

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

_____)	
Petition of NSTAR Electric Company, d/b/a Eversource)	
Energy, pursuant to G.L. c. 164, § 92B, for Approval)	
by the Department of Public Utilities of its Electric)	D.P.U. 24-10
Sector Modernization Plans.)	
_____)	
_____)	
Petition of Massachusetts Electric Company and)	
Nantucket Electric Company, each d/b/a National Grid,)	
pursuant to G.L. c. 164, § 92B, for Approval by the)	D.P.U. 24-11
Department of Public Utilities of its Electric Sector)	
Modernization Plans.)	
_____)	
_____)	
Petition of Fitchburg Gas and Electric Light Company)	
d/b/a Until, pursuant to G.L. c. 164, § 92B, for)	
Approval by the Department of Public Utilities of its)	D.P.U. 24-12
Electric Sector Modernization Plans.)	
_____)	

**INITIAL BRIEF OF THE
MASSACHUSETTS DEPARTMENT OF ENERGY RESOURCES**

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I. Introduction

A. Legislative Climate Requirements of the Commonwealth of Massachusetts

Pursuant to the Global Warming Solutions Act¹ (GWSA), as amended by the 2021 *Act Creating A Next Generation Roadmap for Massachusetts Climate Policy*,² the Commonwealth has established a statewide greenhouse gas (GHG) emissions limit of Net Zero in 2050. Reaching this limit requires an 85% reduction in GHG emissions from 1990 levels and a level of total emissions equal in quantity to the amount that is removed from the atmosphere and attributable to the Commonwealth.³ The Secretary also adopted an interim 2030 statewide GHG emissions limit of 50% below 1990 levels.⁴

In 2022, the Commonwealth released the 2050 CECP outlining the long-term strategy to meet Net Zero by 2050⁵ and the Massachusetts Clean Energy and Climate Plan for 2025 and 2030 (2025/2030 CECP) outlining the specific policies and programs that will be used to meet sector-specific GHG limits this decade.⁶ The dominant strategy to decarbonize transportation and buildings is electrification, thereby making power sector planning essential. Distribution system planning is necessary to understand the need, cost, and benefits of upcoming grid investments

¹ St. 2008, c. 298, as amended and codified at M.G.L. c. 21N.

² St. 2021, c.8.

³ *Id.*

⁴ *Petition of 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 pursuant to G.L. c. 164, § 92B, for approval by the Department of Public Utilities of its Electric Sector Modernization Plan*, D.P.U. 24-10, D.P.U. 24-11, D.P.U. 24-12; D.P.U. 24-10/24-11/24-12, Exh. DOER-2, Massachusetts Clean Energy and Climate Plan for 2025 and 2030 (Jun. 30, 2022)(available at <https://www.mass.gov/info-details/massachusetts-clean-energy-and-climate-plan-for-2025-and-2030>).

⁵ Massachusetts Executive Office of Energy and Environmental Affairs (EEA), *Clean Energy and Climate Plan for 2050* (Dec. 2022)(available at <https://www.mass.gov/doc/2050-clean-energy-and-climate-plan/download>)(2050 CECP).

⁶ D.P.U. 24-10/24-11/24-12, Exh. DOER-2 at 21-23.

especially because these investments have significant cost and long-term implications for the power system. The Grid Modernization Advisory Council (GMAC) and Electric-Sector Modernization Plans (ESMPs) process represent an opportunity for transparent and comprehensive integration of distribution system planning that engages a broad set of stakeholders, including policymakers and regulators.

B. Procedural History

On January 29, 2024, NSTAR Electric Company d/b/a Eversource Energy (Eversource), 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) (each as Company or together, the Companies) filed their first ESMPs with the Department of Public Utilities (Department). These filings were made pursuant to M.G.L. c. 164, § 92B, enacted on August 11, 2022, by *An Act Driving Clean Energy and Offshore Wind* (2022 Climate Law).⁷ The filings were also made in accordance with a Procedural Memorandum issued by the Department on August 7, 2023, which pre-assigned docket numbers to each Company's ESMP filing⁸ and established initial procedural requirements for the filings.⁹ The ESMPs are the Companies' proposed plans to proactively upgrade the distribution system to achieve the goals contained in M.G.L. c. 164, § 92B and thereby assist the Commonwealth with realizing its statewide GHG emissions limits and sub-limits under Chapter 21N. In the filings, the Companies request Department approval of their ESMPs for the period of January 1, 2025 through December 21, 2029.¹⁰ The Companies also request authorization to implement several categories of investments contained in the ESMPs and

⁷ St. 2022, c. 179.

⁸ D.P.U. 24-10/24-11/24-12.

⁹ *Id.* at Hearing Officer Memorandum RE: Electric Sector Modernization Plans (Aug. 7, 2023).

¹⁰ D.P.U. 24-10, Petition at 1, 4, 15; D.P.U. 24-11, Petition at 1, 4, 15; D.P.U. 24-12, Petition at 1, 4, 15.

pre-approval of the associated budgets and cost recovery proposals for those investments.¹¹ Additionally, the Companies jointly propose a standard of review for the Department’s review of the ESMPs and performance metrics applicable to the plans.¹² The Companies also request the Department defer consideration of certain issues to other proceedings, in particular: (1) the consideration of potential rate redesign options, including time-varying rates; (2) opportunities to dispatch energy storage; (3) alternative approaches to financing ESMP incremental investments; and (4) consideration of ESMP-related performance metrics.¹³

On February 20, 2024, the Department issued an Interlocutory Order establishing the scope of the proceedings.¹⁴ In the Order, the Department determined that it would review these initial ESMPs as “long term strategic planning documents” and that it would not be adjudicating matters related to the pre-approval of budgets, cost allocation proposals, or rate redesign proposals in the current proceeding.¹⁵ It also stated it would defer the investigation of performance metrics to a later stage of the proceeding.¹⁶ Pursuant to the schedule established by the Department,¹⁷ the Massachusetts Department of Energy Resources (DOER) hereby files this Initial Brief on the Companies’ ESMPs.¹⁸

¹¹ D.P.U. 24-10, Petition at 12-13, 15-16; D.P.U. 24-11, Petition at 12-13, 16; D.P.U. 24-12, Petition at 12-13, 15.

¹² D.P.U. 24-10, Petition at 13-14; D.P.U. 24-11, Petition at 13-14; D.P.U. 24-12, Petition at 13-14.

¹³ D.P.U. 24-10, Petition at 14-15; D.P.U. 24-11, Petition at 14-15; D.P.U. 24-12, Petition at 14-15.

¹⁴ D.P.U. 24-10/24-11/24-12, Interlocutory Order on Scope of Proceedings (Feb. 20, 2024)(Interlocutory Order).

¹⁵ Interlocutory Order at 23.

¹⁶ Interlocutory Order at 3-4.

¹⁷ D.P.U. 24-10/24-11/24-12, Hearing Officer Memorandum RE: Briefing Schedule (Apr. 9, 2024).

¹⁸ DOER’s Initial Brief responds to certain issues and positions in the Companies’ ESMP filings and should not be interpreted as agreeing to or accepting the Companies’ position(s) with respect to issues and matters not specifically addressed herein.

C. Brief Organization

This is a case of first impression before the Department and represents a significant change in the Commonwealth's approach to long-term system planning. This new, proactive planning approach is crucial to ensuring the grid's ability to meet the Commonwealth's GHG emission reduction goals in a timely and cost-efficient manner.

DOER's Initial Brief is organized to address both the proposed ESMPs, as well as future ESMPs. In Section II, DOER addresses the standard of review as set out in statute, the Department's discussions thus far, the Companies' proposed standard of review, and DOER's proposal for future, more complete standards of review. In Section III, DOER further addresses the ESMPs as strategic plans, how future ESMPs should be coordinated with the GMAC, and how additional standardization is needed across ESMPs. In Section IV, DOER discusses concerns with the Companies' forecasts and how they should be addressed in this and future ESMPs. In Section V, DOER addresses how the ESMPs, as strategic plans, will be used to guide Company investments and cost recovery for such investments. Section VI focuses on additional actions the Companies need to include in these and future ESMPs to address equity and energy justice. In Section VII, DOER provides recommendations on how the Department should require the Companies to approach biannual reporting. Finally, in Section VIII, DOER encourages the Department to consider a holistic approach across many of its proceedings to integrate the ESMPs with gas-electric planning, statewide data access, and others. The brief concludes with a high-level summary of DOER's recommendations to the Department.

II. Standard of Review

A. Requirements under M.G.L. c. 164, § 92B

M.G.L. c. 164, § 92B requires each Company to develop ESMPs which proactively upgrade the distribution and, where applicable, transmission systems to achieve seven goals:

(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 GHG emissions limits and sublimits under chapter 21N.¹⁹

Additionally, M.G.L. c. 164, § 92B specifies additional requirements, including: (1) nine elements that must be described in detail generally relating to how the improvements proposed in the plan will facilitate a number of different clean energy goals; (2) the identification of customer benefits in the plan including but not limited to safety, grid reliability and resiliency, facilitation of the electrification of buildings and transportation, integration of distributed energy resources, avoided renewable energy curtailment, reduced GHG emissions and air pollutants, avoided land use impacts and minimization or mitigation of impacts on the ratepayers of the commonwealth; (3) 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; (4) three planning horizons for electric demand, including a five-year and ten-year forecast and a demand assessment through 2050; (5) a list of each recommendation from the GMAC, including an explanation of whether and why each recommendation was adopted, adopted as modified, or rejected.²⁰

¹⁹ M.G.L. c. 164 § 92B(a)(i-vi).

²⁰ M.G.L. c. 164, § 92B(b-d).

The Department may approve, approve with modifications, or reject ESMPs developed by the Companies.²¹ For an ESMP to be approved, the Department must determine that the plans provide net benefits to customers and meet the criteria of M.G.L. c. 164, § 92B(a)(i-vi).²² The Companies are permitted to include all prudently incurred plant additions that are used and are useful in base electric distribution rates.²³

On February 20, 2024, the Department issued an Interlocutory Order on Scope of Proceedings (Interlocutory Order). Citing the plain language of the statute, the Department’s own process related to grid modernization strategic plans, and several challenges related to the breadth of materials contained in the first ESMPs and the seven-month review period, the Department determined that it would review the first filed ESMPs as “long-term, strategic planning documents that endeavor to meet the objectives of the [2022 Climate Law].”²⁴ As such, the Department determined it would:

[R]eview each company’s proposed strategic planning solutions to determine whether and how they support the Commonwealth’s statewide GHG emissions limits and sublimits under G.L. c. 21N, meet the requirements of G.L. c. 25, § 1A, and otherwise comport with the requirements outlined in G.L. c. 164, § 92B.²⁵

The Department also determined that it would “investigate each company’s forecasting method and net benefits proposal, consider the appropriate rate recovery framework, and establish the relevant standards of review that will apply to the ESMPs as well as future ESMP filings.”²⁶

The Department listed the standards of review it planned to establish, which “include, but are not

²¹ M.G.L. c. 164, § 92B(d).

²² *Id.*

²³ *Id.*

²⁴ Interlocutory Order at 14-15.

²⁵ *Id.* at 16.

²⁶ *Id.* at 23.

limited to, standards for reviewing the forecast methods relied upon the Companies and for determining whether each plan provides net benefits.”²⁷

The Department clarified that as part of its review it would not be adjudicating the Companies’ budget pre-approval requests; cost allocation proposals; or rate design or rate redesign proposals.²⁸ Rather, it would review these matters in the context of a strategic planning document²⁹ and would also defer the investigation of performance metrics to a later stage of the proceeding.³⁰

B. The Department Should Establish a Robust Standard of Review and Ensure Any Related Investments Are Reviewed under Existing Standards

DOER acknowledges that the Companies have completed significant work in a compressed timeline to produce the proposed ESMPs. Given the time and effort that the Companies put into their initial proposals, it is unlikely that the Companies will be able to make all of the suggested revisions before they use the system planning conducted through the ESMPs to advance necessary infrastructure improvements to meet clean energy targets. The Department should therefore establish an expanded standard of review in the instant proceeding that will maximize the success of this and future ESMPs. The Companies jointly propose a standard of review for the Department in reviewing their ESMPs.³¹ The Companies state that given M.G.L. c. 164, § 92B’s requirement that ESMPs include demand forecasts and proposals to meet such forecasts, the standard of review

²⁷ *Id.* at 16.

²⁸ *Id.* at 23.

²⁹ *Id.* at 18.

³⁰ *Id.* at 23. The Department cited its approach in the Grid Modernization dockets (D.P.U. 21-80/21-81/21-82) as examples of circumstances where the Companies developed plans that were roadmaps for achieving the Department’s Grid Modernization objectives and covered all investments, not just ones that were eligible for cost recovery. Interlocutory Order at 15.

³¹ D.P.U. 24-10, Petition at 13-14; D.P.U. 24-11, Petition at 13-14; D.P.U. 24-12, Petition at 13-14.

should be consistent with how the Department reviews demand forecast and supply plans.³² The jointly proposed standards of review are:

- (i) the ESMP meets the requirements set forth in G.L. c. 164, § 92B;
- (ii) the Company's demand forecasts are reviewable, appropriate and derived using a reliable methodology, and provide a sound basis for ESMP planning decisions;
- (iii) the ESMP investments are based on an appropriate planning process for analyzing options, making decisions, and re-evaluating decisions in light of changed circumstances;
- (iv) the ESMP proposals and associated budgets are reasonably designed to meet system requirements in accordance with the demand assessment; and
- (v) the ESMP provides net benefits based on the reasonably identified quantifiable and qualitative customer benefits.³³

Additionally, the Companies request that the Department pre-approve budgets for cost recovery on the proposed investments contained within the ESMPs.³⁴ The Companies also request that the following issues be deferred to a later proceeding: (1) consideration of potential rate redesign options; (2) opportunities to dispatch energy storage technologies to improve renewable energy utilization and avoid curtailment to the currently open dockets addressing new storage tariffs (D.P.U. 23-115, D.P.U. 23-117; D.P.U. 23-126); (3) reviews of alternative approaches to financing ESMP investments; and (4) consideration of ESMP performance metrics.³⁵

It is both within the Department's authority and of critical importance to establish clear standards of review for ESMPs, particularly focused on achievement of meeting the Commonwealth's statewide GHG emissions limits. As discussed above, the Department

³² D.P.U. 24-10, Petition at 13-14; D.P.U. 24-11, Petition at 14; D.P.U. 24-12, Petition at 13. The Companies reference D.P.U. 23-25 (Dec. 22, 2023), the Order in Unitil's gas forecast and supply plan. The needs of the ESMPs to meet the Commonwealth's GHG emission limits are distinct from the precedent in forecast and supply plans, and the Department should consider the value of relying on such a standard given the different goals of the forecasts.

³³ D.P.U. 24-10, Petition at 14; D.P.U. 24-11, Petition at 14; D.P.U. 24-12, Petition at 13-14.

³⁴ D.P.U. 24-10, Petition at 12-13; D.P.U. 24-11, Petition at 12-13; D.P.U. 24-12, Petition at 12-13.

³⁵ D.P.U. 24-10, Petition at 14-15; D.P.U. 24-11, Petition at 14-15; D.P.U. 24-12, Petition at 14-15.

determined that it will review the current ESMPs under a strategic plan approach, review each company's proposed strategic planning solutions to determine whether and how they support the Commonwealth's statewide GHG emissions limits and sublimits under M.G.L. c. 21N, meet the requirements of M.G.L. c. 25, § 1A, and otherwise comport with the requirements outlined in M.G.L. c. 164, § 92B.³⁶ DOER agrees with the Department that such an approach is consistent with the plain meaning of the statutory language³⁷ and recommends that the Department maintain this standard of review for these proceedings and future ESMP cycles. The Department should also incorporate the following additional requirements for future ESMP filings:

- That the Companies maximize the proposed use of available load management technologies and programs, distributed energy resources, and grid enhancing technologies in their strategic plan to ensure cost efficient infrastructure investment,³⁸
- That the Companies' forecasts include scenarios that allow for flexibility over the five-year plan term;
- That the Companies clearly describe and connect all of their ongoing programs and investments to their strategic plan and identify how such programs will be optimized to maximize net benefits;³⁹
- That the GMAC supports the approval (or approval with modifications) of the ESMPs,⁴⁰

³⁶ Interlocutory Order at 16.

³⁷ *Id.* at 14.

³⁸ *See, Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers*, D.P.U. 24-15 (Jan. 4, 2024)(containing a discussion on the importance of energy affordability).

³⁹ In this context, programs and investments refer to any existing investment areas and implementation plans of the Companies, including those detailed in Chapter 6.1 of the ESMPs (*see*, D.P.U. 24-10, Exh. ES-ESMP-1 at 292; D.P.U. 24-11, Exh. NG-ESMP-1 at 254; D.P.U. 24-12, Exh. UN-ESMP-1 at 106), and the ESMP-relevant proceedings and working groups as summarized by the GMAC (*see*, DOER, *ESMP-Relevant Proceedings and Working Groups* (May 16, 2023)(available at <https://www.mass.gov/doc/gmac-mtng-4-preread-esmp-relevant-proceedings-and-working-groups-version-2/download>)).

