

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

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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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D.P.U. 20-75

**RESPONSES OF THE NORTHEAST CLEAN ENERGY COUNCIL AND  
THE COALITION FOR COMMUNITY SOLAR ACCESS TO THE SECOND SET  
OF INFORMATION REQUESTS OF THE DEPARTMENT OF PUBLIC  
UTILITIES TO THE D.P.U. 20-75 ELECTRONIC DISTRIBUTION LIST**

Respectfully submitted,

NORTHEAST CLEAN ENERGY  
COUNCIL, INC.

COALITION FOR COMMUNITY  
SOLAR ACCESS

Dated: MAY 21, 2021

### **Request: 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.

### **Response:**

The Northeast Clean Energy Council ("NECEC") and the Coalition for Community Solar Access ("CCSA") greatly appreciate the proposals of National Grid and other EDCs that recognize the system wide benefits that system modifications can bring to the distribution system. As a general matter, we agree with the principles that underlie National Grid's proposal in its response to EDC-1. Moreover, as highlighted in NECEC's February 28, 2020 Cost Allocation proposal in DPU 19-55, we support substantial cost allocation to all customers in recognition of the broad benefits that system modifications deliver including, but not limited to, increased reliability and resilience, the replacement of aging equipment, the interconnection of clean energy resources that support the overall clean energy and climate goals of the Commonwealth, and pollution reduction.

In addition to allocating a portion of distribution costs to all customers, we note that modifications and improvements to the transmission system provide even wider system benefits. As such, we reiterate our support for allocating all transmission modification costs to all customers to reflect the broad benefits that transmission upgrades will deliver.

As noted in NECEC and CCSA's response to Stakeholder-1, under the cost allocation strategies advanced by Eversource and National Grid, the costs assigned to group study projects would drop significantly -- to between \$340 - \$1,031/kW for Eversource and between \$420 and \$977/kW for National Grid.<sup>1</sup> This represents an important closing of the financial viability gap for group study projects; however, even under the information supplied by Eversource and National Grid, these figures are still high enough that these two EDCs infer such costs to be "a financial barrier for many proposed DER facilities."<sup>2</sup> Our members generally agree that the level of interconnection costs that would result from the proposed cost allocation methodologies of the Department or the EDCs would still be cost prohibitive. It is also important to note that project size is a significant variable in understanding the level of interconnection costs a specific project can bear. Some 5MW projects may, under optimal circumstances, be able to bear costs that approach \$300/kW;<sup>3</sup> however, smaller projects face different economics such that the Department may want to consider instituting a sliding scale to cap interconnection costs at a level that continues to send an economic signal to developers and allows projects to move forward. Instituting such a threshold will also stimulate development in Capital

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<sup>1</sup> See National Grid Attachment EDC 1-1.

<sup>2</sup> See Eversource Response to EDC-3.

<sup>3</sup> NECEC proposed a \$1.5M cap on interconnection costs for 5MW projects in its February 28, 2020 Cost Allocation Proposal, at 20.

Improvement Projects and reduce any lag associated with the subscription of \$/kW fees from future DG projects.

The estimates provided by Eversource and National Grid regarding the cost of group study-based upgrades or comprehensive system planning-based to be allocated to DER's clearly show that the scope of upgrades and the resulting costs greatly exceed historic financially viable interconnection cost levels. The information that the EDCs have provided is important because it shows that while the Department's cost allocation and system planning proposal is an improvement over the status quo, the resulting cost allocations are still prohibitive and may adversely impact the continued successful development and deployment of DERs consistent with the Commonwealth's overall policy objectives.

The EDCs have highlighted several significant benefits associated with improvements to their systems that, while triggered by the pending Group Studies, enable the future vision contemplated in MA DPU 20-75 and for the Commonwealth. Consequently, NECEC, and CCSA encourage the Department to revisit NECEC's cost allocation proposal, which assigns no more than 30%, or \$300 per kilowatt, of shared distribution upgrade costs to DER. Importantly, this approach reflects allocation of distribution costs consistent with history (when upgrades were made largely within the limits of the existing system) and does not saddle DER (or any subset of users) with rebuilding the distribution system to serve the future needs of all users of the system; all transmission upgrades would be allocated to broadly to all customers. For both a provisional program and a long-term solution to cost allocation, NECEC and CCSA encourage the Department to adopt a more expansive methodology that focuses allocating the cost to the broadest set of beneficiaries, while providing structures, either incentives or planning, that result in DERs being sited efficiently, minimizing costs and maximizing benefits across all distribution system users.

