



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### MEMORANDUM

#### BY E-MAIL ONLY

TO: NSTAR Electric Company d/b/a Eversource Energy  
Massachusetts Electric Company and Nantucket Electric Company d/b/a  
National Grid  
Fitchburg Gas and Electric Light Company d/b/a Unitil

FROM: Kerri DeYoung Phillips, Kevin Crane, Elyssa Klein, Scott Siegal, and  
Katie Zilgme, Hearing Officers

RE: Electric Sector Modernization Plans

DATE: August 7, 2023

CC: Mark Marini, Secretary, Department of Public Utilities  
Grid Modernization Advisory Council, c/o Elizabeth Mahony, Commissioner,  
Department of Energy Resources  
Elizabeth Anderson, Division Chief, Energy & Telecom Division, Office of the  
Attorney General  
Service Lists for NSTAR Electric Company, D.P.U. 21-80; Massachusetts  
Electric Company and Nantucket Electric Company, D.P.U. 21-81; and  
Fitchburg Gas and Electric Light Company, D.P.U. 21-82  
Docket Files for D.P.U. 24-10/D.P.U. 24-11/D.P.U. 24-12

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#### I. INTRODUCTION AND RELEVANT BACKGROUND

On August 11, 2022, the Commonwealth of Massachusetts enacted G.L. c. 164, §§ 92B-92C. See An Act Driving Clean Energy and Offshore Wind, St. 2022, c. 179. Pursuant to G.L. c. 164, § 92B, investor-owned electric distribution companies (“EDCs”) operating in Massachusetts must each submit an electric sector modernization plan (“ESMP”) once every five years with the Department of Public Utilities (“Department”). Further, G.L. c. 164, § 92C established a Grid Modernization Advisory Council (“GMAC”) to review and provide recommendations to the EDCs on their respective ESMPs before

submission to the Department. The GMAC is chaired by the Massachusetts Department of Energy Resources Commissioner or their designee. G.L. c. 164, § 92C.

Pursuant to G.L. c. 164, § 92B(d), the first draft ESMPs must be submitted to the GMAC by **September 1, 2023**. The ESMPs must be submitted to the Department for review no later than **January 29, 2024**. G.L. c. 164, § 92B(a),(d); Department Commission Letter to EDCs at 1 (September 12, 2022). The Department must approve, approve with modification, or reject each ESMP within seven (7) months of submittal with the Department. G.L. c. 164, § 92B(d). Additionally, in discharging its responsibilities under Chapter 164, the Department must prioritize safety, security, reliability of service, affordability, equity, and reductions in greenhouse gas emissions, for itself and the entities it regulates. G.L. c. 25, § 1A.

To accommodate the seven month review period for the ESMP filings, the Department issues this memorandum to: (1) assign docket numbers for the ESMP filings to be submitted to the Department; (2) identify certain filing requirements, including specific information that the EDCs must each include in its respective ESMP filing; and (3) request that interested entities, including the EDCs, each notify Kerri DeYoung Phillips at [kerri.phillips@mass.gov](mailto:kerri.phillips@mass.gov) by **September 15, 2023**, of the individuals to be included on the electronic distribution list for these dockets for use prior to the submission of the ESMP filings and until the official service lists are established. Additional filing and procedural requirements will be provided at a later date.

## II. DOCKET ASSIGNMENTS

The Department assigns the following docket numbers for each EDC's 2024 ESMP filing:

- D.P.U. 24-10                      NSTAR Electric Company d/b/a Eversource Energy
- D.P.U. 24-11                      Massachusetts Electric Company and Nantucket  
Electric Company d/b/a National Grid
- D.P.U. 24-12                      Fitchburg Gas and Electric Light Company d/b/a Unitil

## III. FILING REQUIREMENTS

Pursuant to G.L. c. 164, § 92B(a), the EDCs must develop ESMPs to proactively upgrade the distribution and, where applicable, transmission systems to: (1) improve grid reliability, communications, and resiliency; (2) enable increased, timely adoption of renewable energy and distributed energy resources (“DER”);<sup>1</sup> (3) promote energy storage

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<sup>1</sup> Renewable energy and DER are defined in G.L. c. 164, § 1.

and electrification technologies necessary to decarbonize the environment and economy; (4) prepare for future climate driven impacts on the transmission and distribution systems; (5) accommodate increased transportation electrification, increased building electrification and other potential future demands on distribution and, where applicable, transmission systems; and (6) minimize or mitigate impacts on the ratepayers of the Commonwealth, thereby helping the Commonwealth realize its statewide greenhouse gas emissions limits and sublimits under Chapter 21N.

