

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

Investigation by the Department of Public Utilities)	
On Its Own Motion Into Electric Distribution Companies')	
(1) Distributed Energy Resource Planning and)	D.P.U. 20-75
(2) Assignment and Recovery of Costs for the)	
Interconnection of Distributed Generation)	

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY d/b/a UNITIL
REPLY COMMENTS ON SYSTEM PLANNING ANALYSIS PROPOSAL**

I. Introduction

In a Hearing Officer Memorandum dated March 23, 2021, the Department requested that the Massachusetts Electric Distribution Companies (“EDCs”) develop and submit system planning analysis proposals to implement the distribution system assessment process by April 23, 2021. Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil” or the “Company”) submitted its System Planning Analysis Proposal on April 23, 2021 as requested. The other EDCs also made timely submissions. On May 28, 2021, the Department received comments on the EDC Proposals from the Office of the Attorney General (“AGO”), the Department of Energy Resources (“DOER”), the Interstate Renewable Energy Council (“IREC”), the Solar Energy Business Association of New England (“SEBANE”), the Northeast Clean Energy Council and Coalition for Community Solar Access, Pope Energy, and Zero Point Development.

Unitil hereby submits Reply Comments in connection with the Company’s System Planning Analysis Proposal submitted on April 23, 2021. The Company notes that it has not endeavored to respond to every comment or proposal with which it is not in agreement. Unitil’s

silence in these Reply Comments on any particular issue should not be interpreted as assent to or agreement with any such comment or proposal.

II. Stakeholder Engagement Process

Several commenters address the need for comprehensive and meaningful stakeholder involvement in the EDCs' system planning analysis processes. Unitil agrees that stakeholders should play an integral role in the Company's planning process, and that there is mutual benefit in the exchange of planning and forecast information and external feedback. However, several commenters suggest that the EDC's stakeholder engagement initiatives are insufficient. For example, the AGO believes "[t]he extent to which stakeholder involvement is limited in designing these system plans is disappointing," and that stakeholders should be able to "offer solutions, including technical information." AGO Comments at 5. Similarly, the DOER "believes that the proposed process does not provide sufficient opportunities for input from stakeholders to improve the long-term system planning process over time." DOER Comments at 3. Unitil respectfully disagrees. In its System Planning Analysis Proposal, as well as in comments provided earlier in this Docket, Unitil detailed a multi-stage engagement process that affords stakeholders numerous opportunities to provide input and offer solutions to the Company.

The Company's System Planning Analysis Proposal includes a three-stage annual forecasting and planning process that incorporates robust and meaningful stakeholder participation at each stage. Unitil System Planning Analysis at 8-9, Unitil Reply Comments at 2-4, Attachment 1. In the initial stage, the Company will define the area to be studied, identify circuits to be studied, and present its DER forecast. Stakeholders will have an opportunity to provide input regarding the scope of the study and the DER forecast, and present plans of

developing DER that may not have been known at the time the Company completed its forecast. Stakeholder input at this early stage enables the Company to make appropriate adjustments to its forecast and planning model.

At the second stage, Unitil will present the results of its planning process, including any identified constraints and recommended projects to alleviate those constraints. Stakeholder subject matter experts will have an opportunity to provide input on the Company's proposals and recommend reasonable alternative solutions for the Company's evaluation. Following Unitil's evaluation of all potential solutions, the Company will present final recommendations and associated costs to stakeholders in the third stage of the process. It is only after this extended planning process, which incorporates opportunities for stakeholder input at each stage, that the Company will make its final recommendations to the Department.

While Unitil agrees that stakeholder input is helpful in aligning the objectives of the stakeholder group with the operational needs of the Company, stakeholders must also recognize that the EDCs bear the responsibility for planning and operating a safe and reliable electric distribution system for the benefit of all customers. System reliability cannot be compromised, and any alternate solution proposed for evaluation by the Company must be designed with the same degree of availability, reliability, capacity, and lifespan when compared to traditional solutions. To the extent that any mitigation solutions are proposed, including Non-Wires Alternatives, they must be available when called upon in order to be relied upon for system planning. Ultimately, it is the EDCs that must leverage their respective system planning criteria to evaluate and select the appropriate projects for the purposes of serving load and interconnected generation.

Unitil believes that any stakeholder engagement process should be focused, efficient, and allow for the exchange and evaluation of information and ideas among the EDCs and stakeholders while adhering to the system planning analysis timeline. The size and scope of the process must be reasonable and manageable. An unduly large and complex process will strain resources and likely delay implementation of system improvements required to support DER integration and system reliability. Several commenters have advocated for the use of a third party facilitator in the stakeholder engagement process. See, e.g., IREC Comments at 12-13; SEBANE Comments at 3. Unitil does not object to the concept of a facilitator to advise and provide direction to the EDCs and stakeholders. To the extent that a facilitator is incorporated into the stakeholder engagement process, Unitil believes that the process for selecting and utilizing a facilitator in DPU 20-80 provides a successful and instructive model.

III. System Planning and Load Forecasting

a. Planning and Forecasting for Electrification and Other Inputs

The AGO and other commenters advocate for a “comprehensive” system planning process that evolve[s] to include all potential system-related issues,” including, *inter alia*, grid modernization investment plans, performance-based rates,¹ three-year energy efficiency plans, the Future of Gas, state and local policy objectives, and environmental justice community impacts. In the AGO’s view, the EDCs’ System Planning Analysis Proposals “leans heavily on interconnecting DER” and should instead consider all of the aforementioned issues. The AGO also argues that the EDCs should account for load growth related to electrification in forecasting using “firm calculations,” and specifically criticizes Unitil for not doing so. AGO Comments at 4, 5; see also IREC Comments at 5.