⁴⁰ DOER suggests a process similar to the Three-Year Energy Efficiency Plan that is developed in coordination with the Energy Efficiency Advisory Council (EEAC) and Program Administrators (PAs), as well as the Term Sheet between DOER, Attorney General's Office (AGO), and PAs. *See, Petitions of the PAs for Approval of their Three-Year Energy Efficiency Plan for 2022 through 2024*, D.P.U. 21-120 through 21-129. The EEAC, PAs, DOER, and AGO

- That the filed ESMPs substantively incorporate the GMAC’s recommendations on the draft ESMPs;⁴¹
- That the Companies demonstrate substantial efforts in stakeholder outreach and consideration of stakeholder feedback for their ESMPs, including in forecasting and calculating net benefits;
- That the Companies standardize their forecasts, assumptions, and ESMPs across Companies, to the extent practicable, to meet the Commonwealth’s statewide GHG emissions limits and sublimits under M.G.L. c. 21N; and
- That the Companies have reasonable and reviewable explanations of how the ESMPs support and forecasts reflect meeting the Commonwealth’s statewide GHG emissions limits and sublimits under M.G.L. c. 21N, including coordination between the Companies to reach the statewide limits.

Additionally, in any interim proceedings the Department determines are appropriate for review of investments identified in the ESMPs (whether those are incremental, as identified by the Companies, or considered as core investments), the Department should review those investments under a commensurate standard of review to existing adjudications. For example, new substations identified in the ESMPs should be reviewed with the same standards set out in base rate cases when the Companies would normally seek approval of costs; namely, that these expenditures must be prudently incurred and used and useful to ratepayers.⁴² If the Department reviews such

developed opportunities for negotiations and coordination over iterations of the Three-Year Plans that allow for collaboration and agreement. The Department should include a requirement for the Companies to seek GMAC collaboration and approval.

⁴¹ DOER is not alone in its concerns about the Companies’ responses to the GMAC’s recommendations. *See*, D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 38-48 (For example, the AGO notes how the Companies’ responses can be incomplete or unhelpful, in one instance referencing “19 different sections, subsections, and exhibits of their initial filings, while providing only one paragraph of text to directly respond to the recommendation.” D.P.U. 24-10/24-11/24-12, Exh. AG-BF-1 at 10-11). The GMAC’s consultants specifically noted that “the indication of acceptance with modification *does not* necessarily mean that a recommendation has been substantively accepted...[rather, some of these recommendations] have been substantially rejected.” D.P.U. 24-10/24-11/24-12, Exh. GECA-LC-3 at 96.

⁴² *See, e.g., Petition of NSTAR Electric Company, doing business as Eversource Energy, pursuant to G.L. c. 164, § 94 and 220 CMR 5.00, for Approval of a General Increase in Base Distribution Rates for Electric Service and a Performance-Based Ratemaking Plan*, D.P.U. 22-22 Order at 133 (Nov. 30, 2022)(referencing *Western Massachusetts Electric Company*, D.P.U. 85-270 (1986)).

investments outside of base rate cases or other proceedings, including during a later phase of these dockets, the review of such investments should be held to the same standard and evidentiary burden as required in base rate cases (*e.g.*, that the expenditures are prudently incurred and used and useful). This will ensure that the Companies' investments are subject to the same scrutiny across similar proceedings, and that investments outlined in the ESMPs will eventually be fully integrated into business as usual utility practice and investment.

III. The Department Should Provide Guidance on the ESMPs as Strategic Plans and the Future Process for ESMP Development in Coordination with the GMAC

The Department determined that it was appropriate to “review the first ESMPs as long-term, strategic planning documents that endeavor to meet the objectives of the [2022 Climate Law],” characterized by the Department as a “strategic plan approach.”⁴³ DOER supports a strategic plan approach and strongly recommends the Department implement and maintain this approach not only for the first ESMP, but for future ESMPs to the maximum extent practicable. A long-term, strategic planning approach is consistent with the statutory construct and is the recommended methodology for ESMP design preferred by DOER and the GMAC.⁴⁴ The ESMPs as strategic plans should be standardized documents that clearly describe and connect the Companies' existing and future programs and investment plans over the five-year ESMP term to support the Commonwealth's emissions reduction targets in such a way that allows stakeholders to react and engage in the process. This approach is consistent with the integrated distribution system plan process endorsed by organizations such as the National Association of State Energy Officials (NASEO) and Lawrence Berkeley National Laboratory (LBNL) and adopted in other

⁴³ Interlocutory Order at 14.

⁴⁴ GMAC, *Observations and Recommendations of the GMAC: Regarding the Electric Distribution Companies' Electric-Sector Modernization Plans* at 13 (Nov. 20, 2023)(available at <https://www.mass.gov/doc/gmac-final-report/download> (GMAC Final Report)).

states.⁴⁵ DOER strongly recommends the Department establish clear requirements for Company ESMPs now and in the future to focus the Companies on the goals of M.G.L. c. 164, § 92B(a); specifically, strategically updating the distribution system in a manner that allows the Commonwealth to realize its climate goals.

M.G.L. c. 164, § 92B requires the Companies to develop plans that “proactively upgrade” the distribution and transmission system to support a range of uses spanning reliability, preparation for future climate-driven impacts, and transportation and building electrification that help the Commonwealth realize its statewide GHG emissions limits and sublimits under chapter 21N.⁴⁶ It also includes an extensive list of elements that must be included.⁴⁷ As the Department detailed in its Interlocutory Order, the plain meaning of the statutory language in M.G.L. c. 164, § 92B is consistent with a “strategic plan approach.”⁴⁸ Further, the statute specifically states that the Company “shall be permitted to include *in base electric distribution rates* all prudently incurred plant additions that are used and useful,” and makes no other mention of the cost recovery for ESMP-related investments through any other manner. (emphasis added).⁴⁹

⁴⁵ Synapse Energy Economics, *Summary of Similar Grid Mod Processes in Other States*, PowerPoint Presentation slides 30 – 64. (Dec. 14, 2023)(available at <https://www.mass.gov/doc/gmac-meeting-13-presentation-slides-12-14-2023/download>). Other states include California, Illinois, Hawaii, New York, and Minnesota.

⁴⁶ M.G.L. c. 164, § 92B(a).

⁴⁷ M.G.L. c. 164, § 92B(b).

⁴⁸ Interlocutory Order at 13-14.

⁴⁹ M.G.L. c. 164, § 92B(d). DOER also encouraged the Companies to take such a view in a May 8, 2023 letter issued to the Companies as they developed the first draft of their ESMPs in advance of the GMAC review. One of DOER’s recommendations in the letter was for the Companies to “prioritize strategic planning in the first ESMP process” by making the ESMP “the central distribution system planning document and in any filing in which the [Company] is requesting cost recovery.” DOER, *RE: Initial Recommendations on the Electric Distribution Companies’ Electric-Sector Modernization Plans* (May 8, 2023)(available at <https://www.mass.gov/doc/letter-from-doer-to-Companies-on-initial-recommendations-for-esmps/download>).

Indeed, the GMAC recommended using this strategic planning standard for the ESMPs, stating the ESMPs “should be the central distribution system planning document and any filing in which the [Companies] have received or requested cost recovery should be clearly described and connected.”⁵⁰ The GMAC put forth the strategic plan recommendation because the ESMPs offer a novel opportunity to present “whole-of-business” planning to clearly illustrate a path forward to meet the Commonwealth’s climate policy objectives.⁵¹ Electric grid planning has historically operated in silos and the ESMP and GMAC process is designed specifically to bridge gaps between the Companies and stakeholders.⁵²

The GMAC’s recommendation was informed and supported by presentations made by LBNL about integrated distribution planning and how it has been implemented in states like New York and Minnesota. NASEO and LBNL define integrated distribution system plans as providing “a systematic approach to satisfy customer service expectations and state grid planning and utility design objectives related to reliability and resilience, safety and operational efficiency, and integration and utilization of distributed energy resources (DERs).”⁵³ Given the alignment in these goals with the ESMP directives in M.G.L. c. 164, § 92B(a), the GMAC invited Lisa Schwartz of LBNL to present on the topic twice.⁵⁴ Some of the benefits from improved distribution planning

⁵⁰ GMAC Final Report at 13.

⁵¹ *Id.* at 6 and 13.

⁵² M.G.L. c. 164, § 92C(b).

⁵³ NASEO and LBNL, *State Energy Offices’ Engagement in Electric Distribution Planning to Meet State Policy Goals* at 8 (Nov. 2023)(available at https://www.naseo.org/Data/Sites/1/documents/tk-news/naseo_electric-distribution-planning-final.pdf).

⁵⁴ LBNL, *State Approaches for Distribution System Planning, including Grid Modernization: Presentation for Massachusetts GMAC*, (Apr. 13, 2023)(available at: <https://www.mass.gov/doc/gmacdistribution-system-planning-presentationlawrence-berkeley-national-laboratory/download>); LBNL, *Grid Modernization Planning to Accelerate Deployment of Distributed Energy Resources*, Presentation for GMAC at 20-26 (Aug. 10, 2023)(available at: <https://www.mass.gov/doc/gmac-meeting-presentation-slides-08102023/download>).

processes include: (1) making more holistic transparent utility plans for distribution investments, before arising individually in rate cases; (2) providing opportunities for more meaningful regulatory and stakeholder engagement that can improve outcomes of planning; (3) considering uncertainties under possible futures through scenario analysis; (4) considering all solutions for least cost/risk; (5) motivating the utility to choose least cost/risk solutions; and (6) enabling consumers and third-party providers to propose grid solutions and participate in providing grid services.⁵⁵ DOER finds this approach offers an appropriate and beneficial model for the ESMPs which aligns with the Department’s strategic plan approach.

Requiring the ESMPs to be a strategic planning document is consistent with the intention of the 2022 Climate Law and its creation of the GMAC and ESMP requirements. Unfortunately, the Companies do not appear to share this understanding of the ESMPs. The Companies rejected the GMAC’s first recommendation that the ESMPs should be the electric distribution companies’ (EDCs’) “respective central distribution system planning document” on the grounds that it would create an ESMP beyond the scope of the 2022 Climate Law, specifically the six points outlined as a part of M.G.L. c. 164, § 92B(a), which they summarize as public policy goals.⁵⁶ The Companies’ position is that the ESMPs should stay focused on proposing new investments to meet these public policy goals.⁵⁷ However, this approach conflicts with the statutory directives from the 2022 Climate Law. First, as the Department provided in its Interlocutory Order, the plain meaning of

⁵⁵ LBNL, *State Approaches for Distribution System Planning, including Grid Modernization: Presentation for Massachusetts GMAC*, at 6 (Apr. 13, 2023)(available at: <https://www.mass.gov/doc/gmacdistribution-system-planning-presentationlawrence-berkeley-national-laboratory/download>).

⁵⁶ D.P.U. 24-10/24-11/24-12, Exh. ES-Policy/Solutions-2/NG-Policy/Solutions-2/UN-Policy/Solutions-2 GMAC Recommendation 1 at 13-14.

⁵⁷ *Id.*

the statutory language in M.G.L. c. 164, § 92B is consistent with a “strategic plan approach.”⁵⁸ Second, the statute specifically states that the Companies “shall be permitted to include in base electric distribution rates all prudently incurred plant additions that are used and useful,” and makes no other mention of the cost recovery for ESMP-related investments through any other manner.⁵⁹ While the Companies may be required to include in their plans specific investments to meet future electrification, they are likewise required to provide a number of alternatives (*e.g.*, alternatives to investments, financing alternatives, etc.) and information about investments and alternatives that have been reviewed, approved, or are under consideration by the Department, again consistent with a strategic plan approach that unifies an understanding of what is going on with the grid, rather than a proceeding to seek pre-approval on a limited number of proposed investments.⁶⁰

In addition, DOER shares the AGO’s concern that the current ESMPs focus too heavily on investment proposals and considerations of budgets and cost recovery for incremental investments in the next five years and not enough on long-term strategic vision for the electric grid.⁶¹ A Department Order directing and maintaining the strategic plan approach would rightly focus the Companies emphasis on the goal of M.G.L. c. 164, § 92B(a): strategically updating the distribution system in a manner that allows the Commonwealth to realize its climate goals. The Department should therefore maintain its “Strategic Plan Approach” when reviewing future ESMPs.

⁵⁸ Interlocutory Order at 13-14.

⁵⁹ M.G.L. c. 164, § 92B(d).

⁶⁰ M.G.L. c. 164, § 92B(a) and (c)(ii).

⁶¹ D.P.U. 24-10/24-11/24-12, Exh. AG-BF-1 at 8.

A. The Department Should Require Future ESMPs to be Developed Through a Multi-Year Collaborative Process with the GMAC

The 2022 Climate Law established the GMAC in parallel with the ESMPs to encourage collaboration and a stakeholder review process for these important planning documents in advance of filing with the Department. In addition to other objectives, the GMAC is required to facilitate this stakeholder engagement to “increase transparency and stakeholder engagement in the grid planning process”⁶² in advance of an adjudicated process at the Department. The 2022 Climate Law also requires the Companies to “solicit input such as planning scenarios and modeling, from the [GMAC].”⁶³

As recognized throughout this proceeding, the timeline for the GMAC’s review of the draft ESMPs posed substantial challenges.⁶⁴ For example, the tight review timeline did not allow enough time for the GMAC to fully engage with many components of the draft plans, including the details of the individual Company forecasts.⁶⁵ As the Department noted, the Companies’ net benefit analyses were first presented in the filed ESMPs and therefore the GMAC was unable to perform a pre-filing review or provide recommendations.⁶⁶ Maintaining the same timelines in the next ESMP proceeding will present the same challenges and result in a rushed and incomplete review of the ESMPs by the GMAC. DOER strongly urges the Department to exercise the discretion granted to it to establish a process and schedule that allows the GMAC to fully and productively assist with the development of the ESMPs.⁶⁷ Therefore, DOER recommends that the

⁶² M.G.L. c. 164, § 92C(b).

⁶³ M.G.L. c. 164, § 92B(c)(iii).

⁶⁴ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 14; Tr. Vol. VI at 937-938.

⁶⁵ *Id.*, Exh. DOER-1 at 22.

⁶⁶ Interlocutory Order at 15.

⁶⁷ M.G.L. c. 164, § 92B(d).

Department direct the Companies to comply with a GMAC-established process and schedule for the development of the next ESMPs that ensures future ESMPs are clear, transparent, and meet the objectives laid out in the 2022 Climate Law. DOER believes that a multiyear ESMP development process should result in a more streamlined GMAC review process and subsequent adjudicatory proceeding at the Department, building on other successful precedents like the development of the Mass Save® Three-Year Plans under the Energy Efficiency Advisory Council (EEAC).

The GMAC is an engaged stakeholder council that can be a valuable partner in establishing an appropriate schedule for the development and content of the next ESMPs. DOER recommends the Department direct the Companies to abide by a more detailed plan and process for engagement, as established by GMAC, following an Order in this proceeding. The remainder of this section outlines DOER's recommendations regarding the specific parameters the Department should set to ensure the success of future ESMP development process.

1. The Department Should Extend the GMAC Review Period to Allow for a More Collaborative and Productive ESMP Development Process

While the GMAC can and should work to develop a detailed timeline and schedule for the development of forecasts and other key elements of the next ESMPs, it is necessary for the Department to provide clear direction to the Companies regarding the specific timing of the submission of draft ESMPs to the GMAC. DOER recommends the draft ESMPs receive no less than 240 days for review and reaction, rather than the minimum of 150 days followed for the current ESMPs.

DOER's testimony,⁶⁸ and that of other stakeholders in this proceeding,⁶⁹ explains how the timeline for GMAC review and the Companies' preparation of final ESMPs following receipt of

⁶⁸ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 18-23, 24-27.

⁶⁹ *Id.*, Exh. GECA-LC-1 at 2; Comments of Acadia Center at 1 (Mar. 12, 2024).

the GMAC recommendations was insufficient.⁷⁰ DOER strongly supports the AGO's assertion that "[t]he ESMP development process should be a collaborative and dynamic one between the Companies and the GMAC, with the former's submission of a draft only one phase in an ongoing process, rather than the first in a short series of document exchanges. Companies need not wait for the GMAC's formal submission of recommendations to modify their draft plans and should instead work with the GMAC to resolve issues and adjust their planning throughout the process."⁷¹

Providing additional time for the GMAC to collaborate with the Companies on ESMP development, as well as review of the draft ESMPs, is crucial to ensure more robust stakeholder input and to produce better final ESMPs. The Companies themselves recommend changes to the GMAC review process, including: (1) asking for the Companies to present their ESMPs to the GMAC before a consultant presentation; (2) holding technical sessions with the GMAC to answer questions more interactively; and (3) giving the Companies time during GMAC meetings to engage in an iterative dialog with GMAC members on questions relating to the draft ESMPs.⁷²

To establish a more collaborative and productive ESMP development process, DOER recommends that the Department direct the Companies to file their draft ESMPs with the GMAC earlier than the statutorily-provided minimum of 150 days before filing with the Department, with the GMAC required to return recommendations to the Companies not later than 70 days before the Companies file with the Department.⁷³ Specifically, DOER recommends the Department require a total of 240 days for GMAC review, with at least 140 days for GMAC review of draft ESMPs followed by 100 days for the Companies to respond to and address GMAC recommendations

⁷⁰ *Id.*, Exh. DOER-1 at 11, 14-20.

⁷¹ *Id.*, Exh. DPU-AGO-1-4.

⁷² *Id.*, Exh. DPU-Common-7-7.

