

# The Commonwealth of Massachusetts

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## DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 20-75-A

May 21, 2021

Investigation by the Department of Public Utilities on its Own Motion into Electric Distribution Companies' (1) Distributed Energy Resource Planning and (2) Assignment and Recovery of Costs for the Interconnection of Distributed Generation.

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### ORDER ON INTERCONNECTION SERVICE AGREEMENT TIMELINE

## I. INTRODUCTION AND BACKGROUND

On October 22, 2020, the Department of Public Utilities (“Department”) opened this inquiry to investigate electric distribution companies’ (“Distribution Companies”)<sup>1</sup> (1) distributed energy resource planning and (2) assignment and recovery of costs for the interconnection of distributed generation (“DG”) to a Distribution Company’s electric power system, pursuant to its ratemaking authority under G.L. c. 164, § 94 and its superintendence authority under G.L. c. 164, § 76. Distributed Energy Resource Planning and Cost Assignment, D.P.U. 20-75 (2020). The Department is assessing optimal solutions for the interconnection of DG facilities taking a long-term planning perspective. D.P.U. 20-75, at 2. In opening this inquiry, the Department issued a straw proposal that outlined distributed energy resource (“DER”) planning requirements and a common system modification fee. 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 are the key elements of the Distribution Companies’ system planning analysis to develop capital investment project proposals; and
- (3) Whether the Department should establish a provisional system planning program to address imminent DG interconnection concerns.

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<sup>1</sup> The Distribution Companies are Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”), NSTAR Electric Company d/b/a Eversource Energy (“Eversource”), and Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid (“National Grid”).

D.P.U. 20-75, Att. A at 12-16. The Department has received initial and reply comments from stakeholders throughout this proceeding.

On March 23, 2021, the Department issued a Hearing Officer Memorandum seeking information from the Distribution Companies and the non-Distribution Company participants in this proceeding, regarding impending transmission and distribution impact study results and the associated costs (Hearing Officer Memorandum at 4-5 (March 23, 2021)).

Eversource and National Grid anticipate that the costs to interconnect in the next 1-1.5 years that are significantly higher than historical costs for a large portion of DG currently in the interconnection queue (Eversource Response EDC-1(a); National Grid Response EDC-1(a)).

Eversource and National Grid indicated that the impacted projects are part of group distribution impact studies pursuant to Standards for Interconnection of Distributed Generation Tariff (“DG Interconnection Tariff”),<sup>2</sup> § 3.4.1 (“Group Study”).<sup>3</sup> Eversource

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<sup>2</sup> The DG Interconnection Tariffs are: Fitchburg Gas and Electric Light Company d/b/a Unitil, M.D.P.U. No. 269; Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, M.D.P.U. No. 1320; and NSTAR Electric Company d/b/a Eversource Energy, M.D.P.U. No. 55.

<sup>3</sup> On October 15, 2020, the Department approved revisions to the group study process under the DG Interconnection Tariff. Proposed Revision to Section 3.4.1 of Standards for Interconnection of Distributed Generation Tariff, D.P.U. 17-164-A (2020). These revisions are to Section 1.2 (Definitions) and Section 3.4.1 (Group Study Process) of the DG Interconnection Tariff (D.P.U. 17-164, Distribution Companies’ Revised Compliance Filing, Exhibit JDT-2, referred to herein as “Exhibit JDT-2”). The Department has not yet directed the Distribution Companies to perform the ministerial act of filing company-specific compliance DG Interconnection Tariffs in Petitions of Electric Distribution Companies to Revise Standards for Interconnection of Distributed Generation Tariff Pursuant to

and National Grid will notify project developers in the interconnection queue of the projected costs within the next few months (Eversource Response EDC-1(a); National Grid Response EDC-1(a)). Specifically, Eversource states that it anticipates completion of distribution and transmission (if applicable) impact studies for several of these groups in June and August of 2021 (Eversource Response EDC-1).<sup>4</sup> Based on stakeholder feedback, the Department understands that there is a significant amount of DG in Eversource's and National Grid's respective interconnection queues that will likely withdraw from the interconnection process prior to executing an interconnection service agreement ("ISA") due to anticipated high interconnection costs under the currently applied cost causation methodology<sup>5</sup> (Eversource Responses EDC-1(a); EDC-3; National Grid Responses EDC-1(a); EDC-3; see also Responses to Stakeholder-2).<sup>6</sup>

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D.P.U. 19-55, D.P.U. 20-63. For purposes of the group study process, the revisions to Section 1.2 and Section 3.4.1 of the DG Interconnection Tariff approved in Exhibit JDT-2 are currently effective prior to filing of company-specific compliance DG Interconnection Tariffs.