¹ Unitil does not currently provide service under performance based rates.

Unitil agrees that system forecasting and planning should, over time, incorporate additional inputs such as electric vehicle adoption and heat electrification. Unitil Initial Comments at 6 (December 23, 2020). However, the Company’s experience within our service territory suggests that growth and electrification are not moving at the same pace. DG technology is more widely available and adopted than electrification technology at this time, providing for greater certainty in the DG forecast as compared to the electrification load forecast. It is essential that any load forecasting be accurate to ensure that the Company’s electric distribution system is properly planned and constructed to accommodate DG interconnections. In this docket, the Department expressly limited its request for system analysis proposals to those that will accommodate the interconnection of DG: “For purposes of the Straw Proposal, the distributed energy resource planning requirements apply only to Facilities subject to the DG Interconnection Tariff (including energy storage systems) and not to other distributed energy resources.” Straw Proposal at 5. The Department noted that it expects that the process could be expanded *in the future* to include consideration of other distributed energy resources. *Id.* The Company believes that its System Planning Analysis Proposal should be evaluated within the limited context established by the Straw Proposal.

b. Metrics and Reporting

DOER proposes that the Department, “[t]o ensure standardization of and transparency in using the data that supports future distribution upgrades, . . . require the Companies to establish objectives, metrics, and evaluation reports to measure and report on their successes in meeting System Plan objectives.” DOER Comments at 4. Metrics proposed by DOER include “cost savings achieved through deferral and avoidance of upgrades through mitigation rather than capital investment, as well as expanded hosting capacity and rate of capacity addition.” *Id.* Unitil

agrees that transparency is an important objective, but does not agree that the EDCs should be subject to metrics and reporting obligations in connection with system planning to facilitate increased DG interconnection. See Unitil Reply Comments at 5 (February 5, 2021) (recommending against the development of performance metrics in connection with Capital Investment Project [“CIP”] investments). The EDCs have no control over third parties seeking to interconnect to their respective systems. *Id.* The DOER’s proposed metrics and reporting obligations are unnecessary in light of existing controls and the stakeholder engagement process, and will only serve to burden Company personnel and strain resources.

As explained above, stakeholders will have opportunities throughout the system planning process to review the Company’s forecasts and planning recommendations, offer directional input, and propose alternative solutions, including mitigation solutions. This process will ensure that selected CIP projects are necessary, locationally appropriate, and sized correctly based upon the information available to the EDC at the time of planning. Moreover, under the Straw Proposal framework, CIPs proposed by an EDC “would be eligible for consideration of cost recovery” through a reconciling charge and CIP fees, but must receive pre-approval for cost recovery before commencing. Unitil Reply Comments at 5 (citing Straw Proposal at 5). In other words, transparency and control are built into the Straw Proposal and the Company’s System Planning Analysis Proposal, and the Company should not be burdened by unnecessary reporting and potentially unfair or misleading metrics.

c. Modeling

IREC asserts that modeling of DG and other DER resources “should accurately capture real-world DER impacts,” and suggests existing models include assumptions that overstate negative DER impacts and understate DER benefits. IREC Comments at 6. IREC is critical of

Unitil's approach to modeling minimum load, and specifically takes issue with modeling solar DG output at 100% of nameplate capacity during daytime minimum load. Id. As an alternative, IREC believes that the Department should require EDCs to "account for seasonal variation in DG output when modeling for daytime minimum load impacts and to use realistic assumptions instead of defaulting to an unrealistic and likely impossible 'worst case' scenario." Id.

As stated above and elsewhere, the EDCs have a fundamental responsibility to plan, operate, and maintain a safe and reliable distribution system to deliver electric service to customers. IREC's comments ignore the fact that EDCs do not control generation from DG, nor do they control the charging or discharging of other third-party owned DER resources such as storage. Absent utility control over these resources, a utility must plan its system using an approach that considers the resource's maximum output onto the system. Regardless of likelihood of a generator reaching maximum output – i.e., whether or not it is a "worst case scenario" - it is very much a probability and must therefore be addressed in the Company's system planning.

IREC also takes issue with Eversource's peak load model, which assumes that only 10% of DG nameplate capacity is available to serve local demand during peak load periods. Id. at 8. IREC believes this assumption "likely" understates the load-reducing benefit of DG. Id. Unitil's peak load occurs at 7:00 – 8:00 p.m., when solar PV output is low. In the Company's experience, the assumption that only 10% of DG nameplate capacity will be available during peak load is reasonable and accurate.

IV. Conclusion

Unitil appreciates the opportunity to provide reply comments and looks forward to working collaboratively with the Department and other stakeholders in this Docket.

Respectfully submitted,

Fitchburg Gas and Electric Light Company d/b/a Unitil

By its counsel,

A handwritten signature in black ink, appearing to read 'P. H. Taylor', with a long horizontal flourish extending to the right.

Patrick H. Taylor (BBO# 663958)

Senior Counsel

Unitil Service Corp

6 Liberty Lane West

Hampton, NH 03842-1704

taylorp@unitil.com

(603) 773-6544

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