⁷³ M.G.L. c. 164, § 92B(d).

before filing the ESMPs with the Department.⁷⁴ Based off an anticipated filing date of the next ESMPs with the Department on January 29, 2029, this would correspond to a draft ESMP submission to the GMAC on May 29, 2028, and a submission of GMAC recommendation to the Companies by October 23, 2028.⁷⁵

Despite providing recommendations as detailed above for further engagement with the GMAC, the Companies state that they do not support elongating the minimum statutory timelines.⁷⁶ It is inconsistent, however, for the Companies to recommend additional technical sessions, presentation time, and iterative dialogue, while also rejecting DOER's recommendation for an extension of the GMAC review period. The Companies state a concern with extending these timelines because they believe any extension in the GMAC's review of the draft ESMPs would result in older or out-of-date information being provided to the Department in their filing.⁷⁷ DOER disagrees with this characterization. The ESMPs are long-term strategic planning documents that are based on an assessment of system needs to meet long-term clean energy goals, like Net Zero, which are already well established. Moreover, the ESMPs are not a venue for specific investment pre-approvals, which could require more specificity and up-to-date information.⁷⁸ When the Commonwealth engages in strategic planning, for instance in the development of the CECP,⁷⁹ the planning and forecasting process routinely begins more than two years in advance of final publication.⁸⁰

⁷⁴ D.P.U. 24-10/24-11/24-12, Exh. DPU-DOER 1-4 at 1-2.

⁷⁵ *Id.*

⁷⁶ D.P.U. 24-10/24-11/24-12, Exh. DPU-Common 7-7 at 1-2.

⁷⁷ *Id.*

⁷⁸ *Id.*, Exh. AG-BF-1 at 8.

⁷⁹ *Id.*, Exh. DOER-2.

⁸⁰ See, e.g., EEA, *Presentation for the Meeting of the GWSA Implementation Advisory Committee* (June 11, 2020)(available at <https://www.mass.gov/event/june-11-2020-meeting-of->

Therefore, DOER believes it is appropriate and necessary for the Department to direct the Companies to submit draft ESMPs to the GMAC at least 240 days prior to filing with the Department, with at least 140 days for review and 100 days for the Companies to respond to GMAC recommendations and submit final ESMPs.

2. The Department Should Direct the Companies to Collaborate with the GMAC to Develop a Uniform Approach to Forecasting

This proceeding highlights the central importance of the ESMP forecasts, as they underpin much of the strategic planning that the Companies conduct regarding infrastructure needs and investments. However, this proceeding also highlights the lack of input from stakeholders regarding the development of these critically important forecasts and DOER identifies multiple specific concerns related to the forecasts in the filed ESMPs in Section IV below. Due to the compressed review timeline, there was not sufficient time for the GMAC to comprehensively provide feedback on the forecasts filed in the ESMPs.⁸¹ More collaborative and transparent ESMP forecast development will support clearer and more standardized ESMPs that will be more accessible than the currently filed ESMPs, provided greater stakeholder alignment, and connects to the Commonwealth's clean energy mandates.

Although the Companies operate distinct systems in their respective service territories, they are operating in a shared policy environment driven by the Commonwealth's statutorily required emissions limits. Therefore, it is appropriate and necessary to require standardization of their forecasts to ensure alignment with the Commonwealth's clean energy goals.⁸² As outlined in

[the-gwsa-implementation-advisory-committee-iac-2020-06-11t140000-0400-2020-06-11t153000-0400](#)).

⁸¹ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 20, 22; D.P.U. 24-10/24-11/24-12, Exh. ES-Forecast-2/NG-Forecast-2/UN-Forecast-2 at 5-6.

⁸² See, D.P.U. 24-10/24-11/24-12, Exh. AG-BF-1 at 24-25. For additional discussion of standardization in future ESMPs, see Section III.B of this brief.

Section IV, the Companies take different, and problematic, approaches towards key forecasting assumptions. Greater standardization and stakeholder input through the GMAC can better align these forecasts with the Commonwealth’s clean energy goals.

The Companies’ varied approach to modeling the CECP reveals inconsistencies in their methodologies, hindering the evaluation of their ESMPs in relation to each other and in comparison to Commonwealth goals.⁸³ For instance, the Companies adopt different scenarios from different Commonwealth planning documents (*e.g.* Massachusetts 2050 Decarbonization Roadmap⁸⁴ versus 2030 CECP⁸⁵) as the basis for their electrification forecasts.⁸⁶ Additionally, the Companies each took distinct approaches to modeling electric vehicle (EV) adoption rates,⁸⁷ EV charging profiles,⁸⁸ and other key policy-related input assumptions like energy storage and energy efficiency.

The GMAC recommended that the Companies use consistent baseline data, assumptions, and methods for the long-term electric demand assessment in their ESMPs, such as using the same benchmarks and scenarios set forth by the CECPs.⁸⁹ In their response, the Companies did not fully adopt the recommendation and noted that it would be considered for the next ESMP.⁹⁰ Further, the Companies note that “consistent benchmarks and scenarios are and will continue to be used,

⁸³ D.P.U. 24-10/24-11/24-12, Exh. AG-BF-1 at 23-24, 30.

⁸⁴ EEA, *Massachusetts 2050 Decarbonization Roadmap* (Dec. 2020)(available at <https://www.mass.gov/doc/ma-2050-decarbonization-roadmap/download>).

⁸⁵ D.P.U. 24-10/24-11/24-12, Exh. DOER-2.

⁸⁶ *Id.* at Exh. DOER COMMON 1-9.

⁸⁷ D.P.U. 24-10, Exh. ES-ESMP-1 at 245; D.P.U. 24-11, Exh. NG-ESMP-1 at 220; D.P.U. 24-12, Exh. UN-ESMP-1 at 89

⁸⁸ D.P.U. 24-10, Exh. AG 1-6; D.P.U. 24-11, Exh. AG 1-4; D.P.U. 24-12, Exh. UN-ESMP-1 at 91.

⁸⁹ D.P.U. 24-10/24-11/24-12, Exh. ES-Forecast-2/NG-Forecast-2/UN-Forecast-2 at 12.

⁹⁰ *Id.*

but methods will not be common across the ESMPs.”⁹¹ When asked in evidentiary hearings about consistency with forecasting sensitivities, the Companies noted that they are separate businesses with different systems, customer bases, and deployed technologies.⁹² The Companies agree that to “the extent that it’s possible, we have committed to work together to come up with some comparable scenarios for future ESMPs.”⁹³ While DOER recognizes that there are unique features of each Company’s distribution system, standardized adoption of policy scenarios and policy-driven inputs to forecasts is crucial to ensure the ESMPs are accurately representing the Commonwealth’s clean energy goals. Requiring this type of standardization in forecasts does not preclude the Companies from making different investment decisions to meet the unique needs of their systems or place an undue burden on the Companies, but rather will ensure the Companies adopt a consistent approach to modeling statewide emissions limits and sublimits, and will increase the transparency of the grid forecasting process. Further, this is also consistent with previous precedent as the Department has consistently emphasized the importance of the Companies aiming for a uniform statewide approach, to the extent practicable, as key to evaluating equity, benefits, and the Companies’ achievement of implementation of various programs in an efficient and effective manner.⁹⁴ Here, the Department should require that Companies adopt uniform policy scenarios and policy-driven inputs to forecasts, to the extent possible.

⁹¹ *Id.*

⁹² D.P.U. 24-10/24-11/24-12, Tr. Vol. I at 130-131.

⁹³ *Id.* at 133

⁹⁴ *See, Petitions for approval of its Grid Modernization Plan for calendar years 2022 to 2025*, D.P.U. 21-80-B/21-81-B/21-82-B at Order 150, 167, 170, 183, 185, 188; *see also, Investigation by the Department of Public Utilities on its own Motion into the Modernization of the Electric Grid - Phase II*, D.P.U. 20-69-A, Order at 41, 49; *see also, Petitions for approval of Electric Vehicle Market Development Program and Electric Vehicle Demand Charge Alternative Proposal*, D.P.U. 21-90/21-91/21-92, Order at 258-259.

DOER recommended a more comprehensive stakeholder process for the development and preparation of load forecasts to be used in draft ESMPs (*i.e.*, prior to submitting draft ESMPs to the GMAC).⁹⁵ DOER identified the ISO-NE CELT forecast as one potential example to follow, and also proposed a multi-year collaborative process for the GMAC to meaningfully engage with the forecasts.⁹⁶

The Companies, however, were not amenable to DOER's proposed multiyear engagement process, stating that they:

[A]lready provide yearly forecasts to the Department as part of their Annual Reliability Report (ARR) filings, which the GMAC members have the option to seek intervention and participation in. As a result, and given that the substance of that filing is so aligned with what is sought here, the Company sees little, if any, value of an additional and redundant process outside of the existing Department proceeding to review the Company's forecast.⁹⁷

This response, however, contradicts the Companies' acknowledgement of the complete or limited lack of stakeholder engagement in the ARR process. The Companies admit that "[t]here are currently very limited external stakeholder engagement efforts involved with the development and filing of the ARR" and "[t]here is no established stakeholder engagement process for the ARR."⁹⁸

Outside of the ARR, there are an uncoordinated set of ongoing activities related to stakeholder engagement in forecasts. Across the record, the Companies identify the following venues where they engage with stakeholders on their forecasts:

- Company managed strategic and national accounts, primarily for step loads;⁹⁹

⁹⁵ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 23-27

⁹⁶ *Id.*

⁹⁷ D.P.U. 24-12, Exh. DPU-Common-7-6; *see also* D.P.U. 24-10, Exh. DPU-Common 7-6; D.P.U. 24-11, Exh. DPU-Common 7-6 (detailing responses that also do not support DOER's proposed multiyear engagement, but highlight ARR filings and other stakeholder engagement).

⁹⁸ D.P.U. 24-10, Exh. DOER-Common 2-4; D.P.U. 24-11/24-12, Exh. DOER Common 2-4 at 2.

⁹⁹ D.P.U. 24-10, Exh. DOER 1-2(d); Tr. Vol. I at 89.

- Interconnection portals and developer interactions for DER interconnection;¹⁰⁰
- Existing engagement through the energy efficiency dockets and processing for energy efficiency forecasting; and¹⁰¹
- Forecasting processes or working groups coordinated by ISO-New England, including the CELT forecast, Distributed Generation (DG) Forecast working group, and EE forecast Group.¹⁰²

Notably missing from these venues are processes to engage stakeholders on forecasts, modeling, and scenario assumptions and development related to transportation electrification, building electrification, and solar and storage forecasts. DOER agrees with the Companies that it is important to leverage existing working groups and does not seek to create unnecessary duplication of efforts. The existing state of multiple uncoordinated and separate working groups and timelines further emphasizes the need for the ESMPs to serve as strategic plans that concisely and clearly pull these currently disparate processes together into one place and indicate to stakeholders where they can engage in forecasting, how their engagement will be meaningfully incorporated, and review the results.

Eversource proposes an annual process to seek and incorporate stakeholder feedback on their forecasts, which envisions two meetings a year.¹⁰³ This proposed approach will not allow for the type of substantive back-and-forth, detailed feedback and iteration among the Companies and stakeholders that is necessary to ensure the forecasts are robust, transparent, and standardized to the greatest extent possible. Instead, DOER recommends the Department direct the Companies to

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.* at Tr. Vol. I, 84-87; D.P.U. 24-11, Exh. DPU-Common-7-5.

¹⁰³ D.P.U. 24-10, Exh. ES ESMP-1 at 484.

collaborate with the GMAC to establish a GMAC Forecast Working Group that will begin work immediately following an Order in this proceeding to: (1) remedy deficiencies in the filed ESMP forecasts, including identifying areas for further alignment and standardization between the Companies; and (2) develop a process and schedule for stakeholder input into the next ESMP forecasts *prior to* the submission of the draft ESMPs to the GMAC.

3. The Department Should Direct the Companies to Collaborate with the GMAC to Develop a Long-Term System Planning Process, Including for DG Interconnection

As outlined in DOER's testimony and highlighted continually throughout this proceeding, interconnection of DG in the Commonwealth is experiencing unacceptable delays.¹⁰⁴ The challenges in processing interconnection requests and the resulting size of the interconnection queues pose a significant problem for the Commonwealth to achieve its goals for DG deployment, which are critical to achieving emissions reductions.¹⁰⁵ Unfortunately, the Companies failed to provide a long-term planning solution for the DG interconnection problem in their ESMPs,¹⁰⁶ despite explicit direction from the Department in D.P.U. 20-75 to do so.¹⁰⁷ Instead, the Companies propose to extend the Provisional System Program (PSP) approach and present new proposed Capital Investment Projects (CIPs) to interconnect queued DG. DOER outlines its concerns with these proposals in Section V.A below.

The absence of a substantive proposal from the Companies for a long-term planning and cost recovery proposal for DG interconnection in this proceeding is deeply concerning, runs

¹⁰⁴ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 44; Exh. CEC-MM-1 at 33; D.P.U. 24-11, Exh. WC-SM-1 at 6.

¹⁰⁵ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 44.

¹⁰⁶ *Id.*, Exh. ES-Policy/Solutions-2/NG-Policy/Solutions-2/UN-Policy/Solutions-2 at 1.

¹⁰⁷ *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*, D.P.U. 20-75-C, Order at 3.

contrary to the Department’s direction in Order D.P.U. 20-75-C, and is a dereliction of one of the central statutory purpose of the ESMPs to “enable increased, timely adoption of renewable energy and distributed energy resources.”¹⁰⁸ Given the urgency of the interconnection problem, DOER urges the Department to provide clear direction in its Order in this proceeding to expeditiously move forward with a long-term planning solution for DG interconnection. There is substantial record evidence and stakeholder process that has already been conducted on this topic from intervenors in this proceeding, through the Department’s prior investigations in D.P.U. 19-55, D.P.U. 20-75, and CIP proceedings.¹⁰⁹ DOER urges the Department to leverage this existing body of evidence and stakeholder process to avoid duplication of efforts that would further delay the establishment of a long-term solution for DG interconnection in the Commonwealth.

While the long-term planning process, as addressed in D.P.U. 20-75, is primarily associated with resolving challenges related to DG interconnection,¹¹⁰ DOER believes that the scope of this future process should be expanded to also include new load electrification (*i.e.*, transportation and building electrification loads). While the DG community has actively engaged in the regulatory process for grid planning and investment to date, stakeholders representing the electrified transportation and building sectors have had fewer opportunities to engage in grid planning and investment processes, even though they face similar challenges related to grid interconnection as DG.¹¹¹ For example, while the DG industry has actively engaged in multiple regulatory dockets

¹⁰⁸ M.G.L. c. 164, § 92B(a)(ii).

¹⁰⁹ *See*, Eversource CIPs: D.P.U. 22-47; D.P.U. 22-51; D.P.U. 22-52; D.P.U. 22-53; D.P.U. 22-54; D.P.U. 22-55; *see also*, National Grid CIPs: D.P.U. 22-170; D.P.U. 22-61; D.P.U. 23-06; D.P.U. 23-09; D.P.U. 23-12.

¹¹⁰ D.P.U. 20-75-C, Order at 3.

¹¹¹ *See*, D.P.U. 24-11, Exh. WC-SM-1 at 21; *see also id.*, Public Comment from Craig Thompson, Cell Signaling Technology (Mar. 8, 2024); *see also id.*, Public Comment from Thomas Balf, Gloucester Economic Development and Industrial Corporation (Mar. 12, 2024).

on DG Interconnection (D.P.U. 11-75, D.P.U. 19-55, D.P.U. 20-75, CIP proceedings) and has three working groups for resolving issues related to DG interconnection (IIRG, ESIRG, TSRG), outside of EV plan dockets, the transportation electrification industry does not have an established working group to engage with the Companies on grid infrastructure planning and investments. This type of opportunity will be increasingly important as the Commonwealth seeks to expand the availability and siting of EV supply equipment/charging infrastructure. Given the significant new load that the electrifying of the building and transportation sectors will demand from the grid, DOER recommends the Department take a broad view when it establishes the scope for a long-term system planning program.

DOER urges the Department to take a broad lens and establish a framework for a Long-Term Forecast and System Plan (LTFSP), inclusive of DG and electrification load interconnection in this proceeding. The framework can be based on the existing, broad stakeholder-supported ideas proposed in prior proceedings. The LTFSP should be a ten-year, rolling forecast that is updated annually to reflect policy developments, changes in technology cost, and interconnection requests. The LTFSP should be in sufficient granularity for use in reliability assessments, meaning it must be detailed to the substation, circuit, and feeder level. The LTFSP should reflect proactive, forward-looking assessment of options to mitigate expected infrastructure investment. The LTFSP should be the foundation and factual basis for all filings seeking recovery of infrastructure investment decisions and expenses for DG and electrification load interconnection, and fully replace the PSP. This approach should be fully in place and reflected in the next ESMPs. Therefore, it is urgent that the Department direct the Companies to proceed immediately with the following steps:

1. Immediately following ESMP Order: Commence monthly meetings for a limited time between the Companies and stakeholders to develop LTFSP content, assumptions, and formats. These monthly meetings should be conducted through a subcommittee of the GMAC, which would be inclusive of non-GMAC members. The group would provide the Department with progress updates every six months until the process content and scope is determined.
2. Annually: Establish an annual process and schedule for continuously and proactively forecasting interconnection needs. This annual process should include an opportunity for stakeholder feedback on the forecast and incorporate quarterly meetings with the GMAC to provide updates on LTFSP changes between ESMP periods.
3. ESMP Filings: Each ESMP filing will incorporate the LTFSP and will not include any further proposals for recovery through CIPs proposed under the PSP.

