

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 20-75-C

September 12, 2022

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

ORDER CLOSING INVESTIGATION OF LONG-TERM SYSTEM PLANNING PROGRAM

On October 22, 2020, the Department of Public Utilities (“Department”) opened this inquiry, pursuant to its ratemaking authority under G.L. c. 164, § 94 and its superintendence authority under G.L. c. 164, § 76, to investigate electric distribution companies’ (“Distribution Companies”)¹ (1) distributed energy resource planning and (2) assignment and recovery of costs for the interconnection of distributed generation to a Distribution Company’s electric power system. Distributed Energy Resource Planning and Cost Assignment, D.P.U. 20-75 (2020). In opening this inquiry, the Department issued a straw proposal that outlined distributed energy resource (“DER”) planning requirements, a modified cost allocation methodology for both Interconnecting Customers² and ratepayers, and possible common system modification fee structures for different types of facilities. D.P.U. 20-75, Att. A. The goal of the proceeding was to develop optimal solutions for enhancing system planning to meet the Commonwealths energy and climate goals while ensuring a safe, reliable, and affordable electric distribution system. Specifically, the Department was concerned about deploying and interconnecting distributed generation facilities in an effective and timely manner.

To date, the Department has received multiple rounds of comments from stakeholders, and the Distribution Companies and non-distribution company stakeholders in this proceeding

¹ 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”).

² The term “Interconnecting Customer” means the entity that owns and/or operates the DG facility proposing to interconnect or interconnected to a Distribution Company’s EPS, with legal authority to enter into agreements regarding the construction or operation of the facility. DG Interconnection Tariff, § 1.2 (Definitions).

have responded to several rounds of discovery. In addition, the Department held technical conferences and issued an Order on interconnection agreement timelines, as well as an Order establishing a new, provisional framework for planning and funding essential upgrades to the electric power system to foster timely and cost-effective development and interconnection of distributed generation. See Order on Interconnection Service Agreement Timeline, D.P.U. 20-75-A (2021); Order on Provisional System Planning Program, D.P.U. 20-75-B (2021).

Recently, the Legislature enacted An Act Driving Clean Energy and Offshore Wind, St. 2022, c. 179 (the “Act”). The Act establishes a new process and requirements for long-term electric system planning. Specifically, each Distribution Company must develop an electric-sector modernization plan to (i) improve grid reliability, communications and resiliency; (ii) enable increased, timely adoption of renewable energy and distributed energy resources; (iii) promote energy storage and electrification technologies necessary to decarbonize the environment and economy; (iv) prepare for future climate-driven impacts on the transmission and distribution systems; (v) accommodate increased transportation electrification, increased building electrification and other potential future demands on distribution and, where applicable, transmission systems; and (vi) minimize or mitigate impacts on the ratepayers of the commonwealth, thereby helping the commonwealth realize its statewide greenhouse gas emissions limits and sublimits under G.L. c. 21N, Act, § 53; G.L. c. 164, § 92B(a). After developing their respective electric-sector modernization plans, the Distribution Companies must submit their draft plans for review to an advisory council, the Grid Modernization Advisory Council, established pursuant to Section 53 of the Act . G.L. c. 164, § 92B(d). The Grid Modernization Advisory Council will then review the comprehensive electric-sector

modernization plans, and provide input and recommendations to the Distribution Companies. G.L. c. 164, § 92B(d). The Distribution Companies then must finalize their draft electric-sector modernization plans and file the plans for review by the Department. With this filing, the Distribution Companies must provide the Department with a list of each individual recommendation from the Grid Modernization Advisory Council, the status of each recommendation, and an explanation of whether and why each recommendation was adopted, adopted as modified, or rejected, along with a statement of any unresolved issues. G.L. c. 164, § 92B(d). The Department will then review each proposed electric-sector modernization plan through an adjudicatory proceeding and, within seven months of filing, the Department must issue an Order approving, modifying, or rejecting the Distribution Companies' plans.

The process established by the Act effectively establishes a statutory, long-term system planning requirement for enabling distributed energy resource development to increase timely adoption of renewable energy and distributed energy resources. Therefore, the Department finds that its continued investigation of a long-term system planning program in this proceeding is moot. Accordingly, the Department hereby suspends its investigation and closes this proceeding.³

In opening this proceeding, the Department intended to establish an optimal long-term system planning framework that serves the public interest, provides benefits ratepayers, enables effective interconnection of distributed energy resources, supports the Distribution Companies'

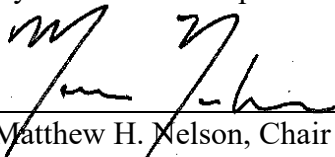
³ At this time, the Department intends to continue to review all pending capital investment project proposals filed pursuant to the Department's Provisional System Planning Program. D.P.U. 20-75-B at 29-30.


infrastructure investment in a safe, reliable, and resilient electric power system, and promotes the Commonwealth's energy policies. The Department appreciates the engagement of the Distribution Companies and the active participation of the broad range of other stakeholders, all of which has informed the Department in consideration of these goals. As evidenced by the diverse comments and proposals provided by stakeholders, long-term system planning, even just for enabling distributed generation, is a complex undertaking due to diverse, complex and evolving needs of customers. The Department deeply values the multitude of perspectives and issues of stakeholders. The Department urges the Distribution Companies to consider the concerns and proposals raised throughout this proceeding as they develop their electric-sector modernization plans in order to achieve the Commonwealth's energy and climate goals.

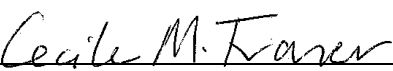
Accordingly, after due consideration, it is

ORDERED: That the Department of Public Utilities' investigation into a long-term system planning program for distributed energy resource planning is hereby closed.

By Order of the Department,


Matthew H. Nelson, Chair


Robert E. Hayden, Commissioner


Cecile M. Fraser, Commissioner