**Request: Stakeholders-2-2**

Refer to Stakeholder responses to Stakeholder-4, which include recommendations for a 30-to-45-day Department review of an EDC's provisional system planning program proposal. Refer to (a) G.L. c. 30A, §§ 1(1), 10, 11, 12; and (b) 220 CMR 1.00.

Considering the interests and issues involved in the review of an EDC's provisional system planning program proposal, the Department may be required to conduct the reviews of these proposals through an adjudicatory proceeding, which includes notice, intervention, discovery on petitioner's filing, opportunity for intervenors to file direct cases, discovery on intervenors' cases, opportunity to present rebuttal testimony, evidentiary hearings, briefs (initial and reply). Assume you are a party to an adjudicatory proceeding to review an EDC's provisional system planning program proposal, identify the time period you would request for each of these procedural steps.

**Response:**

NECEC and CCSA recognize that the Department must conduct any review of a provisional system planning proposal in accordance with Chapter 30A of the General Laws, providing due process to all parties to any adjudicatory proceeding. In addition, we recognize that the Department must make deliberate and reasoned decisions that require adequate time for analysis and conclusions. In this context, we believe that the Department should nevertheless set an aggressive schedule, within the bounds of due process and statutory requirements, that accelerates the process and finds efficiencies to the maximum extent possible.

There are several ways to achieve this goal. First, we recommend that the Department direct each EDC to make its provisional plan filings simultaneously with the completion of Group Study results to accelerate review of each plan. In addition, the Department should consider how to direct the EDCs on the template, form, and content of the provisional plans to accelerate the review of the provisional plans by the stakeholders involved.

Upon commencement of each adjudicatory proceeding, we recommend the following schedule, commencing with Notice of the proceeding. Notice is designated at "N" and is the point in time to which all pre-Decision steps are indexed in the proceeding. The Department's Order in the Adjudicatory Proceeding is designated at "D". All other time periods are indicated by "N + a designated period" or "D+ a designated period" (e.g., N+10 business days).

<b>Procedural Step</b>	<b>Timing</b>
Group Study Complete	N – 5 Business Days
EDC Filing of Provisional System Plan (per Group)	N – 5 Business Days
Notice	“N”
Intervention	N + 10 Business Days
Discovery on petitioner’s filing	N + 25 Business Days
Opportunity for intervenors to file direct cases: business days	N+35 Business Days
Discovery on intervenors’ cases, opportunity to present rebuttal testimony	N+45 Business Days
Evidentiary Hearings (2 days of hearings)	N + 55 Business Days
Parties to submit simultaneous Initial Briefs	N + 65 Business Days
Parties to submit simultaneous Reply briefs	N + 72 Business Days
Department Order	“D”
EDC to amend Group Study results and fees (as applicable)	D + 10 Business Days

Request: Stakeholders-2-3

Refer to your response to Stakeholders-2-2. Explain how such a process would affect your decision to move forward with your DG project.

- a) Provide a response based on an adjudicatory proceeding timeline of 3 months;
- b) Provide a response based on an adjudicatory proceeding timeline of 6 months;
- and
- c) Provide a response based on an adjudicatory proceeding timeline of 9 months.

Response.

DG projects pending within National Grid and Eversource Group Studies have been in the queue since 2018-2019, however members acknowledge that a robust and concise regulatory process is warranted to review the provisional plans. Decisions to move forward are likely to be project specific and dependent on a variety of factors including continued development expenses, landowner and customer commitments, and forecasted costs and timelines to interconnect. Additionally, Group Study Participants will likely consider additional legal and technical expenses to participate in the adjudicatory proceeding as a factor in decision-making. As indicated in response to question Stakeholder 2-2, NECEC believes this process can be accomplished in less than 9 months.