This approach is consistent with proposals supported by stakeholders and intervenors in prior proceedings, which can allow the Department to capitalize on existing progress and not duplicate efforts. The AGO previously indicated support for comprehensive distribution system planning in D.P.U. 20-75¹¹² and indicated opposition to the extension of the PSP through further CIPs proposed in the ESMPs.¹¹³ Additionally, the Clean Energy Coalition (CEC) has proposed the Department initiate a long-term planning process for DG interconnection as an additional phase of this ESMP proceeding over an 18-24 month period following the Department's Order.¹¹⁴

¹¹² D.P.U. 20-75, AGO Comments on System Planning Proposals at 3-4 (May 28, 2021).

¹¹³ See, D.P.U. 24-10/24-11/24-12, Exh. DPU-AGO-1-1; *see also id.*, Exh. AG-NBC-1 at 13, 45-50.

¹¹⁴ D.P.U. 24-10/24-11/24-12, Exh. CEC-MM-1 at 15-22.

DOER believes this planning process can and should be guided by the GMAC in collaboration with the Companies. Given the clear direction from the Department in D.P.U. 20-75 and the statutory requirements for the ESMPs “to enable increased, timely adoption of renewable energy and distributed energy resources,” as well as “promote...electrification technologies necessary to decarbonize the environment and economy,” DOER urges the Department to direct the Companies to work with the GMAC, immediately following this proceeding, to finally establish a long-term interconnection process that is proactive and incorporates the stakeholder feedback provided on this topic in prior proceedings,¹¹⁵ and consistent with the steps DOER outlines above. This long-term plan for DG and electrification load must be fully operational by the next ESMP filing.

B. The Department Should Require Standardization of the ESMPs To Allow Efficient and Effective Stakeholder Engagement

For the ESMPs to be an effective strategic plan as DOER outlines, they should be standardized across the Companies to the maximum extent practicable and should contain elements necessary for clear and transparent presentation of the information the statute requires. The filed ESMPs are long, complex, and technical documents that touch upon almost all aspects of the economy in the Commonwealth. They also impact a wide set of stakeholders. While the standardized outline used in the GMAC at the request of DOER and revised in accordance with feedback from the GMAC was a helpful start, DOER recommends that the Department require such standardization in the content of the ESMPs as well.

¹¹⁵ M.G.L. c. 164, § 92B(a)(ii-iii).

Since the enactment of the 2022 Climate Law, DOER raised concerns about the potential lack of standardization across Company ESMPs. In May 2023, DOER sent a letter with initial recommendations to the Companies to provide guidance as they developed the first draft of their ESMPs.¹¹⁶ In the interest of facilitating stakeholder review of the plans, and maximizing comparison across Company ESMPs, one of the recommendations requested the Companies use a common template, definitions, and formatting across the ESMPs.¹¹⁷ Following this recommendation, the Companies developed, and revised per GMAC feedback, a uniform outline, which is followed in the ESMP filings. While this is organizationally helpful, the content within the outline is significantly different across the Companies, in areas including investment categorization and recovery, electric demand forecast assumptions and methodologies, load management, and planning for system resilience. To enhance transparency, facilitate stakeholder engagement, and aid in Department review, further standardization of the content of the ESMPs is necessary.

DOER recognizes the distinct operating procedures and distribution system characteristics of these separate entities. Standardization, however, on the areas outlined below is both achievable and necessary to ensure the ESMPs are readily understood as strategic plans for meeting the Commonwealth's emissions-reduction goals. Likewise, the Department regularly requires the Companies to aim for a uniform statewide approach, to the extent practicable, as key to evaluating equity, benefits, and the Companies' implementation of various grid modernization and EV efforts

¹¹⁶ DOER, *Letter RE: Initial Recommendations on the Electric Distribution Companies' Electric-Sector Modernization Plans* (May 8, 2023)(available at <https://www.mass.gov/doc/letter-from-doer-to-companies-on-initial-recommendations-for-esmps/download>).

¹¹⁷ *Id.*

in an efficient and effective manner.¹¹⁸ Standardized plans play a pivotal role in enhancing clarity and consistency in communication with stakeholders. When stakeholders can easily identify where and how to find information of interest, they are better equipped to engage in planning processes, provide clear and succinct feedback, and support planning objectives. The preservation of consistency guarantees that stakeholders receive uniform levels of detail and updates, thereby nurturing an environment of trustworthiness and reliability. From an equity perspective, stakeholders are burdened by the complexity and lack of uniformity between the Companies' ESMPs, specifically in areas of investments and cost recovery.¹¹⁹ The ESMPs should be designed with procedural justice¹²⁰ in mind to mitigate ineffective decision-making and collaboration regarding distribution system planning. In particular, two areas of the current ESMPs lack of standardization hinders stakeholders, and the Department, from efficiently and effectively reviewing the plans. The Department should require the Companies to include the below recommendations on including a clear timeline and a standardized presentation of investments in the current proceeding, possibly as part of a compliance filing post-Order, and as part of their initial filing in future ESMP proceedings.

1. The ESMPs Should Contain a Clear Timeline of Ongoing and Future Activities Related to Grid Planning and Investment

The volume of grid planning and grid investment proceedings can be overwhelming to track and participate in, even for engaged stakeholders. DOER shares the Green Energy Consumers Alliance's concern that "it is a burden on stakeholders to follow (much less go through

¹¹⁸ D.P.U. 21-80-B/21-81-B/21-82-B, Order at 150, 167, 170, 183, 185, 188; D.P.U. 20-69-A, Order at 41, 49; D.P.U. 21-90/21-91/21-92, Order at 258-259.

¹¹⁹ GMAC Final Report at 6; D.P.U. 24-10/24-11, Exh. GECA-LC-1 at 2-4.

¹²⁰ "Procedural justice calls for equal and fair procedures. Everyone regardless of social status, income, or race should be allowed to participate in decision-making processes." GMAC Final Report at 33.

the process of intervening and participating in) all of the dockets that will relate to grid modernization if important pieces are scattered about. This situation appears at odds with the Department's recent efforts to expand outreach and participation, particularly for these kinds of major, significant proceedings."¹²¹ The ESMPs provide an opportunity to address these concerns.

The ESMPs can and should serve as a clear summary of ongoing processes, highlighting timelines for each. The ESMPs should link grid investments and grid modernization activities to clearly demonstrate how the Companies are planning for and progressing a grid that can support the Commonwealth's decarbonization goals. To date, no single document exists which presents a full accounting of all utility investments and utility plans comprehensively and cohesively.¹²² The closest resource providing such plain language and comprehensive accounting are the Department's annual reports to the legislature.¹²³ These reports, however, are limited to the calendar year summarized in the report, and do not look ahead to future expected proceedings.¹²⁴ The Department should provide direction to the Companies to provide ESMPs that meet this need as described below.

In response to the GMAC's first recommendation, the Companies argue that the ESMPs "need not be laden with the myriad of information already required by Department precedent to

¹²¹ D.P.U. 24-10/24-11, Exh. GECA-LC-1 at 8.

¹²² *See, e.g.*, D.P.U. 24-10/24-11/24-12, Exh. DOER-COMMON-2-4(e) at 2 (noting where the Companies state that the annual reliability reports are "not a distribution planning process, but rather a filing made to the Department which summarizes *components* of the Company's planning processes" (*emphasis added*)).

¹²³ Submitted pursuant to M.G.L. c. 25, § 2. *See generally*, Department, *DPU Annual Reports to the Legislature*, (available at <https://www.mass.gov/info-details/dpu-annual-reports-to-the-legislature>).

¹²⁴ *Id.*

be provided in other regulatory filings.”¹²⁵ Such a detailed timeline would logically support the requirements described M.G.L. c. 164, § 92B(a)(i-vi); M.G.L. c. 164, § 92B(c)(ii); and the three planning horizons the Companies are required to prepare and use.¹²⁶ In its recommendation, the GMAC references Figure ES-1 “Key Progress and Plans” from National Grid’s New York Distribution System Implementation Plan as an example.¹²⁷ National Grid and Unitil included such summary timelines of programs and investments in their filed ESMPs, which is a step in the right direction.¹²⁸

DOER recommends that the Department require all of the Companies to provide detailed timelines in their ESMPs that include: color coded bars illustrating the timeframe for the various investments and planning areas, subcomponents of the color coded bars as necessary to illustrate how each planning area is further separated out, and key milestones for each investment and planning area. Each timeline should be detailed on a quarterly basis.¹²⁹ This type of summary figure is necessary as it provides stakeholders with a readily understandable figure that shows the many ongoing elements of grid investments, the timeline on which they are being implemented, and identifies what end points or outcomes stakeholders can expect in the various areas. Such a

¹²⁵ This recommendation states that the ESMPs should include more detail on whole-of-business strategic planning, and provide summary figures for timelines for how their grid planning and operational practices will evolve over time to meet the Commonwealth’s policy goals and of different investments and program periods that impact their distribution systems. D.P.U. 24-10/24-11/24-12, Exh. ES-Policy/Solutions-2/NG-Policy/Solutions-2/UN-Policy/Solutions-2 at 14.

¹²⁶ M.G.L. c. 164, § 92B(c)(i).

¹²⁷ National Grid, *Distributed System Implementation Plan Update of Niagara Mohawk Power Corporation d/b/a National Grid* at 3 (Figure ES-1)(June 30, 2023)(available at <https://www.nationalgridus.com/media/pdfs/other/cases-14-m-0101-and-16-m-0411-national-grid-2023-dsip-update.pdf>).

¹²⁸ D.P.U. 24-11, Exh. NG-ESMP-1 at 485 (Appendix); D.P.U. 24-12, Exh. UN-ESMP-1 at 13.

¹²⁹ The Department may also use these timelines to inform how the Companies fulfill the biannual reporting requirements of M.G.L. c 164, § 92B(e).

summary figure will also support the review and standardization of the ESMPs across Companies and is in line with the statutory requirements as set out in the 2022 Climate Law.¹³⁰ The Department should require the Companies to include this summary figure, along with an accompanying short (no more than three-five pages) high-level explanatory document, in a compliance filing for the current proceeding and as part of the initial filing in future ESMPs.

Similarly, DOER supports the recommendations the AGO provided on improvements to the summary timelines; specifically that: (1) they should be provided in Excel format such that more detailed information can be included;¹³¹ and (2) multiple timelines should be created -- one that spans the five-year ESMP period and another that spans a ten-year period that is inclusive of the five-year ESMP period and the following five years. The former timeline can provide greater detail that should be linked to elements within the five-year ESMP period, while the latter can provide an illustration of areas the Company is strategically planning towards for the following five-year ESMP period.

2. The ESMPs Should Contain a Standardized Presentation of Investments

The Department should require that the Companies provide an updated and more standardized investment table that meets the requirements of the 2022 Climate Law. M.G.L. c 164, § 92B(c)(ii) requires that, in developing their ESMPs, the Companies should “consider and include 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.”¹³² The proposed ESMPs lack

¹³⁰ See, M.G.L. c. 164, § 92B(a), (c)(i-ii).

¹³¹ D.P.U. 24-10/24-11/24-12, Exh. AG-BF-1 at 20.

¹³² M.G.L. c. 164, § 92B(c)(ii).

clarity regarding the investments and cost recovery proposed and overlap with existing approved investments and cost recovery mechanisms.

The Companies presented investment amounts and categories in the ESMPs differently, which complicated the GMAC's review of the draft ESMPs and continues to hinder intervenors' review of the filed ESMPs.¹³³ A table developed by the GMAC consultants summarizes the investments the Companies proposed in their ESMPs and allows stakeholders to more easily cross-reference categories of investment across the ESMPs.¹³⁴ In reviewing this summary table, there are elements of the filings that are substantially different between the Companies, particularly related to the categorization or inclusion of certain investments.¹³⁵ For example: (1) Eversource proposes integrated energy planning investments as a part of its customer investments while National Grid proposes integrated energy planning investments as part of its network investments;¹³⁶ (2) Eversource and Unitil propose incremental ESMP resiliency investments while National Grid does not propose discrete resiliency investments as part of its ESMP;¹³⁷ and (3) Eversource does not include any network investments as part of its ESMP for review or approval, while network investments are the largest part of the National Grid and Unitil proposed ESMP investments.¹³⁸

¹³³ D.P.U. 24-10/24-11/24-12, Exh. GECA-LC-3 at 3, 5-6; D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 18, 40-42.

¹³⁴ D.P.U. 24-10/24-11/24-12, Exh. GECA-LC-3 at 55.

¹³⁵ *Id.*; D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 42.

¹³⁶ D.P.U. 24-10, Exh. ES-Net Benefits-1 at 14; D.P.U. 24-11, Exh. NG-Net Benefits-1 at 13.

¹³⁷ D.P.U. 24-10, Exh. ES-ESMP-1 at 435; D.P.U. 24-11, Exh. NG-ESMP-1 at 431; D.P.U. 24-11, Exh. DPU 6-6.; D.P.U. 24-12, Exh. UN-ESMP-1 at 159.

¹³⁸ D.P.U. 24-10, Exh. ES-ESMP-1 at 435; D.P.U. 24-11, Exh. NG-ESMP-1 at 358; D.P.U. 24-12, Exh. UN-ESMP-1 at 160.

Varied application of the ESMP versus non-ESMP categorization of investments “can have significant implications for review of the ESMPs.”¹³⁹ The non-standardized presentation of investments makes it difficult to holistically evaluate the ESMPs across the Companies, most notably because the Companies separate their investments between existing (or non-ESMP) and incremental (or ESMP) investments. The bifurcation of ESMP and non-ESMP investments results in a separation of the net benefits analysis of proposed ESMP investments from the rest of investments summarized in the ESMPs. In addition, given that the Companies have different approaches for defining incremental ESMP investments, it is difficult to determine which “type of investment should be analyzed in which D.P.U. docket.”¹⁴⁰ Additionally, DOER shares the AGO concerns about the misalignment of core and incremental ESMP investments: “[t]he ESMPs should focus on all modernization efforts regardless of where costs are recovered.”¹⁴¹ Differing investment categorization poses a challenge for comparing across the Companies.

The Companies fail to fully address the concern of investment transparency that the GMAC details in its second overarching recommendation, that the ESMPs should clearly identify and describe investments that the Department has approved, are pending, or are newly proposed, using standardized terminology and formatting across the Companies.¹⁴²

The table provided to the GMAC in response to requests for clarity on proposed and approved investments was a good start, but such information should be a core element of the

¹³⁹ D.P.U. 24-10/24-11/24-12, Exh. GECA-LC-3 at 59; *see also* D.P.U. 24-10/D.P.U. 24-11, Exh. GECA-LC-1 at 5-7 (discussing the challenges of understanding bill impacts for customers with uncertain differentiation between ESMP and non-ESMP investments).

¹⁴⁰ D.P.U. 24-10/24-11/24-12, Exh. GECA-LC-3 at 73.

¹⁴¹ *Id.*, Exh. AG-BF-1 at 48.

¹⁴² GMAC Final Report at 13.

ESMPs to achieve the goal of transparency on system planning.¹⁴³ The Companies have received approval for a variety of investments in the grid to support clean energy deployment through different proceedings before the Department and which are recovered through a variety of recovery mechanisms, including base rates and reconciling mechanisms (*e.g.*, Grid Modernization and EV Factors). During review of the draft ESMPs, “the GMAC struggled to understand which proposed ESMP investments were incremental to already-approved investments in the draft ESMPs.”¹⁴⁴ While the filed ESMPs improve on this, significant analysis is still required to fully understand the proposed versus approved investments and their associated recovery mechanisms.¹⁴⁵ For instance, National Grid’s chapter 7.1 does not include the type of table outlining both approved and proposed investments that the GMAC requested and which Eversource and Unitil provide in each respective chapter 7.1.¹⁴⁶

The Department, therefore, should require the Companies to provide, in Excel format, a summary table of investments that includes all the pending or Department-approved capital and operating investments that the Company, as required by M.G.L. c. 164 § 92B(c)(ii). Additionally, the Department should require this summary table to include newly proposed ESMP investments, as DOER requested in discovery.¹⁴⁷ In these summary tables, the Department should require the Companies include: (1) the category of investment; (2) a summary and description of investments that are included in the category; (3) the ongoing or expected recovery mechanism for each

¹⁴³ Companies, *Preread: EDC Letter Received 11/7/23*, GMAC Meeting #11 (Nov. 9, 2023)(available at <https://www.mass.gov/info-details/gmac-meeting-schedules>).

¹⁴⁴ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 41.

¹⁴⁵ *Id.*

¹⁴⁶ *See*, D.P.U. 24-10, Exh. NG-ESMP-1 at 356; D.P.U. 24-11, Exh. ES-ESMP-1 at 432; D.P.U. 24-12, Exh. UN-ESMP-1 at 152.

¹⁴⁷ D.P.U. 24-10/24-11/24-12, Exh. DOER-Common-1-1.

investment; (4) the expenditure for each year through the five-year ESMP period; and (5) the total expenditure for the overall ESMP period.

If the capital and operational investments have already been approved, the table should also include, by category of investment established above: (6) details on the docket/Order where they were approved; (7) the term through which the investment has been approved; and (8) incurred investments, or investments that the Company expects to incur for the three years prior to filing the ESMP.

If the capital and operational investments are expected to be requested during the ESMP period, the Department should require the Companies provide in the table: (9) an expected approximation of investments for the ESMP term; (10) the process by which the Company expects the investment will be approved; and (11) the proposed cost recovery mechanism and period for recovery.

