies – woody biomass as well as solar thermal, heat pumps, waste to energy, and fuel cells.
- Alternative Energy Certificates (AECs): APS-qualified facilities generate Alternative Energy Certificates (AECs), analogous to RECs. The annual AEC percentage requirement increases by 0.25% per year.

## **Other MA Clean Energy Programs**

Several other MA clean energy programs are open to RPS-eligible fuels, including the Clean Peak Standard and a new standard created in 2021 for municipally-owned utilities (Municipal Light Plants, or MLPs). The Climate Roadmap Act requires MLPs to source a percentage of their energy from RPS-eligible renewable sources; after five years, the program would automatically expand to include all biomass power plants, including those not eligible for the RPS.

## **The Baker Administration Changed the Rules to Incentivize Burning More Trees:**

In 2017, the MA Department of Energy Resources (DOER) adopted weak emissions standards and weak forest protection guidelines for biomass heating systems to qualify under the APS. In 2019, DOER proposed weakening the RPS regulations to match the APS regulations, calling it “regulatory streamlining.” DOER finalized the new RPS regulations in 2021. While they contain important protections for environmental justice communities, the new rules allow highly polluting biomass power plants in Maine, NH, and other states to qualify for MA incentives.

## **Subsidizing woody biomass energy undermines the Commonwealth’s climate goals.**

- Burning wood for heat and power emits more carbon dioxide per unit of energy than coal and can increase greenhouse gas impacts for decades to centuries compared with fossil fuels.
- We must protect and restore forests as natural carbon sinks to draw down and sequester atmospheric carbon.
- Even when only wood residues are burned (as opposed to whole trees logged for fuel), woody biomass energy is still a net source of carbon for decades – well past the timeframe for meaningful climate action.

**Legislative Solution: S.2197/H.3333, *An act to prevent biomass energy to protect the air we breathe*, would remove woody biomass as an eligible fuel source under the RPS and APS.**