

396 HAYES STREET, SAN FRANCISCO, CA 94102 T: (415) 552-7272 F: (415) 552-5816 www.smwlaw.com LAURA D. BEATON Attorney Beaton@smwlaw.com

May 21, 2021

Katie Zilgme Department of Public Utilities One South Station, 5th Floor Boston, MA 02110 Email: <u>katie.zilgme@mass.gov</u>

Re: D.P.U. 20-75 Interstate Renewable Energy Council, Inc.'s Response to DPU Stakeholders-2-1

Dear Hearing Officer Zilgme:

Please find enclosed the Interstate Renewable Energy Council, Inc.'s responses to the Information Request Stakeholders-2-1. We are submitting this response in electronic format only, but can provide paper copies if requested. Please contact me if you need any further information regarding this response.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP

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Laura D. Beaton

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D.P.U. 20-75 Interstate Renewable Energy Council, Inc. Information Request DPU Stakeholders-2-1 H.O.: Katie Zilgme May 21, 2021

Information Request DPU Stakeholders-2-1:

Refer to National Grid's response to EDC-1, at 8-9. Please provide your perspective on National Grid's proposal to allocate up to 40 percent of the DG interconnection costs as system benefits to all customers.

Interstate Renewable Energy Council (IREC) Response:

At this stage, without quantitative analysis and more data, IREC is not able to state whether "up to 40 percent" is a reasonable allocation of costs as system benefits to all customers. However, Capital Investment Projects (CIPs) will almost certainly result in benefits not just to individual interconnection customers, but also in some measurable benefit to ratepayers and the Commonwealth. It is thus appropriate for cost allocation to reflect those benefits. As IREC noted in our initial comments, such benefits may include enabling capacity for future electrification, as well as supporting Massachusetts' clean energy and climate change avoidance goals.

In assessing the appropriate allocation of costs, the Department should consider several factors, including: benefits such as those National Grid lists on p. 9 of the Company's response to EDC-1(f), whether any of the proposed upgrades would have been necessary under business-as-usual as part of traditional grid management, and a reasonable accounting for societal benefits not already reflected in customer rates (e.g., greenhouse gas emissions) that would accrue to ratepayers and the Commonwealth and not just individual interconnection customers.

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