

May 21, 2021

Mark D. Marini, Secretary
Department of Public Utilities
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D.P.U. 20-75 Attachment B-IRs to Stakeholders

Dear Secretary Marini,

Nexamp, Inc. appreciates the collaborative process that the Department of Public Utilities (DPU) has developed in the 19-55, 20-75 and related dockets and Hearing Officer Memorandum issued on March 23, 2021. Nexamp was founded in Massachusetts over a decade ago. Since that time, we have evolved from a small residential solar installer to a vertically integrated clean energy company, developing solar and storage projects. As a vertically integrated solutions provider that owns and operates projects throughout their useful life, Nexamp has a vested interest in ushering in the next era of grid integration and decarbonization.

The Climate law passed in Massachusetts increases the urgency of long-term capital investments to achieve net-zero emissions. We support a provisional system planning program to ensure that the hundreds of megawatts of clean renewable energy is not stalled from contributing to the Commonwealth's clean energy goals and provide a near-term opportunity to deploy the needed infrastructure to decarbonize and modernize the electric system.

Please find Nexamp's responses to Information Requests 2-1, 2-2, and 2-3 below.

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.

Nexamp agrees with National Grid's perspective that upgrade costs resulting in benefits to the distribution and transmission system should be shared broadly and equitably across beneficiaries. While the proposed 40% allocation of distribution infrastructure is an admirable start, the methodology falls a bit short of what is required to maintain financially viable projects in the Commonwealth. When considering the benefits of high-and-low side transmission and distribution upgrades, it is most prudent that these costs be born across all beneficiaries in the same way as reliability upgrades. Upgrades to these systems provide a more robust grid for all users of the bulk electric system and as such costs should be shared accordingly. In fact, National Grid seems to agree with this premise as they state in response to EDC-1 "*Substation equipment will be used in a mutual benefit manner, more so than other distribution assets, and transmission equipment more so than substation assets.*" Consequently, the \$380M of incremental proposed costs for transmission upgrades outlined in National Grid EDC-1 should be included in the cost allocation framework.

The information shared by the EDCs in IRs 1-5 encompasses an important set of data points that showcase the substantial amount of investment required to upgrade Massachusetts' electric grid. The grid was built and historically maintained for a starkly different reality than we are facing today. The Commonwealth's 2050 Decarbonization Roadmap and "An Act Creating a Next Generation Roadmap for Massachusetts Climate Policy," signed into law this spring, set in motion a path to reach net zero emissions by 2050. Distributed generation plays a key role in the solutions outlined within the Roadmap. If the Commonwealth desires to move towards a resilient grid centered on deep decarbonization and variable renewable resources, correcting the outdated cost allocation method is essential to reaching that goal. There must be a clearer understanding of the true beneficiaries of grid upgrades and how these upgrades can be leveraged to the benefit of all the Commonwealth's businesses and citizens. The EDC's proposals start us on the path to correcting this historical imbalance. Nexamp fully believes that with additional analysis and dialogue via the 20-75 proceeding, stakeholders, along with the DPU, will create a viable and equitable solution.

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.

As a whole, the timelines of each of the adjudicatory proceeding steps should be completed in the least practicable time. Enough time should be granted in each step for parties to submit informed filings and discovery but not so much time that the docket ultimately languishes. Using the example of a recent docket, 19-80, Eversource's approval to construct and operate a new overhead transmission line, the proceeding (from Eversource's Initial Filing to the Final Order) lasted approximately 18 months. Parties involved in docket 20-75, namely DG development companies along with NECEC and CCSA, have communicated clearly that we require swift resolution for projects currently in queue. If we use docket 19-80 as an example of an adjudicatory proceedings' average time frame, 18 months is far too long to wait for required resolution on cost allocation. Nexamp strongly encourages the DPU and all parties to cooperate in expediting the 20-75 proceeding in all ways that are reasonable and available to the DPU.

In order to facilitate an expedited proceeding, the Department should direct the EDCs on the content, format and goals of their provisional plans. The DPU should seek to proactively eliminate as much inconsistency between the EDC's plans as is feasible. A streamlined set of expectations will present an ease of examination for stakeholders and clarity in drafting for the EDCs.

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.

Please refer to response 2-2 for a holistic perspective on the proceeding's timeline. While Nexamp urges an accelerated proceeding, a balance must be struck between speed and the need for a robust evidentiary process required for an appropriate outcome. Each individual project has its own time value of money sensitivities. Considering that there are projects in the queue from as far back as in 2018, there are likely projects that are much more time-sensitive than others. As an example, a project delay of 3



years presents multiple high risk factors to project viability such as: land rights, permitting, off-taker status and programmatic qualifications. These same factors remain low-to-medium risk in a 12-18 month delay scenario. Ultimately, a robust cost allocation solution is necessary and Nexamp fully believes that stakeholders can and should craft a solution in a time frame of 9 months or less.

Respectfully,

A handwritten signature in black ink that reads "Jenna Warmuth".

Jenna Warmuth / *she, her, hers*
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