The Department should require the Companies to standardize the categories of investment in the table as much as possible. Where there may be different categorizations of investments among the Companies, each Company should provide a table that identifies and defines how its investment areas differ and justification for why it is treated differently than the standard. DOER echoes the AGO's concern that the proposed investments are overstated and inconsistent between the Companies because the categories are not comparable.¹⁴⁸

The Department should require the Companies to include this standardized presentation in their compliance filing for the current proceeding and as part of the initial filing in future ESMPs.

¹⁴⁸ *Id.*, Exh. AG-BF-1 at 14.

IV. The Department Should Require Revisions to the Companies' Forecasts to Minimize Costs to Customers

The 2022 Climate Law requires the Companies to prepare and use three forecasts in their ESMPs: a five-year forecast, ten-year forecast, and a demand assessment through 2050 that include, but are not limited to, “future trends in the adoption of renewable energy, distributed energy resources and energy storage and electrification technologies necessary to achieve the statewide GHG emission limits and sublimits under chapter 21N.”¹⁴⁹

The forecasts establish the Companies' estimated system peak demand which drives the scale of the proposed infrastructure investments.¹⁵⁰ The Companies also use the forecasts to demonstrate that their investments meet the Commonwealth's GHG emission limits and sublimits.¹⁵¹ The forecasts offered by the Companies fail to meet the standards established, are not transparent, are not comparable across the Companies, do not provide a full accounting for underlying assumptions, and lack consideration of important tools like load management which can reduce costs for ratepayers. For these reasons, DOER (1) recommends that the Department require revisions to these forecasts prior to their use in subsequent approval requests of any proposed investments by the Companies; and (2) further emphasizes the need for greater stakeholder engagement in the development of their future forecasts, as discussed in Sections III.A.2, *supra*. The following sections detail concerns DOER has related to the Companies ESMP forecasts related to load management, energy storage, managed charging, rate design, building code improvements and energy efficiency, climate vulnerability, and DG interconnection.

¹⁴⁹ M.G.L. c. 164, § 92B(c)(i).

¹⁵⁰ D.P.U. 24-10, Exh. ES-ESMP-1 at 8; D.P.U. 24-11, Exh. NG-ESMP-1 at 20; D.P.U. 24-12, Exh. UN-ESMP-1 at 9-11.

¹⁵¹ D.P.U. 24-10, Exh. ES-ESMP-1 at 204; D.P.U. 24-11, Exh. NG-ESMP-1 at 208; D.P.U. 24-12, Exh. UN-ESMP-1 at 78.

A. Load Management

The forecasts in the filed ESMPs do not demonstrate that the Companies adequately considered load management methods to meaningfully reduce their peak load, minimize costs for ratepayers, and meet the objectives for the ESMP enumerated in the 2022 Climate Law. The 2022 Climate Law indicates that the ESMPs should describe in detail “alternatives to proposed investments, including changes in rate design, load management and other methods for reducing demand, enabling flexible demand and supporting dispatchable demand response.”¹⁵² It also requires the ESMPs to minimize or mitigate impacts on ratepayers of the Commonwealth.¹⁵³ Load management and demand response are crucial tools that can reduce peak demand and therefore reduce the need for costly new infrastructure investments in the distribution system. As the building and transportation sectors electrify, and solar, wind, and storage systems connect to the grid, load management strategies to reduce infrastructure build out to the projected peak demand will become an increasingly important part of building a cost-effective grid. To meet the Commonwealth’s emission reduction mandates in a cost-efficient manner, the Companies forecasts should reflect demand management and reduction technologies, as well as flexible interconnection approaches, to reduce the need for infrastructure buildout.

Load management programs and proposals in the filed ESMPs vary widely between the Companies. Of the three Companies, National Grid proposes the most comprehensive set of programs and timelines to enable grid services that effectuate load management. National Grid describes four Virtual Power Plant (VPP) programs for the distribution market, including a local EE/DR/EV Managed Charging Incentives program, a Local Flexibility Market VPP, an All-

¹⁵² M.G.L. c. 164, § 92B(b)(viii).

¹⁵³ M.G.L. c. 164, § 92B(a)(vi).

Electric New Construction demonstration, and an Income-Eligible Energy Storage VPP.¹⁵⁴ Eversource plans to begin a VPP demonstration in its western Massachusetts service territory in 2025, once it defines and operationalizes the Grid Services Compensation Fund¹⁵⁵ process.¹⁵⁶ Based on this demonstration, Eversource expects that implementation of VPPs to begin in 2030.¹⁵⁷ Unitil does not propose any concrete plans for VPP implementation in their filed ESMP.¹⁵⁸ Although the ESMP VPP plans represent an important first step towards evaluating alternatives to traditional distribution system investments, considerable work between now and the next ESMP planning cycle is needed to ensure that these alternatives can compete with traditional investments for Company resources.

Regarding flexible interconnection of DERs, Eversource describes the potential for curtailment of solar and storage to help meet state goals without exceeding hosting capacity limits¹⁵⁹ and National Grid proposes flexible interconnection for solar, storage, and EVs.¹⁶⁰ However, none of the ESMPs enable smart inverter functionality, despite being named in statute as an important tool for consideration.¹⁶¹ Inverter functionality used for flexible interconnection can reduce the need for and cost of grid upgrade and also minimize renewable curtailment. The

¹⁵⁴ D.P.U. 24-11, Exh. NG-ESMP-1 at 348-350.

¹⁵⁵ The Companies jointly propose a Grid Services Compensation Fund for compensating dispatchable DER and flexible loads. A Grid Services Study, coordinated by the Massachusetts Clean Energy Center in 2024, is intended to develop and demonstrate a framework that can be used to compensate customers and developers from the Fund for providing locational grid services. D.P.U. 24-10, Exh. ES-ESMP-1 at 429; D.P.U. 24-11, Exh. NG-ESMP-1 at 296; D.P.U. 24-12, Exh. UN-ESMP-1 at 125.

¹⁵⁶ D.P.U. 24-10, Exh. ES-ESMP-1 at 336; D.P.U. 24-10, Exh. DOER 1-11.

¹⁵⁷ D.P.U. 24-10, Exh. DOER 1-11.

¹⁵⁸ Unitil mentions \$0.2 M incremental investments for “platform technologies, customer compensation fund demonstration and studies to advance VPP programs for DER as grid assets, customer portals.” D.P.U. 24-12, Exh. UN-ESMP-1 at 160.

¹⁵⁹ D.P.U. 24-10, Exh. ES-ESMP-1 at 15-17.

¹⁶⁰ D.P.U. 24-11, Exh. NG-ESMP-1 at 346.

¹⁶¹ M.G.L. c. 164, § 92B(b)(ii).

Department should direct the Companies to include the use of inverter functionality in their forecasts and in their planning to meet state clean energy goals.

DOER agrees with the AGO that “the Companies should more comprehensively consider load management potential for electrified buildings and vehicles, energy storage, and demand response programs. Each Company’s baseline forecast should include reasonably achievable and cost-effective load management should be included in.”¹⁶² For future ESMPs, the Department should require the Companies to include robust load management and flexible DER programs and include parameters around more standardized load management as an element of the Company forecasts.

B. Energy Storage

The 2022 Climate Law places specific emphasis on energy storage in the ESMPs.¹⁶³ Though the Companies take different approaches to considering the impact of energy storage on peak demand, each approach underestimates the ability of energy storage to lower peak demand and thus potentially lower investments on the Companies’ respective systems. The Department should require the Companies to revise their energy storage forecasts to comply with the statute. These inconsistencies and inadequacies are discussed in greater detail below.

1. Eversource

Eversource states that unless the energy storage system is owned and operated by the Company, the Company cannot forecast any peak demand reductions for energy storage, except in limited circumstances for behind-the-meter energy storage resources.¹⁶⁴ Energy storage is

¹⁶² D.P.U. 24-10/24-11/24-12, Exh. AG-NBC-1 at 13.

¹⁶³ See, M.G.L. c. 164, § 92B(a)(iii), (b)(ii), (b)(vii), (c)(i).

¹⁶⁴ D.P.U. 24-10, Exh. ES-ESMP-1 at 231.

assumed to have 0 MW impact in Eversource’s ten-year peak demand forecasts.¹⁶⁵ This position, however, is not reconcilable with Eversource’s own approach to storage in other circumstances. For example, Eversource proposed an innovative VPP that assumes 16 MW of dispatchable storage in its 2025-2027 Energy Efficiency Investment Plan released on April 1, 2024.¹⁶⁶ Even without the ability to own and operate the storage, the Company’s planned investment in this resource is considered sufficiently reliable for inclusion toward its energy efficiency goals. In addition, the assumed energy efficiency capacity savings value (which includes the behind-the-meter storage resources via Connected Solutions) is bid into the ISO-NE Forward Capacity Market (FCM).¹⁶⁷ It is illogical that resources that are reliable enough for ISO-NE to rely upon for their forecasts are not reliable enough for Eversource to rely upon for their forecasts in the ESMPs. By disregarding the role of energy storage in reducing peak demand, Eversource fails to meet the statutory requirements that its plan “promote energy storage and electrification technologies necessary to decarbonize the environment and economy,” and “deploy energy storage technologies to improve renewable energy utilization,” and “alternative to proposed investments, including changes in load management.”¹⁶⁸

¹⁶⁵ See *id.* at 244 (Table 5-14 for the entire system), 257 (Table 5-17 for Metro Boston), at 266 (Table 5-20 for Metro West), at 274 (Table 5-22 for Southern), 282 (Table 5-25 for Western). The limited circumstance where Eversource does consider the ability of energy storage to reduce peak demand is behind-the-meter resources. Specifically, these reductions are accounted for in Company’s Trend Load if the behind-the-meter energy storage resources dispatched on the highest day in the last 10 years of system peaks. D.P.U. 24-10, Exh. DOER 5-4(b).

¹⁶⁶ D.P.U. 24-10, Exh. Attachment RR-CLC-ES-1; see, Program Administrator BC Models, 2025-27 Plan BC Model NSTAR Electric – Final for Filing worksheet at cells BB199 and BB509 (available at <https://ma-eeac.org/plans-updates/>).

¹⁶⁷ D.P.U. 21-120 – D.P.U. 21-129, Exh. 1 (Statewide Plan) at 32 (Nov. 1, 2021).

¹⁶⁸ M.G.L. c. 164, § 92B(a)(iii), (b)(vii – viii).

2. National Grid

National Grid's storage forecast incorporates historical energy storage data from 2006 through 2022 and forecasts through 2050 for energy storage's impact on peak demand, both distribution system wide and regionally,¹⁶⁹ but only uses the system wide forecast for capital planning.¹⁷⁰ The 2050 forecasts are tied to Clean Peak Standard windows for both charge and discharge, which is assumed to not change during the entire multi-decade forecasting period.¹⁷¹ Keeping the charge/discharge profiles of energy storage static through 2050 results in counterintuitive and unlikely results for National Grid's energy storage forecasts. For instance, when the peak hour is outside of the current Clean Peak Standard (CPS) Seasonal Peak Periods, the Company forecasts energy storage to charge and thus *increase* peak load, which is directly counter to the policy aims of the CPS and to the fundamental value proposition of energy storage.¹⁷² These problematic assumptions lead to drastic swings in peak impact year-over-year,¹⁷³ which are highly unlikely and demonstrate significant underestimation of the impact of energy storage during the forecast period.

This single assumption undermines the reliability of National Grid's forecast, and was avoidable through consultation with DOER. DOER promulgated the CPS and includes provisions requiring review and, if necessary, revision of key CPS drivers in 2024 and not less frequently than every four years during the regulations' effective duration.¹⁷⁴ Indeed, DOER is currently reviewing

¹⁶⁹ D.P.U. 24-11, Exh. NG-ESMP-1 at 568, 570 (MECO); 574, 576 (NEMA); 580, 582 (SEMA); 586, 588 (WCMA); 591, 593 (NANT).

¹⁷⁰ D.P.U. 24-10/24-11/24-12, Tr. Vol II at 244, 249.

¹⁷¹ D.P.U. 24-11, Exh. DOER-5-6 at 4.

¹⁷² *Id.* at 7.

¹⁷³ *Id.* at 6 (Table 5), 7 (Table 6).

¹⁷⁴ *Id.* at 4.

CPS to determine if modifications to Seasonal Peak Periods are needed.¹⁷⁵ Engaging in consultation with DOER should be standard practice to make necessary adjustments to the Seasonal Peak Period windows according to the evolution of Net Demand over time.¹⁷⁶

3. Unitil

Unitil reports the performance of the Company's single "bulk" energy storage system at the Townsend substation for the years 2021-2023.¹⁷⁷ Unitil assumes charge/discharge schedules for both winter and summer seasons based on hourly load curves and that 25% of the forecasted Energy Storage System (ESS) would either be unavailable or doing the opposite of what was required at the time (charging when loads would dictate discharging and vice versa).¹⁷⁸ Unitil's assumed charge/discharge schedule, however, conflicts with the current CPS Summer Seasonal Peak Period. For example, the Company assumes that energy storage will be charging for the entirety of the current CPS Summer Seasonal Peak Period.¹⁷⁹ This behavior is highly unlikely given the importance of the CPS incentive to the economics of energy storage today.¹⁸⁰ Further, like National Grid, Unitil also erroneously assumed static charge/discharge profiles for energy storage throughout the forecast period for both winter and summer.¹⁸¹ Unitil also assumes 25% of the forecasted storage would either be unavailable or doing the opposite of what was required at

¹⁷⁵ See, DOER, *2024 CPS Review Stakeholder Questions* (Mar. 25, 2024)(available at <https://www.mass.gov/doc/2024-clean-peak-energy-standard-review-stakeholder-questions/download>).

¹⁷⁶ In contrast, Eversource makes the correct assumption that CPS windows will change as Net Demand evolves over time. D.P.U. 24-10, Exh. ES-ESMP-1 at 232.

¹⁷⁷ D.P.U. 24-12, Exh. DOER 4-3.

¹⁷⁸ *Id.* at Exh. DOER 4-2; Exh. UN-ESMP-1 at 85.

¹⁷⁹ *Id.* at Exh. DOER 4-2.

¹⁸⁰ DOER, Massachusetts Clean Energy Center, E3, *Charging Forward: Energy Storage in a Net Zero Commonwealth* at 8 (Dec.31, 2023)(available at <https://www.mass.gov/doc/charging-forward-energy-storage-in-a-net-zero-commonwealth-report/download>).

¹⁸¹ D.P.U. 24-12, Exh. DOER 4-2(a).

the time.¹⁸² Until provides no basis for this assumption, only citing that the Townsend storage device was unavailable for one of the last three annual peaks.¹⁸³ Due to these erroneous assumptions, Until's forecasting approach is similarly flawed.

The Companies take different and problematic approaches to modeling the role of energy storage in their ESMP forecasts. The Companies did not meet the statutory requirement to promote energy storage through their ESMPs or to consider energy storage in their forecasts or load management.¹⁸⁴ The Companies' questionable forecasting of energy storage also calls into question the reliability of these forecasts to justify grid investments, given the importance of energy storage as a load management tool. The Department should require that the Companies revise their forecast with greater stakeholder engagement, including with DOER regarding its regulations like CPS, and require that all forecasting methodologies are standardized across the Companies.

C. Managed Charging

As with energy storage, the Companies fail to consistently include the potential peak demand reduction benefits from the managed charging of EVs. The increasing number of EVs in the Commonwealth presents an opportunity for the Companies to strategically manage load on their system by setting up managed charging programs¹⁸⁵ and enabling bidirectional charging to

¹⁸² *Id.* at Exh. UN-ESMP-1 at 85.

¹⁸³ *Id.* at Exh. DOER 4-2(b).

¹⁸⁴ *See*, M.G.L. c. 164, § 92B(a)(iii), (b)(ii), (vii), (c)(i).

¹⁸⁵ There are two main categories of managed charging, active and passive. Active managed charging relies on electric utilities having direct control of the timing and rate of EV charging. Passive managed charging generally utilizes price signals or other incentives to influence customer charging behavior in a way that enhances grid performance. With over 70,000 registered light-duty EVs in the Commonwealth, the Companies have already missed an opportunity to meaningfully reduce demand. *See*, Office of Climate Innovation and Resilience, *Massachusetts Climate Report Card – Transportation Decarbonization* (Dec. 1, 2023)(available

meet the requirements set out in the 2022 Climate Law.¹⁸⁶ Through managed charging programs, EVs could significantly reduce load and the need for new distribution system upgrades, minimize costs for ratepayers, and also enhance grid resilience.¹⁸⁷ The Companies take different approaches to managed charging in their ESMP forecasts, and largely do not consider the potential impact it may have on reducing peak load. The Companies also do not account for bidirectional charging or vehicle-to-everything (V2X)¹⁸⁸ capabilities in their short- or long-term demand forecasts.¹⁸⁹

The Companies assume little to no managed charging in their short-term forecasts. While Eversource acknowledges that managed charging can reduce system peaks and minimize grid infrastructure costs, the Company states it does not include impacts of managed charging in its forecasts because it does not currently have a managed charging program.¹⁹⁰ Eversource indicates it will propose a managed charging program this summer, however does not include further details in its ESMP.¹⁹¹ National Grid has a residential active managed charging program through its Off-Peak Charging Rebate program. The Company includes the impacts of this program in its baseload

at <https://www.mass.gov/info-details/massachusetts-climate-report-card-transportation-decarbonization>).

¹⁸⁶ See, M.G.L. c. 164, § 92B(b).

