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March 1, 2021

Mark D. Marini, Secretary Department of Public Utilities One South Station, 5th Floor Boston, MA 02110

Re: Investigation into the Role of Gas Local Distribution Companies as the Commonwealth Achieves its Target 2050 Goals – D.P.U. 20-80

Dear Secretary Marini:

On October 29, 2020, the Department of Public Utilities (the "Department") issued a Vote and Order in the above-referenced docket, opening an investigation into the role of gas local distribution companies as the Commonwealth achieves its target 2050 climate goals ("Order"). Order at 1, 3. The Department directed the local distribution gas companies ("LDCs")¹ to issue a Request for Proposals ("RFP") for an independent consultant to review what it defined as the Roadmaps,² to identify any pathways not examined in the Roadmaps, and to perform a detailed study of each company that analyzes the feasibility of all pathways. Order at 5. The Department directed the LDCs to provide a status update on the retention of independent consultant(s) and progress with respect to the RFP process by March 1, 2021. Order at 6. In accordance with the Department's directives, the LDCs offer the following update on the solicitation process.

Development and Posting of RFP

In anticipation of EEA's release of the Roadmaps, the LDCs began developing a draft RFP in November 2020. The LDCs have worked together collaboratively and productively, meeting jointly on a weekly basis since November 2020, with smaller subgroups meeting multiple times to facilitate the coordination of these five separate and distinct companies. Throughout the development of the RFP, the LDCs have also been in close coordination with stakeholders.

¹ For the purpose of this filing, the term LDCs refers collectively to The Berkshire Gas Company, NSTAR Gas Company and Eversource Gas Company of Massachusetts, each d/b/a Eversource Energy, Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty (which, as of January 1, 2021 includes the gas distribution assets of the former Blackstone Gas Company), Boston Gas Company and the former Colonial Gas Company, each d/b/a National Grid, and Fitchburg Gas and Electric Light Company d/b/a Until..

The Department defined "Roadmaps" as the Executive Office of Energy and Environmental Affairs' ("EEA")
2050 Decarbonization Roadmap ("2050 Roadmap") and 2030 Clean Energy and Climate Plan ("2030 CECP"). Order at 3.

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The LDCs shared their initial draft RFP with the EEA, the Department of Energy Resources ("DOER"), and the Office of the Attorney General ("AGO"), beginning with the AGO on December 11, 2020. The LDCs conducted virtual meetings with these stakeholders on December 15, 2020 (AGO) and December 18, 2020 (DOER and DOER/EEA/AGO). The LDCs received feedback from these stakeholders over the following weeks, which the LDCs incorporated in large part into a new draft circulated to the AGO, DOER and EEA on January 8, 2021. The LDCs held a virtual meeting with these stakeholders on January 15, 2021 to discuss which aspects of their recommendations were included in the latest draft RFP. This meeting resulted in additional feedback, and a new proposed draft RFP from the LDCs, shared with the AGO, DOER and EEA on January 22, 2021. Following another round of feedback the LDCs share a further revised draft RFP with the AGO, DOER and EEA on January 26, 2021, along with an explanation of the rationale for the RFP changes. On January 27, the LDCs confirmed with the AGO, DOER and EEA that they would be seeking feedback on the RFP from other stakeholders.

Additionally, on January 27th, the LDCs shared the draft RFP, inclusive of feedback from the AGO, DOER and EEA, with the Conservation Law Foundation ("CLF"), Associated Industries of Massachusetts ("AIM"), National Consumer Law Center ("NCLC"), Low-Income Energy Affordability Network ("LEAN"), the Town of Hopkinton ("Hopkinton"), Mothers Out Front ("MOF"), and Gas Leaks Allies.³ The LDCs made concerted efforts to address each stakeholder's comments and concerns, which were received on February 1st and 2nd, and to incorporate these stakeholders' feedback into the RFP. On February 5, 2021, the LDCs provided the stakeholders, including the AGO, DOER, and EEA, with a revised RFP and a matrix describing the rationale for including or excluding the stakeholder's revisions and comments on the RFP. A copy of that matrix accompanies this update as Attachment A.