- <sup>4</sup> These customers include those involved in the following Group Studies in Eversource's service territory: Freetown, Dartmouth-Westport, New Bedford, and Plainfield-Blandford ("Affected Interconnecting Customers") (Eversource Response EDC-1).
- <sup>5</sup> Under the cost causation methodology, the entity responsible for cost to be incurred is responsible for payment of the costs (cost responsibility follows cost incurrence). D.P.U. 20-75, at 2.
- <sup>6</sup> Unitil states that it does not have any applications or groups of applications in process that are expected to result in interconnection costs in the next 1-1.5 years that are significantly higher than have been historically presented (Unitil Response EDC-1).

Under the revised group study process under the DG Interconnection Tariff, upon completion of a group study, the Distribution Company presents the study results to the group and each group member has 15 days to determine whether it will proceed in the interconnection process (“Notice Period”) (Exh. JDT-2, § 3.4.1(i)). Provided that the group membership does not change during the Notice Period, the Distribution Company sends an executable ISA to each group member:

- (a) within 15 calendar days of the end of the Notice Period if the group has three or fewer interconnection applications;
- (b) within 25 calendar days if the group has over three but five or fewer interconnection applications; and
- (c) within 35 calendar days if the group has more than five interconnection applications

(Exh. JDT-2, § 3.4.1(i)). An interconnecting customer has 20 business days to execute an ISA following receipt from a Distribution Company or its interconnection application will be considered withdrawn, and the interconnecting customer would need to reapply for interconnection. DG Interconnection Tariff, § 3.6.2.

## II. ANALYSIS AND FINDINGS

Through this investigation, the Department is considering the establishment of a long-term system planning process. If established, we expect that it will take one to three years before the first system planning proposals are developed and submitted by the Distribution Companies and are reviewed and acted on by the Department. Accordingly, we are also considering a provisional system planning program to address imminent DG interconnection cost allocation concerns.

Eversource anticipates completion of the distribution and transmission (if applicable) impact studies for Affected Interconnecting Customers in June and August of this year (Eversource Response EDC-1(a)). Since the Department cannot know when it will have sufficient information to complete its investigation into the possible establishment of a provisional system planning program, there is a possibility that some Affected Interconnecting Customers could be asked to determine whether to move forward with the interconnection process without knowing whether their process might be affected by a provisional system planning program.

In the interests of equitable treatment for the Affected Interconnecting Customers, the Department finds that the Notice Period for Affected Interconnecting Customers shall be extended for 90 calendar days<sup>7</sup> or until further resolution is found through this investigation, whichever is later, or as otherwise directed by the Department.

National Grid has similarly identified group study regions where costs borne by interconnecting customers are likely to be significantly higher than historical costs (National Grid Response EDC-1). For these groups, National Grid estimates completion of transmission and distribution studies primarily in spring and summer 2022, with one set of studies estimated for completion in winter 2021 (National Grid Response EDC-1). Based on this timing for the estimated completion of the transmission and distribution studies, we find

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<sup>7</sup> That is, after a Distribution Company presents group study results to the group, each group member has 90 calendar days to determine whether it will proceed in the interconnection process.

that it is not necessary, at this time, to apply the ISA extension period set forth above to National Grid. Also, based on Unitil's representation that it does not have any applications or groups of applications in process that are expected to experience interconnection costs in the next 1-1.5 years that are significantly higher than historical costs, we find that it is not necessary, at this time, to apply the ISA extension period set forth above to Unitil.

To allow the Department to continue its evaluation of the extension period set forth above, Eversource, National Grid, and Unitil shall, consistent with Information Requests Instruction Number 4, continue to amend their respective responses to EDC-1 as soon as practicable if additional or more complete information becomes available (see Instructions for First Set of Information Requests to Distribution Companies).

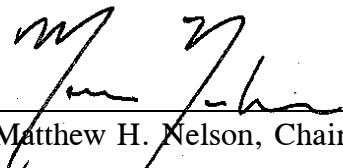
### III. ORDER

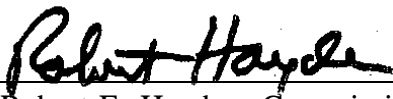
Accordingly, after due consideration, it is

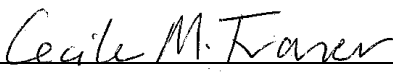
ORDERED: That NSTAR Electric Company d/b/a Eversource shall extend, as provided herein, the period after receipt of a group study for a member of a group study as identified herein to notify the Company of the group study member's wish to proceed through the remainder of the interconnection process; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unitil, NSTAR Electric Company d/b/a Eversource Energy, and Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid shall comply with all directives contained in this Order.

By Order of the Department,

  
Matthew H. Nelson, Chair

  
Robert E. Hayden, Commissioner

  
Cecile M. Fraser, Commissioner



An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.