¹⁸⁷ Electric Vehicle Infrastructure Coordinating Council, *Initial Assessment to the General Court* at 11, 63, 66 (Aug. 11, 2023)(available at <https://www.mass.gov/files/documents/2023/08/11/EVICC%20Initial%20Assessment%20Final%2008.11.2023.pdf>); Federal Energy Management Program, *Bidirectional Charging and Electric Vehicles for Mobile Storage* (accessed May 13, 2024)(available at <https://www.energy.gov/femp/bidirectional-charging-and-electric-vehicles-mobile-storage>).

¹⁸⁸ Vehicle-to-everything (V2X) refers to a managed charging concept that frames an EV as a mobile battery capable of discharging energy to the grid. V2X can be applied in numerous ways: vehicle-to-house (V2H) involves EVs discharging to a home. Vehicle-to-load (V2L) refers to EV batteries discharging to provide power for another energy load. Vehicle-to-grid (V2G) refers to EV batteries discharging to the electric grid explicitly to mitigate peak demand. D.P.U. 24-10, Exh. ES-ESMP-1 at 553; D.P.U. 24-11, Exh. NG-ESMP-1 at 414.

¹⁸⁹ D.P.U. 24-10, Exh. ES-ESMP-1 at 227; D.P.U. 24-11, Exh. NG-ESMP-1 at 220; D.P.U. 24-12, Exh. UN-ESMP-1 at 110.

¹⁹⁰ D.P.U. 24-10, Exh. ES-ESMP-1 at 531.

¹⁹¹ *Id.*

short- and long-term forecast but assumes there is no increase in participation in the program over time.¹⁹² In addition, National Grid's forecast includes the managed charging offering from the Connected Solutions program in its base case forecast in both the short- and long-term, although the program has since been discontinued.¹⁹³ Until's short- and long-term forecasts do not assume any managed charging.¹⁹⁴ Until also does not propose any new managed charging programs.

Both Eversource and National Grid consider the impact of managed charging in long-term scenario analyses, yet do not include the impacts of managed charging in their base case scenarios. Eversource considers four scenarios with differing participation in managed charging programs; the most optimistic case assumes a 75% reduction in overall EV load.¹⁹⁵ National Grid considers one managed charging scenario that assumes 75% of light duty EV owners charge at home, and that 75% of those owners charge during off-peak hours.¹⁹⁶ Under this scenario, the peak load is forecast to be reduced by 3.5% by 2050 as a result of managed charging.¹⁹⁷

The Company EV forecasts also do not account for vehicle-to-everything (V2X) capabilities, citing their nascence.¹⁹⁸ While V2X is a presently an emerging technology, numerous V2X pilots, including those conducted in the Commonwealth, have demonstrated its effectiveness in reducing load and enhancing grid resiliency.¹⁹⁹ Considering the strategic nature of the ESMPs, the Companies should consider V2X capabilities in their system planning.

¹⁹² D.P.U. 24-11, Exh. DOER 1-5.

¹⁹³ *Id.*

¹⁹⁴ D.P.U. 24-12, Exh. UN-ESMP-1 at 222.

¹⁹⁵ D.P.U. 24-10, Exh. ES-ESMP-1 at 532.

¹⁹⁶ D.P.U. 24-11, Exh. NG-ESMP-1 at 400.

¹⁹⁷ *Id.*

¹⁹⁸ D.P.U. 24-10, Exh. ES-ESMP-1 at 227; D.P.U. 24-11, Exh. NG-ESMP-1 at 220; D.P.U. 24-12, Exh. UN-ESMP-1 at 110.

¹⁹⁹ D.P.U. 24-10, Exh. DPU Common 11-14; D.P.U. 24-11, Exh. DPU Common 11-14; Wood Mackenzie, *What 'vehicle-to-everything' electric vehicle pilots mean for the grid* (June 3,

The ESMPs are required to include new technologies for meeting forecasted reliability and resiliency needs, alternatives to proposed investments, including load management and other methods for reducing demand, enabling flexible demand and supporting dispatchable demand response.²⁰⁰ As strategic planning documents, the ESMPs should include a comprehensive plan, inclusive of timelines and necessary enabling technologies, for how the Companies will implement managed charging more holistically into their grid operations. The Companies' plans for managed charging should also be reflected in the ESMP forecasts, which are required by statute to account for future trends necessary to achieve the statewide GHG emission limits and sublimits under Chapter 21N. The ESMP forecasts should better include the potential of managed charging.²⁰¹ The filed ESMPs fail to clearly lay out such a plan, and largely do not consider the impact of managed charging on their forecasts.

D. Rate Design

The Department clearly identified the scope of rate design in the instant proceedings on “the limited issue of the Companies’ compliance with the statutory requirements applicable to rate designs, including whether and how the Companies considered the potential changes in rate design in their ESMP forecasting and analyses, as well as whether and how such considerations on this issue should be addressed and/or incorporated into future ESMP filings.”²⁰²

As acknowledged by the Department, there are a number of pending matters related to rate design issues.²⁰³ One of these ongoing matters, the Interagency Rates Working Group (IRWG), is

2021)(available at <https://www.woodmac.com/news/opinion/what-vehicle-to-everything-electric-vehicle-pilots-mean-for-the-grid/>).

²⁰⁰ M.G.L. c. 164, § 92B(b).

²⁰¹ D.P.U. 24-10/24-11, Exh. GECA-AV-1 at 10; D.P.U. 24-10/24-11/24-12, Exh. AG-NBC-1 at 96-97.

²⁰² Interlocutory Order at 22.

²⁰³ *Id.* at 20.

investigating near- and long-term electric rate designs that advance the Commonwealth’s decarbonization goals. This working group is a partnership between DOER, the Executive Office of Energy and Environmental Affairs, the Massachusetts Clean Energy Center, and the AGO. The IRWG will issue a final report providing an electric rates assessment, a near-term rates strategy, and a long-term ratemaking study by the end of 2024. Through this effort, DOER will also be addressing alternative rate designs and energy affordability for Massachusetts ratepayers and the IRWG studies may result in petitions to the Department with recommended rate redesigns.

Although DOER looks forward to engagement with the Companies on the IRWG studies, the lack of engagement by the Companies on the topic of rate design in the filed ESMPs is a missed opportunity for the Companies to advance their vision of how AMI-enabled rates can support a decarbonized distribution system. The ESMPs identify that rate design can be a helpful tool in advancing clean energy goals²⁰⁴ and reducing peak demand.²⁰⁵ Eversource, National Grid, and Unitil list and react to the Department’s five ratemaking principles (efficiency, simplicity, continuity, fairness, and earnings stability), identifying the importance of these rate design elements in long-term ratemaking,²⁰⁶ however, none consider how rate design could impact their forecasts, thereby overlooking a critical forecast input.²⁰⁷ For example, Unitil writes that “innovative rate designs will be required to manage or mitigate loads during winter peak times,” yet does not identify rate design as an input in its short-term or long-term forecasts.²⁰⁸

²⁰⁴ D.P.U. 24-10, Exh. ES-ESMP-1 at 598; D.P.U. 24-11, Exh. NG-ESMP-1 at 421-424; D.P.U. 24-12, Exh. UN-ESMP-1 at 233.

²⁰⁵ D.P.U. 24-11, Exh. NG-ESMP-1 at 422; D.P.U. 24-12, Exh. UN-ESMP-1 at 212, 236-237.

²⁰⁶ D.P.U. 24-10, Exh. ES-ESMP-1 at 598-599; D.P.U. 24-11, Exh. NG-ESMP-1 at 421-422; D.P.U. 24-12, Exh. UN-ESMP-1 at 233-235.

²⁰⁷ *See, e.g.*, D.P.U. 24-10, Exh. AG-1-9; *see also* D.P.U. 24-11, Exh. AG-1-7.

²⁰⁸ D.P.U. 24-12, Exh. UN-ESMP-1 at 212.

DOER finds that because the filed ESMPs fail to adequately account for the critical role that rate design can play in load management, they fail to meet their statutory requirement to consider “alternatives to proposed investments, including changes in rate design” in their ESMPs.²⁰⁹ This also undermines the credibility of the ESMP forecasts for system planning and to justify infrastructure investments. As strategic plans, the ESMPs should include considerations of how alternative rate structures will affect load forecasts. Rate design is a critical load management instrument that can align customer behavior, the Commonwealth’s policy priorities, and the Companies’ business practices, while minimizing the cost of distribution system upgrades. For example, by the time the next ESMPs are filed, AMI-driven Meter Data Management System (MDMS) and Customer Information Systems (CIS) rollout will have begun and time varying rates (TVR) should be available.²¹⁰ TVRs have tremendous potential to shift peak loads, which can reduce the Companies’ need to invest in capital infrastructure. TVRs are also widely deployed in other jurisdictions outside Massachusetts, providing substantial precedent the Companies could have studied to model and forecast the impact of TVR on load under different scenarios.²¹¹ The current ESMPs do not present a comprehensive rates strategy that considers how alternative rate structures can change customer behavior and impact demand forecasts. The Companies’ failure to consider rate design in its load forecasts is a glaring oversight that calls into question the robustness of the forecasts for strategic planning purposes.

²⁰⁹ M.G.L. c. 164, § 92B(b)(viii).

²¹⁰ St. 2022, c. 179, § 90 (requiring the Department issue at least one order on EV time-of-use rates by Oct. 31, 2025).

²¹¹ 2050 CECP at 75; D.P.U. 21-90/21-91/21-92 at 229 (Dec. 23, 2022); D.P.U. 21-91, ChargePoint Track 1 Brief at 1, 5, 7-10 (Apr. 15, 2022); D.P.U. 21-91, AGO Initial Brief Track 2 at 44 (Sep. 15, 2022).

DOER recommends the Department make clear that future ESMPs must: (1) include scenario analysis of rate design in the Companies' forecasts; and (2) include analysis and narrative discussion of the types of rate designs the Company sees as strategically promising to support least-cost distribution system planning to meet clean energy goals.

E. Building Code and Energy Efficiency

None of the Companies' approaches to energy efficiency adequately reflect current Commonwealth policy or the potential for energy efficiency measures to dramatically reduce demand and peak load. National Grid forecasts its use of energy efficiency in electric system planning using historical building code improvement increments and historical incremental improvements in their Mass Save programs.²¹² Eversource similarly took a simplified approach that is based on historical trends for residential buildings.²¹³ Unitil states that it has used the latest building code in its underlying econometric forecast but does not provide the assumptions to support the statement.²¹⁴

Massachusetts is leading the nation in the development and use of a specialized energy code, which requires new buildings to meet high performance standards for efficiency.²¹⁵ Although this code is an opt-in code, as of May 15, 2024, 43 municipalities in Massachusetts have already adopted the code, including several of the Commonwealth's largest cities.²¹⁶ The Companies' modeling approaches do not incorporate the impact of Massachusetts' building codes or energy efficiency policies that mitigate increases in demand from building electrification. The

²¹² D.P.U. 24-11, Exh. NG-ESMP-1 at 396.

²¹³ D.P.U. 24-10, Exh. ES-ESMP-1 at 503-504.

²¹⁴ D.P.U. 24-12, Exh. UN-ESMP-1 at 98, 201.

²¹⁵ See, 225 CMR 22.00 and 225 CMR 23.00.

²¹⁶ See, DOER, *Building Energy Code Adoption by Municipality* (updated May 15, 2024)(available at <https://www.mass.gov/doc/building-energy-code-adoption-by-municipality/download>).

danger of ignoring the ability of building codes and energy efficiency to reduce electric load is compounded here by the assumptions that appear in forecast models regarding the growth of heating electrification. Upgrades to existing buildings during the period between now and the final CECP goals in 2050 will be incentivized by a series of Executive Office of Energy and Environmental Affairs (EEA) policies, including the three-year Energy Efficiency Investment Plans implemented by the Companies, gas utilities, and the Cape Light Compact.²¹⁷ In addition, consultant analysis for DOER to support the specialized energy code demonstrates that the thermal efficiency of code compliant buildings *may not affect seasonal electric load at all* (emphasis added).²¹⁸ Massachusetts' current building code therefore has significant potential to mitigate demand increases from heating electrification, but is simply not considered in the forecasts. This is a substantial omission and undermines the credibility of the forecasts to justify infrastructure upgrades. Future ESMP forecasts must include accurate consideration of building codes and their potential to reduce peak load and must be developed in consultation with DOER and other stakeholders who can provide expert input.

F. Climate Vulnerability

M.G.L. c. 164, § 92B sets out several places where preparation for future climate driven impacts and system resiliency must be included in the plans.²¹⁹ Preparing for climate change requires consideration of the impacts on existing and future assets. Across the ESMPs' Resilience chapters, the Companies do not use a common climate change planning or forecasting tool to complete climate vulnerability assessments. For example, Eversource's climate vulnerability

²¹⁷ St. 2021, c. 8, § 9; *see*, M.G.L. c. 21N, § 3B; *see also*, 2050 CECP at xvi.

²¹⁸ New Buildings Institute, *Cost-Benefit Analysis in support of 2022 Stretch Code development* at 9 (available at <https://www.mass.gov/info-details/final-stretch-code-guideline-materials>).

²¹⁹ *See*, M.G.L. c. 164, § 92B(a)(i, iv), (b)(i, ii, ix), (e).

study²²⁰ that was commissioned to inform asset climate vulnerability planning, references climate change scenarios with projections out to 2080²²¹ and National Grid references scenario data that forecasts out to 2100.²²² Forecasting windows and parameters should be standardized across all Companies to improve transparency and accuracy of applied data. National Grid presents their internal tool to identify climate hazard risk called the Climate Change Risk Tool, which uses data from the Intergovernmental Panel on Climate Change’s Representative Concentration Pathway (RCP) scenarios of RCP4.5 and RCP8.5.²²³

The Department should require the Companies use a standardized tool for climate vulnerability assessments, as the climate change related hazards experienced across the state, including floods, wind speeds, high heat, ice accretion, wildfires, and droughts, will affect each Company. A standardized tool will ensure that the Companies are using similar data when assessing and planning for these hazards. As National Grid has already developed such a tool for their internal use, their tool could serve as an appropriate starting point.

V. The Department Should Affirm that the ESMPs are Strategic Plans Used to Guide Investments that are Recovered Primarily Through Base Distribution Rates.

In the instant proceeding, the Department has stated it will address the “appropriate cost recovery framework (*i.e.*, through base distribution rates and/or reconciling cost recovery mechanisms) for proposed ESMP investments.”²²⁴ The Department found that addressing the “Companies’ requests for pre-approval and cost recovery through separate reconciling mechanisms is not only premature but would add an unnecessary administrative burden” and determined it would “not adjudicate these requests or the associated cost recovery proposals within

²²⁰ D.P.U. 24-10, Exh. ES-ESMP-1 at 628.

²²¹ *Id.* at 630.

²²² D.P.U. 24-11, Exh. NG-ESMP-1 at 444.

²²³ *Id.*

²²⁴ Interlocutory Order at 18.

the seven-month review period.”²²⁵ Further, the Department provided that *if* it deemed accelerated cost recovery through annual reconciling mechanisms for proposed ESMP investments appropriate, it would establish parameters through a separate phase of this proceeding.²²⁶ In considering the appropriate cost recovery framework that will apply to those investments, the Department notes it must consider the statutory provision that, “[t]he electric company shall be permitted to include in base electric distribution rates all prudently incurred plant additions that are used and useful.”²²⁷

As noted *supra*, DOER supports the Department’s strategic plan approach to the ESMPs, in part because it is consistent the Department’s approach in grid modernization proceedings, where “the Companies’ strategic plans were each company’s roadmap outlining how the company intended to achieve the Department’s grid modernization objectives, covering all grid modernization planning and investments, not only investments that were incremental or eligible for short-term targeted cost recovery through a reconciling mechanism.”²²⁸ The Companies’ proposed separation of ESMP investments as separate and distinct from core investments is misaligned with the Department’s strategic plan approach to the ESMPs, particularly as many of the proposed investments support the Companies’ traditional core utility business function of providing safe and reliable service.²²⁹ The ESMPs serve as the strategic plan outlining the Companies’ forecasts, including necessary investments in technology, load management, and capital infrastructure, to advance a decarbonized distribution system. Following Department

²²⁵ *Id.* at 17.

²²⁶ *Id.* at 18.

²²⁷ *Id.* at 18, n. 8, *citing* M.G.L. c. 164, § 92B.

²²⁸ *Id.* at 14-15.

²²⁹ *Id.* at 14.

approval, the ESMPs will be a useful tool to guide specific investment budgets for recovery through base electric distribution rates pursuant to M.G.L. c. 164, § 92B(d).

The Department has made it clear that grid modernization investments would eventually become a part of their normal course of business.²³⁰ Despite this, the Companies propose various separate reconciling cost recovery mechanisms for incremental ESMP investments in this proceeding.²³¹ Yet the ESMP investments the Companies proposed are directly aligned with the Companies' core utility business functions and public service obligations to serve customers and ensure safe and reliable energy service. Historically, when economic growth or new technologies led to periods of growing electric load, electric utilities were expected to invest in, and justify, new infrastructure necessary to support a reliable system as part of their core business. This requirement remains true today, even if the load growth in the coming decades will be driven by policies to encourage electrification and DERs.

The Companies argue that a cost recovery path outside of traditional cost of service ratemaking will be required as long as the Commonwealth's clean energy goals require the Company to undertake higher levels of incremental investment above core capital expenditures.²³²

²³⁰ D.P.U. 12-76-A, Order at 9; D.P.U. 12-76-B, Order at 19; D.P.U. 15-120/15-121/15-122, Order at 235; D.P.U. 20-69-A, Order at 35; D.P.U. 21-80-A/21-81-A/21-82-A Order at 111; D.P.U. 21-80-B/21-81-B/21-82-B, Order at 290.