The RFP was issued on February 5, 2021 to a list of consultants vetted with the AGO. A copy of the RFP accompanies this update as Attachment B. As shown in Attachment B, the RFP provided opportunity for bidders to submit questions and for the LDCs to respond. Bidder proposals were due February 25, 2021, clarifications to bidders are due March 4, 2021, and responses to clarifications are due March 5, 2021. Subsequently, the LDCs anticipate the selection of a consultant on March 17, 2021, and contract execution with the selected consultant by March 26, 2021. The LDCs will make a presentation to stakeholders on the results of the competitive solicitation and basis for selection.

Consistent with the Department's Order, the RFP outlines the independent consultant(s) Scope of Work to include, at a minimum, seven Workstreams. The Workstreams include:

³ In balancing the lengthy and comprehensive RFP negotiations with the AGO, DOER and EEA, and the need to issue the RFP in a manner that would meet the LDCs' procurement requirements and the Department's deadline of March 1, 2022, the LDCs identified the referenced additional stakeholders as representative of other views in order to finalize the RFP in an expeditious and efficient manner. In addition, as part of the consultations with the AGO, the AGO specifically requested the inclusion of CLF, Gas Leaks Allies, and Hopkinton. On that basis, and mindful of the timeframe available to conduct meaningful engagement with the stakeholders while balancing the need for issuance of the RFP, the LDCs determined that these stakeholders together with AIM, LEAN, NCLC and MOF represented a diverse stakeholder group and agreed this was the Phase 1 stakeholder group.

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(1) review of the 2050 Roadmap and 2030 CECP; (2) examination of impacts of decarbonization; (3) the report; (4) LDC-specific proposals; (5) filings with the Department; (6) the stakeholder process; and (7) Eversource Gas specific requirements pursuant to the <u>Columbia Gas Acquisition</u>, D.P.U. 20-59/D.P.U. 19-140/D.P.U. 19-141 (2020). See Attachment B at 6-11.

Development of Stakeholder Process

In addition to the process described above to develop and issue the RFP, the LDCs have worked in collaboration with the AGO and the DOER to develop a stakeholder process to provide feedback on drafts of the report to be developed by the LDCs' chosen consultant (the "Report"). The LDCs are continuing to develop a stakeholder process consistent with the directives of the Department in its Order, requiring the LDCs to engage in a stakeholder process to solicit feedback and advice on both the final proposals offered by the LDCs to achieve the Commonwealth's 2050 climate goals, and the Report supporting those proposals. Order at 6.⁴

Regarding the development of the stakeholder process, the LDCs shared an initial draft stakeholder process document with the AGO on December 11, 2020. On January 8, 2021, an updated draft was provided to the AGO, DOER and EEA. The LDCs incorporated feedback from these stakeholders and shared a further revised draft with the AGO and DOER on January 12. The LDCs received additional feedback from the AGO on January 28, 2021. In the following weeks, as the LDCs processed stakeholder feedback on the RFP, they also incorporated feedback from the AGO and any related feedback from the RFP process into a new iteration of the stakeholder process, which was shared with the AGO on February 18, 2021. The LDCs received feedback from the AGO on February 22, 2021, and submitted a revised draft to the AGO on February 26, 2021. The Companies will also solicit feedback from the Phase 1 stakeholders on the stakeholder process.

Thank you for your attention to this matter. Please contact me or any of the LDCs' counsel with any questions you may have regarding this filing.

Sincerely,

John K. Halib

John K. Habib, Esq.

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On February 10, the Department reiterated these directives, stating that the LDCs should consider stakeholder input throughout the process of developing their Report to help facilitate an administratively efficient proceeding after the Report is filed with the Department. <u>Order on Office of Attorney General's Motion for Clarification</u>, D.P.U. 20-80-A at 15 (February 10, 2021). In its ruling on the AGO's Motion, the Department further directed the LDCs to verify compliance with the Department's directives to engage with stakeholders, by including a "summary of engagement" in status updates submitted to the Department. <u>Id</u>.

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Enclosures

cc: D.P.U. 20-80 Service List Alexandra Blackmore, Esq. – National Grid Danielle Winter, Esq. – Keegan Werlin R.J. Ritchie, Esq. – Liberty Daniel Venora, Esq. – Keegan Werlin Daniel Crisp, Esq. – Berkshire Gas Gary Epler, Esq. – Unitil