



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

MEMORANDUM

TO: Service List (e-mail only) for NSTAR Electric Company, D.P.U. 24-10; Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 24-11; and Fitchburg Gas and Electric Light Company, D.P.U. 24-12

FROM: Kerri DeYoung Phillips and Kevin T. Crane, Hearing Officers

RE: Technical Session Agenda Details

DATE: March 4, 2024

CC: Mark D. Marini, Department Secretary

I. INTRODUCTION

On January 29, 2024, NSTAR Electric Company d/b/a Eversource Energy (“NSTAR Electric”), Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (“National Grid”), and Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”) (collectively, “the Companies”) each filed a proposed electric sector modernization plan (“ESMP”) for approval by the Department of Public Utilities (“Department”). The Department docketed these matters as D.P.U. 24-10, D.P.U. 24-11, and D.P.U. 24-12, respectively.

On February 20, 2024, the Department issued a Procedural Memorandum that identified topics to be addressed at each of the virtual technical sessions scheduled for March 8, 2023, March 11, 2023, and March 13, 2023. This memorandum provides a final agenda for each technical session date, including Department questions for each topic identified for the technical sessions.

II. AGENDA

The Department provides the following agenda with Department-specific questions for discussion at the technical sessions. The Department will provide opportunities for the parties to proffer questions and input relating to these topics. **These questions are intended to guide the discussions and do not reflect the official position or policy of the Department or of its Commission on issues raised in these proceedings.** Each session will open to members of the public at 10:00 a.m.

Friday, March 8, 2024:

- Welcoming Remarks, Introductions, and Guidelines for Participation

Topic 1: Cost Recovery Framework and Reconciling Mechanism(s)

- Discuss the distinction between public service obligations, policy objectives, and statutory requirements for proposing cost recovery outside of base distribution rates for incremental ESMP investments.
- Based on the framework previously utilized for grid modernization investments, do the companies distinguish between costs that are “business as usual” versus costs that are beyond “business as usual” for incremental ESMP investments proposed by each company? If not, should any of these investments be considered “business as usual” investments? Why or why not? If not, when should ESMP-related investments be deemed “business as usual”?
- To date, how has the distinction between costs that are “business as usual” versus costs that are beyond “business as usual” informed the companies’ decisions to propose cost recovery outside of base distribution rates?
- What are the benefits and risks to ratepayers of recovering the costs of new investments associated with the ESMPs through base distribution rates?
- What are the benefits and risks to ratepayers of the pre-authorization model?
- How and when would the utilities propose to move revenue requirement related to a reconciling mechanism to base distribution rates?

Topic 2: Distributed Generation Interconnection and Cost Allocation

- What changes in distributed generation (“DG”) interconnection have occurred since the passage of An Act Driving Clean Energy and Offshore Wind, St. 2022, c. 179, that the Department should consider in any establishment of a proactive long-term system planning program (“LTSPP”) for distributed generation (“DG”)?

- What would be the effect on the state of interconnection in Massachusetts of disallowing capital investment project (“CIP”) proposals on an interim basis while the Department finalizes the establishment of a LTSPP?
- What are the possible applications of non-wires alternatives (“NWA”), including, but not limited to, curtailment and/or operational schedules, as an interim solution to interconnect DG projects in the CIP areas proposed in the ESMPs?
- How do the proposed CIPs compare to/contrast with the CIPs submitted as part of the Provisional Program (e.g., geographic location, interconnection queues [number of projects, number of developers, aggregate capacity of Group Study projects, etc.], DG project types [photovoltaic versus energy storage], required system upgrades)?
- Closing Remarks

Monday, March 11, 2024:

- Welcoming Remarks, Introductions, and Guidelines for Participation

Topic 3: Equity and Engagement in Distribution Planning

- How can utilities and community-based organizations (“CBOs”) effectively partner with each other for outreach efforts?
- What feedback do stakeholders have on the Companies’ approach to equity outlined in their ESMPs, including the definitions of equity and other related terms?
- What lessons have been gleaned from the outreach processes undertaken to date?
- How do the Companies define and identify an underserved community?
- How do the Companies assess if a community is overly burdened by energy infrastructure, and how is this assessment used to inform the locations chosen for investment in large capital projects?
- Regarding new substations proposed in the ESMPs, to what extent are the geographic locations of the substations already determined based on technical requirements?

- What are the unique benefits provided to and burdens faced by the residents and businesses in local areas adjacent to proposed new substations?
- How were environmental justice populations considered in projection analysis such as contribution to load forecasting, demand forecasting, and electric vehicle adoption?

Topic 4: Forecast and Demand Assessment Methods, Integrated Resource Planning, and Related Considerations

- What is the relative the impact of possible flattening/decline of the load due to energy efficiency, demand response, and distributed generation, compared to the projected increase of load due to electrification on the overall load in the ten-year demand forecast?
 - For the ten-year load forecast, what risk management mechanisms are the Companies proposing if the expected demand growth does not materialize but the Companies have already committed funding to projects by placing orders for long lead time materials?
 - Regarding use of historical weather data for load forecasts, are recent years weighted more, or are all years considered weighted equally?
 - How did the Companies consider the impact of commercial buildings trends (e.g., work-from-home trends) on electrification forecasts?
 - How have the Companies considered the challenges in meeting energy efficiency goals for C&I sector as part of electrification forecasts?
 - To what extent, if any, does the process for Integrated Energy Planning laid out in the ESMP build on the existing gas system enhancement plan planning process?
 - To what extent, if any, have potential areas for gas decommissioning informed proposed locations of company infrastructure build out (e.g., CIPs)?
 - What criteria would the Companies propose for selecting pilot projects for gas decommissioning and electrification?
- Closing Remarks

Wednesday, March 13, 2024:

- Welcoming Remarks, Introductions, and Guidelines for Participation

Topic 5: Net Benefits Method and Related Considerations

- Consultant Presentation, followed by Q&A
- How would the modification of an ESMP (e.g., rejection of one or more proposed investments) impact the calculation of net benefits in the Companies' proposed model?
- What are the net benefits model inputs that rely on company-specific forecasting?

Topic 6: Miscellaneous

- How and to what extent are the Companies considering NWAs in the near term (2025-2029), the medium-term (2030-2035), and the long-term (2035 and beyond)?
 - How do the Companies factor in NWAs when considering new investments?
 - Additional items not previously discussed, as needed
- Closing Remarks

III. **CONCLUSION**

For questions regarding this memorandum, please contact Hearing Officer Kerri DeYoung Phillips at kerri.phillips@mass.gov and Hearing Officer Kevin Crane at kevin.crane@mass.gov.