²³¹ Eversource proposes to recover its core capital investments under its previously approved K-bar mechanism in D.P.U. 22-22 and seeks to extend grid modernization and EV investments recovered through the associated reconciling filings (GMF and EV Program tariff) through 2029. D.P.U. 24-10, Exh. ES-ESMP-1 at 298; Exh. ES-Bill-Impacts-1 at 19. National Grid has proposed to recover core capital and incremental ESMP investments through an Infrastructure, Safety, Reliability, and Electrification (ISRE) mechanism proposed in its current rate case (D.P.U. 23-150). D.P.U. 24-11, Exh. NG-ESMP-1 at 356. Unitil proposed to extend both grid modernization and EV plan investments through 2029 and recovery investments through the grid modernization recovery factor. D.P.U. 24-12, Exh. UN-Bill Impacts-1 at 7; D.P.U. 24-12, Exh. UN-ESMP-1 at 160.

²³² D.P.U. 24-10/24-11/24-12, Exh. DPU-Common-9-7.

Moreover, each Company expects that a reconciling mechanism will still be necessary following the first ESMP term (2025-2029) and will need to exist at least for another five-year cycle (2030-2034) corresponding to the next ESMP term.²³³ This position is counter to the intent outlined in statute,²³⁴ the Department's explicit directive for grid modernization to become a part of the Companies' normal course of business, and will further disincentivize electrification by exacerbating the rate impacts associated with the additional investments.²³⁵

The Companies' position that reconciling mechanisms should continue for another ten years (2025-2034), following eight years (2018-2025) Grid Modernization Plans recovered outside of base distribution rates casts doubt on the Companies' commitment to considering ESMP investments as an integral part of their ongoing, routine investment and operational plans. When addressing the appropriate cost recovery framework for the ESMPs in the instant or any future proceeding, the Department should prioritize frameworks or designs that underscore the approach that grid modernization, and by extension ESMP investments, become a part of the Companies' normal course of business and planning processes.²³⁶ The Department may wish to consider in base distribution rate proceedings whether, or not, the level of investments to implement the ESMPs necessitate changes to the current regulatory plans.

²³³ *Id.*

²³⁴ M.G.L. c. 164, § 92B(d).

²³⁵ D.P.U. 21-80-B/21-81-B/21-82/B, Order at 289-290.

²³⁶ D.P.U. 12-76-A, Order at 9; D.P.U. 12-76-B, Order at 19; D.P.U. 15-120/15-121/15-122, Order at 235; D.P.U. 20-69-A, Order at 35; D.P.U. 21-80-A/21-81-A/21-82-A, Order at 111; D.P.U. 21-80-B/21-81-B/21-82-B, Order at 290.

A. Any Extension of Provisional System Program Should Be Paired with a Long-Term Planning Solution for DG Interconnection

Eversource and National Grid each propose new CIPs as part of their ESMPs. These are proposed infrastructure investments to interconnect DG projects using the cost allocation methodology established in D.P.U. 20-75 as the Provisional System Program (PSP).²³⁷ Consideration and approval of these new proposed CIPs, however, would represent an extension of what was intended by all parties to be a *provisional* (*i.e.*, temporary) program to interconnect DG. As outlined in DOER’s testimony,²³⁸ and that of the AGO²³⁹ and the Clean Energy Coalition (CEC),²⁴⁰ the CIP process has serious drawbacks, including that it is time-intensive for all parties involved and represents a reactive and short-term, rather than proactive and long-term, approach to interconnecting and allocating costs of DG.

Extension of the PSP should not be considered, as the Companies failed to provide any adequate proposal for a long-term solution for DG interconnection. The Companies appear content to continue the CIP approach indefinitely and disregarded the explicit direction of the Department in Order D.P.U. 20-75-C to provide a long-term planning solution for DG interconnection in their ESMPs.²⁴¹

Given the scale and urgency of the DG interconnection problem in the Commonwealth, DOER does not oppose continuation of the PSP if the Department determines it is the best

²³⁷ D.P.U. 20-75-B, Order at 26-30.

²³⁸ D.P.U. 24-10/24-11/24-12, Exh. DOER-1 at 43-45.

²³⁹ *Id.*, Exh. AG-NBC-1 at 45.

²⁴⁰ *Id.*, Exh. CEC-MM-1 at 28-29.

²⁴¹ D.P.U. 20-75-C, Order at 3. The Companies, however, appear to be establishing an indefinite queue process for new DG interconnection. Even for the only CIP proceeding with an approved order thus far (*see*, D.P.U. 22-47), Eversource has already commenced a “Round 2” Group study for projects coming in behind the approved upgrades. *See*, D.P.U. 24-10, Exh. DPU-Common-8-3.

approach to build the infrastructure needed to interconnect the DG projects currently waiting in Group Studies as efficiently and quickly as possible. DOER stresses, however, that any extension of the PSP approach must be paired with tangible and rapid simultaneous progress towards a long-term planning solution for DG interconnection, as outlined above. Additionally, if the PSP is extended, DOER urges the Department to include measures in its Order in this proceeding that would streamline the process to reduce the administrative burden for participants and to expedite the review process for each new CIP.

B. The ESMPs Are Not the Appropriate Venue for Eversource’s Proposed Affordable Solar Access Program

Eversource proposes the creation of an Affordable Solar Access Program (ASAP), in which Eversource would cover the upfront costs associated with on-site solar installation for 2,400 multifamily affordable housing landlords and income-eligible property owners over three years.²⁴² The customers associated with the solar system’s meter (either tenant or resident-owner) would then be charged via monthly on-bill charges.²⁴³ DOER supports the intent of ASAP to increase the deliverability of on-site solar energy production with income eligible customers, but does not believe it is appropriate for consideration in the ESMP, which is intended to focus on grid planning. Indeed, DOER recently secured more than \$156 million to deliver solar to the same customers, albeit using different financing models. However, DOER agrees with the Green Energy Consumers Alliance that the Department should exclude ASAP from the cost, benefits, and investment proposals considered in this ESMP.²⁴⁴ Regardless of the merits of the proposal, the ESMP is not the appropriate outlet to vet and provide preliminary funding approval of a new solar

²⁴² D.P.U. 24-10, Exh. ES-ESMP-1 at 320-321.

²⁴³ *Id.*

²⁴⁴ D.P.U. 24-10/24-11, Exh. GECA-LC-1 at 11.

program and thus should be excluded from the cost, benefits, and investments proposal considered in the ESMP.²⁴⁵ Rather, DOER encourages the Department and Eversource to explore this concept of direct, on-bill financing of solar for income eligible tenants in the appropriate venue.

VI. The Department Should Require the ESMPs to Center Equity

The ESMPs offer an important opportunity for the Companies to center equity in electric distribution system planning and provide enhanced stakeholder engagement to address areas such as affordability, accessibility, resilience, and net benefits. The requirements set out in the 2022 Climate Law repeatedly reference the requirement for the Companies to consider impacts on ratepayers, as well as customer benefits, air pollutants, avoided land use impacts, and stakeholder involvement.²⁴⁶ DOER echoes the observations and recommendations presented in the Memorandum of the GMAC Equity Working Group²⁴⁷ (EWG) consistently define energy justice as “the goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those historically harmed by the energy system (‘frontline communities’).”²⁴⁸ The following recommendations related to equity in the ESMPs are organized by the tenets of energy justice as presented by the GMAC EWG.²⁴⁹ The filed ESMPs include different approaches to equity. As much as possible, all ESMPs would benefit from requirements to standardize general approaches across the Commonwealth, while leaving flexibility for the Companies to respond to specific concerns from local communities and customers. The ESMP process should work to address linkages between grid planning and overall

²⁴⁵ *Id.*

²⁴⁶ M.G.L. c. 164, § 92B(a, b, c, e)

²⁴⁷ GMAC Final Report at 31.

²⁴⁸ Initiative for Energy Justice (IEJ), *The Energy Justice Workbook* at 9 (Dec. 2019)(available at <https://iejusa.org/wp-content/uploads/2019/12/The-Energy-Justice-Workbook-2019-web.pdf>).

²⁴⁹ GMAC Final Report at 33.

environmental burdens that have historically and disproportionately affected Environmental Justice Communities.

A. The Department Should Require the Companies to Standardize and Operationalize Equity within their Organizations

The Companies each include equity frameworks in their ESMPs.²⁵⁰ These frameworks define Procedural Equity, Distributional Equity, and Structural Equity (also referred to as recognition justice) and discussions of how the Companies plan to integrate these into their ESMPs.²⁵¹ Eversource’s ESMP, for example, describes its corporate commitment to train employees on equity fundamentals²⁵² and its creation of an Environmental Justice (EJ) team as “a primary point of contact for employees seeking advice or support on equity and EJ matters relating to customers and EJ communities in the Eversource service area.”²⁵³ DOER recommends that the Department direct National Grid and Unitil to implement programs comparable to Eversource’s in operationalizing equity within their respective organizations.

B. The Department Should Direct the Proposed Community Engagement Stakeholder Advisory Group to be Led by the GMAC Equity Working Group

In the filed ESMPs, the Companies jointly put forward a proposal for a Community Engagement Stakeholder Advisory Group (CESAG) as a body charged with developing a community engagement framework that is centered in equity and applied to clean infrastructure projects prior to their submission to the Department and/or the Energy Facilities Siting Board

²⁵⁰ D.P.U. 24-10, Exh. ES-Stakeholder-4 at 1-4; D.P.U. 24-11, Exh. NG-Stakeholder-1 at 4-6; D.P.U. 24-12, Exh. UN-Stakeholder-1 at 4-5.

²⁵¹ D.P.U. 24-10, Exh. ES- Stakeholder-4 at 1-4; D.P.U. 24-11, Exh. NG-Stakeholder-1 at 4-6; D.P.U. 24-12, Exh. UN-Stakeholder-1 at 4-5.

²⁵² D.P.U. 24-10, Exh. ES-ESMP-1 at 40.

²⁵³ *Id.*

(EFSB).²⁵⁴ This group would be composed of nine members, including three Company representatives, five community based organizations (CBOs) representatives, and one environmental or equity advocate.²⁵⁵ The GMAC recommended having the CESAG within the GMAC structure, possibly within the EWG, and that the Department should review the proposed CESAG framework before a working group is established.²⁵⁶ The GMAC EWG discussed and agreed with this recommendation, noting concerns with “working group fatigue” and the proposed group being potentially replicative of other related efforts as a standalone group.²⁵⁷ The EWG further recommended that the CESAG not be utility-led and should include direct community leadership.²⁵⁸

The Companies’ proposed CESAG could provide a structured environment for diverse set of stakeholders to collaborate on important considerations for equitable engagement, siting, and project development within communities of the Commonwealth. DOER recommends, however, that the CESAG live within the existing GMAC structure, consistent with the GMAC recommendation. The Green Energy Consumers Alliance, the Barr Foundation and the Acadia Center agree.²⁵⁹ Connecting the CESAG with the existing GMAC structure provides accountability for the working group’s deliberation and workgroup outcomes, including the

²⁵⁴ D.P.U. 24-10, Exh. ES-ESMP-1 at 53; D.P.U. 24-11, Exh. NG-ESMP-1 at 56; D.P.U. 24-12, Exh. UN-ESMP-1 at 43.

²⁵⁵ D.P.U. 24-10, Exh. ES-ESMP-1 at 53; D.P.U. 24-11, Exh. NG-ESMP-1 at 56; D.P.U. 24-12, Exh. UN-ESMP-1 at 43.

²⁵⁶ GMAC Final Report at 17 (R-15).

²⁵⁷ *Id.* at 34.

²⁵⁸ *Id.* at 34, 37.

²⁵⁹ D.P.U. 24-10/24-11, Exh. GECA-LC-1 at 4; D.P.U. 24-10/24-11/24-12, Kathryn Wright, Barr Foundation, Comments on Electric Sector Modernization Plans at 1 (Mar. 12, 2024); D.P.U. 24-10/24-11/24-12, Kyle Murray, Acadia Center, Public Comment at 2 (Mar. 12, 2024).

development of community benefits agreements. Moreover, the GMAC can ensure there is transparency with the selection process of community-based organizations to serve on the CESAG.

The Companies fail to commit to necessary standards of accessibility in their proposed plans for publicly facing materials. The Companies “adopted but modified” the EWG recommendation for public materials to be in clear, plain-spoken language.²⁶⁰ In their response, the Companies noted that “although the Companies will strive to review public-facing materials addressing the qualities noted in the recommendation, it is not feasible for all public-facing materials to be reviewed for plainspoken language.”²⁶¹ DOER firmly stands behind this EWG recommendation. The Companies should prioritize accessibility and equity when producing high-level publicly shared information. This is a sentiment shared by members of the public who submitted comments to the GMAC during their review of the draft ESMPs, including the EEA Undersecretary of Environmental Justice and Equity, Advanced Energy Group Grid Modernization Task Force, Conservation Law Foundation, and Northeast Clean Energy Council.²⁶² To increase transparency and stakeholder participation, the Department should require the Companies to make accessible to the public all high-level public facing materials. Furthermore, DOER recommends the Department require the translation of all public-facing materials into the top ten languages spoken in the Commonwealth.

²⁶⁰ D.P.U. 24-10/24-11/24-12, Exhibits ES-Stakeholder-2/NG-Stakeholder-2/UN-Stakeholder-2 at 19 (GMAC Recommendation EWG 2).

²⁶¹ *Id.*

²⁶² GMAC, *2023 Written Public Comments Submitted to the Grid Modernization Advisory Council* at 47, 53, 80, 107 (accessed May 14, 2024)(available at <https://www.mass.gov/doc/gmac-2023-written-public-comments/download>).

C. The Department Should Require the ESMPs to Include Distributional Equity Analysis and Net Benefits Analysis that Specifically Addresses Environmental Justice Community Customers

The filed ESMPs do not make clear the benefits and costs that accrue to the environmental justice (EJ) community²⁶³ customers specifically. The 2022 Climate Law sets out requirements for the Companies to consider impacts on ratepayers, as well as customer benefits, air pollutants, avoided land use impacts, and stakeholder involvement.²⁶⁴ Customer benefits (and burdens) will logically vary by community and customer, and the Companies need to provide more nuanced information on the effects and benefits as they apply to EJ community customers. DOER recommends that the Department direct the Companies to generate qualitative and quantitative tables of benefits and costs to EJ community customers in the current ESMPs.

The Companies also failed to incorporate a distributional equity analysis, as recommended by the EWG.²⁶⁵ The Companies noted that the ESMPs “are primarily designed based on the incremental investment required to meet projected load growth from electrification” and the net benefits analysis performed by the Companies take a holistic approach rather than “quantifying outcomes on a community-by-community basis or by an EJ community.”²⁶⁶ Performing this analysis helps the Companies to better understand the benefits and burdens accrued by EJ communities and disadvantaged communities to better serve customer needs. Additionally, distributional equity analysis should supplement net benefits analysis and bill impacts assessments because aggregate data will not fully encapsulate the outcomes experienced by all customers.

²⁶³ EEA, Environmental Justice Policy (June 2021)(available at <https://www.mass.gov/info-details/environmental-justice-policy>).

²⁶⁴ M.G.L. c. 164, § 92B(a), (b), (c), (e).

²⁶⁵ GMAC Final Report at 29, 37.

²⁶⁶ D.P.U. 24-11, Exh. DOER-COMMON-5-2.

DOER recommends that the Department direct the Companies to perform distributional equity analysis in future ESMPs.

As described above, the Companies do not adequately include customer-sited assets in their investments, which may alleviate the burden of new infrastructure in EJ communities. DOER shares the concerns of the GMAC EWG that the ESMPs place a strong emphasis on constructing additional distribution infrastructure in both their five- and ten-year plans.²⁶⁷ The Companies should consider customer-sited solutions, such as distributed energy resources and non-wires alternatives, including resources and alternatives administered and/or owned by third parties.²⁶⁸ The Department should require the Companies to include more consideration of customer-sited solutions in their forecasts, especially to minimize impacts on EJ communities in future ESMPs. The Companies should also actively encourage the adoption of customer-sited solutions to enhance community resilience.

VII. The Department Should Require the Companies to Produce Public Facing Biannual Report Webinars to Improve the Transparency and Accessibility of the ESMPs

The Department should require the Companies to produce public facing biannual reports to improve transparency and accessibility of the ESMPs. Such reports could serve as compliance for the Companies' required biannual reports to the Department and the Joint Committee on Telecommunications, Utilities and Energy describing the deployment of approved investments in accordance with any approved performance metrics.²⁶⁹ Typical Company annual report compliance filings for regulatory proceedings like the grid modernization investments are technical documents that are filed to the Department and circulated to an established docket service

²⁶⁷ GMAC Final Report at 35.

²⁶⁸ *Id.*

²⁶⁹ M.G.L. c. 164, § 92B(e).

list.²⁷⁰ These documents are intended for a limited audience of expert participants in regulatory proceedings. Given the importance of the ESMPs as strategic planning documents and the substantial public and stakeholder interest as shown through the GMAC process and this proceeding, the Department and Companies should evolve typical public reporting for the ESMP biannual reports. The statutory framework for the ESMP biannual reports provides substantial flexibility for the Department to provide useful direction to the Companies.

