November 26, 2014

Administrator Gina McCarthy
Environmental Protection Agency
EPA Docket Center (EPA/DC)
Mailcode 28221T
1200 Pennsylvania Avenue, NW.
Washington, DC 20460

Attention: Docket ID No. OAR–2013-0602

Dear Administrator McCarthy,

Since the release of the Clean Power Plan (CPP), Massachusetts has strongly supported EPA’s path-breaking carbon pollution regulation as a critical step in driving clean energy economic development, providing energy reliability and affordability, and reducing harmful emissions of greenhouse gases (GHGs). In this regard, it is significant that the signatories of this letter represent a unified voice from the energy and environment agencies in the state.

In Massachusetts, addressing climate change has meant seizing opportunities to reduce energy costs and energy price volatility, to grow clean energy jobs, to become more energy independent and to reduce our GHG emissions by over 40% in the power sector. We have catalyzed job growth in the clean energy sector that has topped 10% per year for the last several years. Through our nation-leading energy efficiency programs, billions of dollars have been saved by customers from households to Fortune 500 companies to small businesses to municipal customers. Solar installations are expanding exponentially, growing from about 3MW in 2007 to well over 600MW today. Wind capacity has grown from 3MW to over 100MW. The Massachusetts Renewable Portfolio Standard in 2012
supported 3.25 TWh of renewable energy generation throughout New England and adjacent control areas. Innovation in the clean energy space is now a critical driver of the Massachusetts technology economy with start-ups, incubators and global tech companies developing new technologies, processes and services in energy efficiency, renewable energy, storage, buildings and transportation.

Through both our state-specific programs and our participation in the Regional Greenhouse Gas Initiative (RGGI) we have designed comprehensive programs that provide sustainable funding sources and long-term savings and benefits that are at the core of our clean energy agenda. We see implementation of the CPP as an additional tailwind, supporting our growing efforts. We also see national implementation of the CPP as providing significant opportunities for the United States as a whole and taking advantage of our historic role as a driver of innovation and entrepreneurship.

For Massachusetts’ environment, the stakes involved in combating climate change are enormous. For example, as you are aware, absent decisive action over the coming decades, parts of Boston and much of our shoreline will begin to be inundated by rising sea levels and more frequent and larger storms. Like many other states we have been negatively affected by severe weather events from early snowstorms to hurricanes to tornados. We have the intergenerational responsibility to combat climate change. Fortunately, due to pioneering efforts by states such as Massachusetts, the tools are available to reduce power plant emissions while modernizing the economy. These tools, including, in addition to market-based regulations on power plants, a suite of programs that drive investment in renewable energy and energy efficiency programs, are easily transferrable to other states. The Clean Power Plan will accelerate this transfer and bring similar benefits to the nation as a whole. In fact, the Clean Power Plan will be a driver for innovation and a catalyst for U.S. competitiveness in clean energy global markets as we take advantage of American entrepreneurship, technological know-how, and a highly skilled workforce.

In particular, as you consider comments and finalize the CPP, we urge you to preserve three specific aspects of the proposal:

**Stringency** – Nationally, the CPP is expected to deliver carbon emissions reductions of 30% from 2005 levels by 2030. Reductions of greater than 30% have already been achieved by Massachusetts and other states, and faster reductions will be necessary for the nation to be on a path for meeting the goal of reducing emissions by 80% by 2050. As EPA considers comments and revises the rule, we suggest that the agency finalize steeper reductions that will more effectively drive the deployment of
clean energy technologies and innovation. Such increased aggregate emission reductions could for example be achieved by adjusting the expected contribution of renewable energy sources, to better reflect existing states’ renewable energy targets and potentials, as well as actual observed renewable energy growth rates as reported by the Energy Information Agency.

**Flexibility** – We commend EPA for allowing states to choose among available strategies to reduce emissions. Massachusetts intends to rely primarily on the most well-tested and economically efficient strategy for reducing power plant emissions – the RGGI allowance trading program. We highly recommend a similar approach in other states. In fact, we recommend that EPA explore the possibility of hosting or funding a third-party emissions trading bank that can allow interested states to “plug-and-play” in to a wider, more cost-effective market. However, we also applaud EPA’s recognition of other strategies that more directly target energy efficiency and clean energy, and urge EPA to ensure that the final CPP allow states to take full advantage of these strategies. While accommodating a variety of flexible approaches, we urge EPA to ensure consistency between target setting and compliance formulas and measures throughout the rule to maintain the stringency of the rule as a whole.

**Efficiency** – Energy efficiency is truly the least expensive fuel. Even without accounting for avoided emissions, our efficiency programs deliver lifetime cost savings that far exceed their implementation costs – currently, for every dollar invested in energy efficiency, we see a return of more than three dollars over the life of the projects. We hope that the many states that continue to under-invest in efficiency will consider greatly expanding those programs, and we are confident that EPA’s focus on efficiency will pay off in the form of a more competitive US economy. Therefore, EPA should increase the degree to which the CPP holds states responsible for realizing the full potential of efficiency. A simple way to do this would be to increase the amount of anticipated annual EE savings used to set state goals from 1.5% to 2.0%, in line with Massachusetts’ recent experience. In addition, the CPP must ensure that a state’s claimed EE savings are based on sound, appropriate evaluation procedures. For that reason, we encourage EPA to provide states with guidance regarding such procedures, and to seek input from experienced states in developing such guidance.

For more detailed information about Massachusetts’ perspective on the CPP proposal, please see comments submitted by RGGI, the Georgetown Climate Center, and Northeast States Coordinated for Air Use Management (NESCAUM).
Below our signatures we have included a graph that summarizes Massachusetts’ experience growing the economy while reducing emissions. The CPP will place the US economy on a similar trajectory, and therefore has our strong support.

Thank you for this opportunity to comment.

Maeve Vallely Bartlett
Secretary, EEA

Mark Sylvia
Undersecretary for Energy, EEA

Martin Suuberg
Undersecretary for Environment, EEA

David Cash
Commissioner, DEP

Meg Lusardi
Commissioner, DOER

Ann Berwick
Chair, DPU
Massachusetts Since 1990: Economic Growth and GHG Reductions

- Gross State Product: +71%
- Population: +11%
- Energy Use: -1%
- Total GHG: -15%
- Power Sector GHG: -49%