

Green New Deal success will depend on affordable green prices

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BOSTON – Achieving the Green New Deal’s goal of businesses using 100 percent renewable energy within 10 years will require affordable green energy pricing in the view of one business owner trying to make the change for his contract precision machining service.

[Michael Tamasi installed solar systems on the roof of his Avon-based AccuRounds](#) two years ago as part of a corporate responsibility program and it now generates about 20 percent of the electricity used on site.

But when Tamasi goes to his energy broker to review electricity deals, cost remains the biggest factor after supplier reputation and plans with a renewable energy component.

“Costs are extremely important to us because we need to be competitive,” Tamasi said. Electricity, Tamasi explained, is one of their biggest costs, in manufacturing parts and assemblies his company sells to original equipment manufacturers, who makes devices from component parts bought from companies like AccuRounds. Higher electric bills will result in a higher product prices and a disadvantage compared to other manufacturers.

Environmental awareness was back in the headlines as a result of the Climate Strike called by Swedish environmental activist Greta Thunberg and the Green New Deal, sponsored by Rep. Alexandria Ocasio-Cortez, D-NY, and Massachusetts Sen. Edward Markey, urging the federal government to substitute all energy sources to renewable powers [within 10 years](#).

Tamasi said AccuRounds currently contracts with National Grid for electricity. According to the [ISO New England](#)’s real time chart of fuel mix, 66 percent of the electricity generated by New England power plants comes from natural gas, following with 27 percent from nuclear power, 5 percent from renewables such as solar and wind and 2 percent hydro.

While not yet 100 percent green, it is slowly increasing. That’s in keeping with the Massachusetts [Renewable Energy Portfolio Standard](#) in 2003, requiring retail electricity suppliers to obtain a certain percentage of the electricity they provide to customers from certified renewable energy sources.

Starting at 1 percent in 2003, the standard has grown annually to [the current level of 20 percent for 2020](#). Yet, in contrast to the Green New Deal call for 100 percent renewable sources in 10 years, Massachusetts set [the goal of 2030](#) as 25 percent of electricity to be renewable and 40 percent to be clean.

In order to regulate and track compliance, retailers need to buy Renewable Energy Certificates per megawatt hour of electricity, also known as Renewable Energy Credits, from the New England Power Pool Generation Information System.

Shaun Pandit, the president of [EarlyBird Power](#), provides energy consulting services and connects Tamasi with different suppliers.

If any retailers wants to go above the current level of REPS to be more green, Pandit explained, they will either need to buy more credits, or carbon offsets, which they pay for through a program elsewhere [devoted to cutting or avoiding carbon emissions](#).

The offsets are usually a lot cheaper than purchasing the credits and going 100 percent green, the costs can add up to 20 percent more, Pandit said. However, with carbon offsets, if with a regular price of 9 cents, the price will only amount to 9.1 cents. "You wouldn't really notice it," Pandit said.

The problem, he said, is that it does not have local impacts.

"Trying to be 100 percent green in the next 10 years locally is going to be expensive," Pandit said. "Nationally, it's not."

The goal, however, Pandit said, is also about reducing local carbon footprints. Sourcing nationally will not help.

"You're not really having a local impact, if you're still proceeding as you normally are here, but someone else in a different part of the country is being more green," Pandit said.

The renewable energy standards set up now, he said, puts burdens on suppliers, and it passes those on to businesses as shown in a high rate. While environment factors also contribute, Massachusetts is among one of the most expensive states to buy electricity, with [an average retail residential electric rate](#) of 18.92 cents/kWh in 2017 compared to the national rate of around 12 cents/kWh.

Tamasi's company gets paid back by participating in the Massachusetts Solar Renewable Energy Certificate Program, selling some of the energy captured on their site back to the grid and making the grid greener.

Pandit said Tamasi is not alone in the businesses' battle of "going green," struggling between costs and emission cutting. People have the choice of buying green energy directly from the suppliers, but in order to do that, they need to buy a green certificate.

"He is a great example of someone that is trying to do the right thing but wouldn't have the mandate," Pandit said.

Looking at the potential of going 100 percent green, Tamasi said the concern is how they could ultimately be connected to a renewable power supplier, for example, an offshore wind farm. Although he doesn't think the infrastructure is ready, he looks forward to it.

"It would be ideal for us if we can get renewable energy at a lesser cost we are paying now, that's a win-win, right?" Tamasi said.

"We're good for the environment and will be more competitive."