



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

MEMORANDUM

TO: Electronic Distribution List in D.P.U. 20-75

FROM: Katie Zilgme, Hearing Officer

RE: Distributed Energy Resource Planning and Cost Assignment, D.P.U. 20-75
Procedural Notice, Request for Comments, and Information Requests

DATE: March 23, 2021

CC: Mark Marini, Secretary

I. INTRODUCTION

On October 22, 2020, the Department of Public Utilities (“Department”) opened this inquiry to investigate the electric distribution companies’ (“EDCs”) (1) distributed energy resource planning and (2) assignment and recovery of costs for the interconnection of distributed generation (“DG”), pursuant to its ratemaking authority under G.L. c. 164, § 94 and its superintendence authority under G.L. c. 164, § 76. In opening the inquiry, the Department issued a straw proposal that outlines distributed energy resource (“DER”) planning requirements and a common system modification fee. Distributed Energy Resource Planning and Cost Assignment, D.P.U. 20-75, Att. A (“Straw Proposal”). The Department

posed questions to stakeholders pertaining to the structure and elements of its proposal and opened an initial and reply comment period. D.P.U. 20-75, Att. A at 12-16.

The Department has identified three discrete topics for its investigation:

- (1) Whether the Department should establish a long-term system planning program to include DER planning requirements and common system modification fees;
- (2) If the Department establishes a long-term system planning program, what the EDC's system planning analysis to develop capital investment project proposals would entail; and
- (3) Whether the Department should establish a provisional system planning program to address imminent DG interconnection concerns.

This memorandum sets forth next procedural steps for each of these topics in D.P.U. 20-75.

II. LONG-TERM SYSTEM PLANNING PROGRAM

The Department received voluminous and informative comments from stakeholders on its Straw Proposal. The Department is currently reviewing and analyzing comments to determine procedural next steps for DER planning requirements and common system modification fees. Procedural next steps may include a Department Order, issuing a revised straw proposal for comment, or conducting a virtual technical conference. The Department's review and analysis for this section will occur in parallel with the procedural next steps set forth in Sections III and IV below.

III. SYSTEM PLANNING ANALYSIS

Pursuant to the Department's Straw Proposal, if the Department establishes a long-term system planning program, the EDCs will be required to conduct a system planning

analysis to identify distribution system infrastructure investments needed to meet the Commonwealth's clean energy and climate policy objectives and, in particular, to enable the effective and economic interconnection of DG facilities. Specifically, on an annual basis, each EDC would conduct a rolling ten-year assessment of its distribution system. As a baseline, the assessment would identify system upgrades to accommodate forecast load growth and DG facility interconnection. The assessment would identify parallel upgrades that may be installed or expanded as part of a cost-effective solution that enables the interconnection of additional capacity beyond currently proposed DG facilities. The Department indicated that it would establish planning criteria, informed by stakeholders, for the distribution system assessment.

As such, the Department requests that the EDCs develop system planning analysis proposals to implement the distribution system assessment process, for submission to the Department **no later than close of business, 5:00 p.m., April 23, 2021**. Interested stakeholders may file **comments in response to the proposals no later than May 7, 2021** and **reply comments may be filed no later than May 14, 2021**. When developing system planning analysis proposals, the EDCs shall take into consideration the initial and reply comments already filed in this docket, and include, at a minimum, the following criteria.

- i. Defined scope of analysis;
- ii. Analysis for distribution and transmission level upgrades;
- iii. Procedural steps that the EDC will take internally to implement the proposal;

- iv. How the analysis will consider the Commonwealth's clean energy and climate policy objectives, including climate change mitigation, adaptation, and resilience;
- v. Stakeholder participation; and
- vi. Timeline for implementation.

IV. PROVISIONAL SYSTEM PLANNING PROGRAM INFORMATION REQUESTS

The Department has heard from stakeholders and the EDCs that there is a significant amount of DG seeking to interconnect to the EDCs' electric power systems in the Commonwealth that will likely withdraw from the interconnection process due to anticipated high interconnection costs under the currently applied cost causation methodology. We understand that, within the next year, the EDCs will present a large portion of the DG currently in the queue with costs to interconnect and that those interconnecting customers will be asked to make a determination on whether to execute an interconnection service agreement based on a commitment to pay the associated costs. In this docket, the Department is investigating the establishment of a long-term system planning process. If established, the Department expects that it will take 1-3 years before the first system planning proposals are developed and submitted by the EDCs, and are reviewed and approved by the Department. As such, the Department seeks additional information to determine whether it should consider a provisional system planning program to address imminent DG interconnection cost allocation concerns. We seek initial information from the EDCs; also, we provide stakeholders an opportunity to respond to that information. Enclosed are information

requests to the EDCs, Attachment A, and to stakeholders, Attachment B. For efficiency and to expedite the process, parties are to provide only information in response to the Department's specific questions.

V. PROCEDURAL MATTERS

When submitting written comments, all documents must be submitted to the Department in **pdf format** by e-mail attachment to dpu.efiling@mass.gov, and katie.zilgme@mass.gov. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 20-75); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. All documents submitted in electronic format will be posted on the Department's website as soon as practicable at <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (insert 20-75). To the extent a person or entity wishes to submit comments in accordance with this memorandum, electronic submission, as detailed above, is sufficient. To request materials in accessible formats (Braille, large print, electronic files, audio format) for people with disabilities contact Department's ADA coordinator at DPUADACoordinator@state.ma.us.

For further information regarding this memorandum or to request addition to or removal from the electronic distribution list, please contact Katie Zilgme at katie.zilgme@mass.gov.