Additionally, each ESMP filed with the Department must include: (1) a summary of all proposed and related investments, alternatives to these investments and alternative approaches to financing these investments that have been reviewed, are under consideration or have been approved by the Department previously; (2) identification of customer benefits for all proposed investments and alternative approaches to financing those investments; (3) three planning horizons for electric demand, including a five-year and ten-year forecast and a demand assessment through 2050; and (4) a list of each GMAC recommendation, including an explanation of whether and why each recommendation was adopted, adopted as modified, or rejected. G.L. c. 164, §§ 92B(b),(c),(d). To be approved by the Department, each ESMP must provide net benefits<sup>2</sup> for customers and meet the criteria enumerated in G.L. c. 164, § 92B(a)(i)-(vi). G.L. c. 164, § 92B(d).

To facilitate an efficient and effective review, the Department outlines the following requirements for the ESMP filings. Specifically, each EDC must include with its respective ESMP filing:

1. Pre-filed testimony and supporting documentation that addresses how the ESMP complies with each subsection of G.L. c. 164, § 92B.
2. Pre-filed testimony and supporting documentation that addresses how the distribution and transmission upgrades identified in the ESMP impact safety, security, reliability of service, affordability, equity, and reductions in greenhouse gas emissions. See G.L. c. 25, § 1A. Such testimony and supporting documentation should clearly distinguish between distribution and transmission system upgrades and related costs.

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<sup>2</sup> Pursuant to G.L. c. 164, § 92C(b), the GMAC must review and provide recommendations on ESMPs that specifically “maximize net customer benefits and demonstrate cost-effective investments in the distribution grid,” including minimizing or mitigating impacts on ratepayers and reducing impacts on and providing benefits to low-income ratepayers.

3. Pre-filed testimony and supporting documentation that addresses how the ESMP provides net benefits to customers. The net benefits analysis must identify the projected benefits and costs, explain the methodology used, identify all assumptions relied on in the analysis, and address whether, how, and why any factors were prioritized in the analysis.<sup>3</sup>
4. Pre-filed testimony and supporting documentation on the forecast projection and demand assessment methods that addresses how the methods:
  - a. are reasonable, reviewable, and reliable;<sup>4</sup> and
  - b. inform planned and proposed investments.
5. Pre-filed testimony and supporting documentation on projected bill impacts with one-year, three-year, and five-year outlooks of implementing the ESMPs as proposed.
6. Supporting documentation that includes fully functional, working Excel files, with all formulae, links, and pivot tables intact, including notes and exhibit/source references, as well as instructions for use where applicable. Where inclusion of a particular item is overly burdensome or impractical, active cells should include a corresponding note explaining how the value was calculated, with references to applicable exhibits/source references that allows third parties to recreate the data.
7. Fully searchable documents. Each ESMP and individual supporting exhibit should be filed as a separate PDF (or Excel file, where applicable). In addition, all supporting exhibits should be combined and submitted as a single PDF or, where too large, as few separate PDF files as possible. In each instance, the electronic file name should identify the document but should not exceed 50 characters in length.
8. An index, including cross-references to other exhibits where applicable, of all exhibits and supporting documentation filed.

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<sup>3</sup> The EDCs should apply a consistent framework and method to assess and analyze the net benefits of their respective ESMP and, where applicable, explain any proposed differences in approach.

<sup>4</sup> The EDCs should apply a common set of assumptions and source materials or references with which to assess their respective electric demands through 2050 and the potential impacts of climate change on their respective electric power systems and, where applicable, explain any proposed differences in approach.

In addition, all exhibits submitted as part of the ESMP filings, including the actual ESMPs, should be pre-marked for identification in the upper right-hand corner in typical Department referencing format for exhibits, and the EDCs should use a consistent pre-marking format between the filings for all exhibits that are common between the filings.

Finally, the Department's Standard Ground Rules, which can be found on the Department's website at <https://www.mass.gov/how-to/file-comments-or-pleadings-with-the-dpu>, with the following exception, shall apply to these proceedings:

- In all instances where the Standard Ground Rules reference paper filing or service, please disregard. Until further notice, all filings in these dockets, including those submitted to the Department and parties, should be submitted only in electronic format. All materials shall be deemed to be filed or received on the date on which the email containing the material is received by the Department.

A detailed procedural schedule, including arrangements for evidentiary hearings will be determined by the Department and communicated at a later date.

#### IV. ELECTRONIC DISTRIBUTION LIST

The Department will establish an electronic distribution list to distribute procedural memoranda regarding the forthcoming ESMP filings prior to the filing of the ESMPs with the Department. Accordingly, interested entities, including the EDCs, shall each notify Kerri DeYoung Phillips at [kerri.phillips@mass.gov](mailto:kerri.phillips@mass.gov) by **September 15, 2023**, of the individuals to be included on the electronic distribution list for these dockets. This electronic distribution list will be maintained as a courtesy prior to the submission of the ESMPs with the Department, and inclusion on the electronic distribution list of an interested entity is not indicative of the merits of a petition to intervene in the forthcoming ESMP proceedings. After the filing of the ESMPs with the Department, the Department will establish the official service lists for each ESMP proceeding.

#### V. CONCLUSION

Please contact Kerri DeYoung Phillips at [kerri.phillips@mass.gov](mailto:kerri.phillips@mass.gov), with any procedural questions.