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ScottMadden, Inc. 3495 Piedmont Road Building 10, Suite 805 Atlanta, GA 30305 404-814-0020 scottmadden.com

ScottMadden and SEPA Examine Massachusetts: A Great Clean Energy Story – DERs and the Next Chapter

ATLANTA, GA – (July 5 2018) – ScottMadden, Inc., one of North America's leading energy consulting firms, recently partnered with the <u>Smart Electric Power Alliance (SEPA)</u> to examine Massachusetts' deployment of clean energy and how distributed energy resources (DERs) are evolving. The Commonwealth has been a leader in the reduction of greenhouse gases (GHG) and an early adopter of renewable portfolio standards, but how will it transform to accommodate DERs?

The Commonwealth's commitment to reducing its GHG has informed energy efficiency policies, as well as other targets to implement electric vehicles and battery storage. Renewables make up 13% of total energy usage, and decentralized renewable generation makes up 9.2% of nameplate capacity.

<u>This paper</u> explores whether and to what degree regulators and utilities are changing key elements of the utility business model and wires infrastructure to integrate and optimize DERs as part of the distribution system. As with earlier 51st State Perspectives papers on <u>New York</u>, <u>California</u>, and <u>Illinois</u>, <u>this paper</u> discusses the degree to which Massachusetts is transforming its grid to accommodate a variety of resources. What is the current state of the electricity market in Massachusetts? How has the market evolved from a traditional, centralized grid with limited customer choice to a more distributed system enabling more customer choice? Is Massachusetts prepared for the rapid growth of DERs?

"Massachusetts is a really fascinating case study. While the Commonwealth has a long history of leadership in fostering the deployment of clean energy, the approach has been very different from states like New York and California," explains Quentin Watkins, manager at ScottMadden and report co-author.

"The focus in Massachusetts has been on the integration of clean energy and the reduction of GHG, which has resulted in high penetrations of renewables. To date, however, the same focus has not been placed on upgrading physical infrastructure (e.g., AMI) and changing the utility business model to drive integration and optimization of DERs," adds Cristin Lyons, partner and energy practice leader at ScottMadden.

Co-author Sharon Thomas, senior analyst at the Smart Electric Power Alliance, added, "Massachusetts' nation-leading role in energy efficiency is very impressive. However, demandside resources are not prominently prioritized in current regulatory and legislative actions. We will have to wait and see if the Commonwealth's current business models and structures will support continued growth." During SEPA's Grid Evolution Summit in July, Ms. Lyons will serve as a panelist to discuss the evolution of ISO markets. As ISO markets are evolving to integrate DERs into wholesale markets and DERs increase, they must manage distribution system impacts that collectively affect the transmission system. "The proliferation of DERs presents unique challenges for the transmission system and wholesale markets. New England is at the forefront in tackling these issues through its work in DER aggregation and forecasting," continues Ms. Lyons.

Massachusetts' leadership in the deployment of clean energy is broad and deep. For more information about its history of innovation or where things are headed, please <u>contact us</u>.

About Smart Electric Power Alliance

The Smart Electric Power Alliance (SEPA) is an educational nonprofit working to facilitate the utility industry's transition to a clean energy future through education, research, standards and collaboration. SEPA offers a range of research initiatives and resources, as well as conferences, educational events and professional networking opportunities. SEPA is founder and co-sponsor of Solar Power International and winner of the Keystone Policy Center's 2016 Leadership in Energy Award. For more information, visit www.sepapower.org. Follow SEPA on Twitter, Facebook and LinkedIn.

About ScottMadden's Grid Transformation Practice

For more than 30 years, ScottMadden has helped our clients transform the way they operate, plan, and maintain the grid and interact with their customers. The Grid Transformation practice focuses on helping clients adapt to the myriad changes driven by the increasing penetration of distributed energy resources, such as distributed generation, storage, demand response, and microgrids. We help our clients choose the path that meets their reliability, customer, and regulatory goals, and then we help them implement it.

About ScottMadden, Inc.

ScottMadden is the management consulting firm that does what it takes to get it done right. Our practice areas include Energy, Clean Tech & Sustainability, Corporate & Shared Services, Grid Transformation, and Rates, Regulation, & Planning. We deliver a broad array of consulting services ranging from strategic planning through implementation across many industries, business units, and functions. To learn more, visit www.scottmadden.com | Twitter | Facebook | LinkedIn

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Media contact:
Mary Tew
marytew@scottmadden.com
919-714-7628