Members of the public and stakeholders committed to the Commonwealth's clean energy future are eager to understand more about the Companies' plans and progress on modernizing the distribution system. Indeed, the GMAC received public comments from dozens of stakeholders interested in its activities,²⁷¹ and the Department received over 20 public comments in these proceedings. DOER urges the Department to consider new approaches to biannual reporting that could not only meet the broad statutory language, but also serve as a genuinely useful tool for the Companies to: promote transparency; communicate clear and timely information with the Department, intervenors, and the public; and, solicit meaningful input that can inform ongoing Company activities and the development of future ESMPs.

Moreover, ESMP biannual reports can be an integrated part of the Companies' stakeholder engagement efforts. The Department should require the Companies to publish the biannual report

²⁷⁰ See, e.g., *Petition of NSTAR Electric Company d/b/a Eversource Energy for approval by the Department of Public Utilities of its Grid Modernization Program Factors*, D.P.U. 23-49; *Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid for approval by the Department of Public Utilities of its Grid Modernization Program Factors for effect May 1, 2023*, D.P.U. 23-28; *Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval by the Department of Public Utilities of its Grid Modernization Program Factors*, D.P.U. 23-38.

²⁷¹ See, GMAC, *Grid Modernization Advisory Council - Public Comment* (accessed May 14, 2024)(available at <https://www.mass.gov/info-details/grid-modernization-advisory-council-public-comment>); see also, D.P.U. 24-10/24-11/24-12.

accompanied by public webinar listening sessions that summarize relevant updates regarding the implementation of the ESMP that would cover topics of likely interest to different stakeholder groups including, at minimum:

- 1) Company activities and progress since the last report, inclusive of status updates on new or ongoing initiatives, programs, and investments as summarized and proposed in the ESMPs;
- 2) A future “look-ahead” to activities the Companies plan to pursue in the six months leading up to the next biannual report and webinar;
- 3) A summary of new electric system infrastructure investments planned and under construction in the service territory, with geographic specificity, and an explanation of how this infrastructure supports clean energy goals and DERs;
- 4) New programs or technologies the Company has made available to residential and commercial customers to support electrification and DERs (for instance, deployment of new AMI meters for customers in their service territory, or new rate offerings for heat pump or EV customers);
- 5) Progress on joint energy system planning between the Companies and the LDCs regarding the transition of customers off natural gas and onto electric technologies, including any pilot programs for strategic electrification;
- 6) Relevant ongoing Company regulatory proceedings that may be of interest to stakeholders, description of how each pertains to the ESMP, and instructions on how to engage in or monitor them;
- 7) A timeline of the development process for the next ESMP;

- 8) Opportunities to submit verbal or written feedback to the Companies that can be incorporated into ongoing plans or for future ESMP planning; and
- 9) Description of how public feedback received at prior webinars has been incorporated into Company planning and processes.

The Department should require Companies seek input from the GMAC in developing the format of the biannual report and webinar listening sessions. This will allow the GMAC to ensure the materials are readily understandable and relevant to stakeholders and the public, and as noted above regarding the ESMPs, consistency in document formatting among the Companies is an important transparency consideration.

The Department should require that the Companies minimize the amount of detailed regulatory compliance material required in the biannual reports. To reduce the administrative burden of producing these reports, DOER supports the Companies' suggestion to allow one of the biannual reports per year to replace the Grid Modernization Plan Annual Report, as proposed by the Companies.²⁷² Additionally, the Department should consider alternating reports, whereby one annual report includes more detailed compliance information or technical reporting and the second covers plain-language, public-facing reporting.

DOER believes its proposed approach of making the biannual reports a tool for transparency and public engagement is within the Department's statutory authority and aligns with the role of the ESMPs as strategic plans, rather than investment or cost recovery proceedings. Additionally, DOER believes this approach would be welcomed by the many stakeholders and members of the public who have expressed strong interest in the ESMPs, but have limited time

²⁷² D.P.U. 24-10, Exh. ES-ESMP-1 at 665; D.P.U. 24-11, Exh. NG-ESMP-1 at 478; D.P.U. 24-12, Exh. UN-ESMP-1 at 290-291.

and face challenges engaging with the many complex and time-consuming utility regulatory processes related to grid planning. Importantly, this does not create additional obligations, rather, this approach seeks to streamline the work product of the Companies while satisfying public engagement called for in the ESMP and GMAC statutes.

VIII. The Department Should Set Direction for Related Proceedings to Follow its Order in this Proceeding.

The Department's Interlocutory Order identified a number of areas that would not be resolved in the current proceedings or would be deferred to a subsequent phase of these proceedings.²⁷³ To set Company, GMAC, and stakeholder expectations, the Department should provide a summary that clearly identifies areas the Department expects to be resolved in parallel to the current five-year ESMP period or in later phases of the ESMP proceedings, the process by which they will be resolved, and which of the topic areas the Companies must incorporate into their next ESMP filing. Without this clarity, there is risk that these ongoing issues may not be resolved before the next ESMPs. Further, clarity from the Department on expectations will guide the Companies, GMAC, and stakeholders to make meaningful progress in the years preceding the next ESMP filings.

A. The Department Should Establish a Concrete Timeline for the Creation of The Companies' Proposed Integrated Energy Planning Working Group and Align the Group's Deliverables with the Department's Directives from D.P.U. 20-80-B.

Integrated Gas-Electric Planning is a critical to facilitating the Commonwealth's transition to clean energy in a cost-effective manner and meeting the directives of the Department's D.P.U. 20-80-B Order. The Department states that "going forward, evaluation of any proposed [natural

²⁷³ Interlocutory Order at 23-24.

gas] investments will have to take place in the context of joint electric and gas system planning.²⁷⁴

The Department also directs the local distribution companies (LDCs) and electric distribution companies to “consult with stakeholders regarding such a joint planning process.”²⁷⁵ The Companies’ ESMPs contain the beginnings of this process but lack concrete steps and timelines.

The Companies’ ESMPs list some of the steps that would be necessary to achieve coordinated gas-electric planning to support electrification, including: (1) determining what locations on the electricity utilities network that could support the additional capacity brought to the system from former natural gas customers; (2) timing of new network investments in the electric system; and (3) identification of potential opportunities to pilot non-pipe alternatives.²⁷⁶ The Companies also highlight challenges related to integrated gas-electric planning, including the historical separation of functions between gas and electric utilities (even within the same corporate parent organization),²⁷⁷ limited overlap between gas and electric service territories for the corporate parent organizations,²⁷⁸ and customer adoption of electrification technologies.²⁷⁹

All three Companies support the establishment of a Working Group on coordinated gas-electric planning.²⁸⁰ The Companies suggest that the Working Group include participation by the Commonwealth’s electric and gas utilities, DOER, AGO, and environmental and consumer

²⁷⁴ D.P.U. 20-80-B, Order at 131-133.

²⁷⁵ *Id.* at 131.

²⁷⁶ *See*, D.P.U. 24-11, Exh. NG-ESMP-1 at 461; *see also*, D.P.U. 24-12, Exh. UN-ESMP-1 at 266.

²⁷⁷ *See*, D.P.U. 24-10, Exh. DOER-2-4; *see also*, D.P.U. 24-11, Exh. DOER-3-1; *see also*, D.P.U. 24-12, Exh. DOER-3-1.

²⁷⁸ *See*, D.P.U. 24-10, Exh. ES-ESMP-1 at 643; D.P.U. 24-11, Exh. NG-ESMP-1 at 459-460; D.P.U. 24-12, UN-ESMP-1 at 264.

²⁷⁹ *See*, D.P.U. 24-10, Exh. ES-ESMP-1 at 643-44; D.P.U. 24-11, Exh. NG-ESMP-1 at 460; D.P.U. 24-12, UN-ESMP-1 at 264-65.

²⁸⁰ *See*, D.P.U. 24-10, Exh. ES-ESMP-1 at 650; D.P.U. 24-11, Exh. NG-ESMP-1 at 463-464; D.P.U. 24-12, UN-ESMP-1 at 269-270.

stakeholders.²⁸¹ The Companies shared a similar list of objectives for the Working Group which includes the following: (1) developing a shared understanding of each EDC/LDC's networks and their network planning processes; (2) learning from other peer utilities; (3) conducting joint energy planning studies; (4) developing an understanding of required integrated planning capabilities; (5) establishing a framework for assessing the benefits of integrated planning; (6) providing recommendations relating to how the three-year energy efficiency program process should align with integrated planning; (7) assessing future regulatory decisions and identifying policy and regulatory enablers for integrated planning; and (8) exploring how best to provide transparency and opportunities for input to various stakeholders.²⁸²

These proposals indicate that the Companies have given some initial thought pertaining to the integrated gas and electric planning process, however, no concrete actionable items or timelines have been established. Regarding the implementation of the working group, National Grid indicates it had initial conversations with the other Companies during the summer and fall of 2023,²⁸³ Eversource states that it intends to reach out to stakeholders during the summer of 2024,²⁸⁴ and Unitil signaled its interest in receiving feedback from the Department and stakeholders related to the scope of the working group.²⁸⁵ Therefore, the working group remains in the proposal stage providing general goals and membership of such a group and, in the case of National Grid, some very preliminary conversations with the other Companies. Stakeholders await concrete next steps.

²⁸¹ D.P.U. 24-10, Exh. ES-ESMP-1 at 650; D.P.U. 24-11, Exh. NG-ESMP-1 at 463-464; D.P.U. 24-12, Exh. UN-ESMP-1 at 269-270.

²⁸² D.P.U. 24-10, Exh. ES-ESMP-1 at 650; D.P.U. 24-11, Exh. NG-ESMP-1 at 463-464; D.P.U. 24-12, Exh. UN-ESMP-1 at 269-270.

²⁸³ D.P.U. 24-11, Exh. DPU Common 4-4.

²⁸⁴ *See*, D.P.U. 24-10, Exh. DOER-2-6.

²⁸⁵ *See*, D.P.U. 24-12, Exh. DOER-3-2.

DOER agrees with the need for integrated gas-electric planning outlined in the ESMPs but finds that more action is needed. DOER recommends that the Department establish a concrete timeline for the creation of an Integrated Energy Planning Working Group, the goals and deliverables of the group, and the alignment of the group's deliverables with the Department's directives from D.P.U. 20-80-B. DOER recommends the Department direct the Companies to:

- Form an Integrated Gas and Electric Working Group that includes, at minimum, the Companies, LDCs, DOER, the AGO, the Office of Energy Transformation (OET), and invites participation by all intervenors in the ESMP and 20-80 dockets.
- Conduct the first meeting of the Working Group no later than 60 days after the Department's Order in this proceeding and conduct meetings at least monthly subsequently.
- Invite public input and participation in the Working Group through public meetings and listening sessions.
- Create a publicly available website for posting materials related to the Working Group and publish summaries of meetings on the website.
- Produce a public Working Group report to be included in the Climate Compliance Plans (CCPs) to be submitted by the LDCs as compliance with D.P.U. 20-80-B by April 1, 2025.²⁸⁶ The report should describe: (1) objectives for joint energy system planning to support the Commonwealth's clean energy goals; (2) data and technical analysis required to advance joint system planning, identifying available data sources and gaps; (3) pilot programs underway or planned to assist joint system planning; (4) estimated costs of joint energy system planning, and the relationship of those costs to existing EDC/LDC costs and recovery mechanisms.

²⁸⁶ D.P.U. 20-80-B, Order at 134.

B. The Department Should Align its ESMP Directives with Next Steps Resulting from the AMI Stakeholder Working Group.

Customer and third-party access to AMI data will be an important component of enabling the clean energy future, for providing customers with greater insight to their energy usage data, system planners more visibility into grid-edge activity, and enabling previously unavailable rate design structures. The initial ESMPs overlap the five-year AMI implementation across the Commonwealth. The instant ESMPs, therefore, should thoroughly explain the deployment of AMI meters, the customer data that they generate, and how customers will have the opportunity to understand, access, and utilize the data that is being generated from their electricity usage.

The GMAC included a recommendation to the Companies that they discuss how they are “working toward the development of a statewide uniform data access protocol and platform.”²⁸⁷ At a minimum, the GMAC asked the Companies to include greater details into the “the granularity in which customer bills will be settled, how bulk transfers of AMI data will be completed, and how real-time access to data will be implemented to enable demand response participation.”²⁸⁸ The Companies provided limited information on AMI implementation plans,²⁸⁹ but declined to provide more detailed information in their ESMP filings, noting that it would be premature to do so given the active stakeholder working group established in the Department’s Track 2 Grid Modernization Order.²⁹⁰

The final report from the Companies on the outcomes from the AMI stakeholder working group is due to the Department on August 1, 2024, after which the Department will review the

²⁸⁷ GMAC Final Report at 21.

²⁸⁸ *Id.*

²⁸⁹ *See*, D.P.U. 24-10, Exh. ES-ESMP-1 at 329-332; D.P.U. 24-11, Exh. NG-ESMP-1 at 276-277; D.P.U. 24-12, Exh. UN-ESMP-1, at 114-115.

²⁹⁰ D.P.U. 24-10/24-11/24-12, Exh. GECA-LC-3 at 134-135.

final report and determine next steps.²⁹¹ Where possible, the Department should aim to coordinate ESMP requirements with its determined next steps coming out of the AMI stakeholder working group process to ensure consistency. In particular, the Department should require future ESMPs to include information about statewide data access plans with specific detailed descriptions of functional and enabled data access, as well as clear implementation plans and timelines for ongoing data access developments throughout the five-year ESMP period. In their ESMPs (or subsequent compliance filings), the Companies should thoroughly explain the deployment status of AMI meters, and how customers and third parties can understand, access, and utilize the data from AMI meters.

Additionally, DOER supports the AGO's recommendation for the Department to establish a statewide data access proceeding to govern data access platforms and establish uniform requirements.²⁹² This proceeding should encompass any unresolved issues resulting from the AMI stakeholder working group related to customer and third-party access to AMI customer data, but also expand to consider how other types of data, including policy goal data, system data, modeling data, and program data, can be made more accessible and more standardized across the Companies.²⁹³ This effort could also be advanced through a sub-group of the GMAC to begin work following an Order in this proceeding and during the interim period prior to the next ESMPs.

²⁹¹ D.P.U. 21-80-B/21-81-B/21-82-B, Order at 326.

²⁹² D.P.U. 24-10/24-11/24-12, Exh. AG-NBC-1; at 26.

²⁹³ *Id.*

C. The Department Should Align the ESMP Schedule with the Other Grid Planning Proceedings.

As previously described, there are numerous grid planning and investment avenues currently underway in the Commonwealth.²⁹⁴ Stakeholders on all sides of these processes spend a significant amount of time engaging in these efforts, whether as representatives of the Companies, the Department, DOER, ratepayer advocates, clean energy interests, advocacy groups, or beyond. In part, establishment of the GMAC identifies key stakeholders that have interests in being engaged in distribution system strategic planning.²⁹⁵

DOER finds that many ongoing proceedings have increasingly overlapping scopes, that would benefit from a holistic Department review and further guidance on ways to synchronize scopes and timelines of such interrelated processes. The ESMPs as a strategic plan present an opportunity for the Department and stakeholders to broadly reflect on these processes and identify scope and timelines that could increase efficiencies for the Companies, the Department, and other interested parties who may wish to intervene or engage otherwise.

Some examples of existing processes that could benefit from a comprehensive review and greater coordination are outlined below:

- Rate case proceedings: Unitil and National Grid petitioned the Department with a general rate case on a similar timeframe as their ESMP.²⁹⁶ This has created

²⁹⁴ See, D.P.U. 24-10, Exh. ES-ESMP-1 at 292; D.P.U. 24-11, Exh. NG-ESMP-1 at 254; D.P.U. 24-12, Exh. UN-ESMP-1 at 106; *see also*, DOER, *ESMP-Relevant Proceedings and Working Groups* (May 16, 2023)(available at <https://www.mass.gov/doc/gmac-mtng-4-preread-esmp-relevant-proceedings-and-working-groups-version-2/download>).

²⁹⁵ See, M.G.L. c. 164, § 92C(a); *see also*, DOER, Council Members, GMAC (available at <https://www.mass.gov/orgs/grid-modernization-advisory-council-gmac>).

²⁹⁶ D.P.U. 24-11, Exh. NG-ESMP-1 at 21, *referencing* D.P.U. 23-150; *see, Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil (Electric Division), pursuant to G.L. c. 164, § 94*

complications in determining the appropriate treatment of ESMP investments given the uncertain scope of the ESMP dockets as they were developed. Contrast this to Eversource, whose rate case filing occurred before the ESMP process, providing greater regulatory certainty around cost recovery mechanisms, and a significantly smaller proposed set of new investments in their ESMPs.

- Energy Efficiency Plans: Every three years, the Energy Efficiency Plan stakeholders and the Department consider a variety of issues related to energy efficiency and load management which should inform the ESMPs.²⁹⁷
- Reliability Planning: The Companies submit annual reliability reports to the Department that assess the reliability of their systems. The 2022 Climate Law requires the ESMPs to describe and consider in detail reliability of their grids.²⁹⁸
- Joint Energy System Planning: D.P.U. 20-80-B establishes an important new planning process for joint energy system planning through the forthcoming Climate Compliance Plans.²⁹⁹ The ESMPs include a chapter on integrated gas-electric planning indicating areas of further overlap that should be better coordinated.³⁰⁰

Given these overlapping processes, the Department should affirm its intent that the ESMPs are strategic plans to holistically review, summarize, and plan out the efforts from the overlapping areas relating to the grid. For future phases of the ESMP proceedings, the Department should consider making changes to procedural schedules for ongoing grid-related efforts and coordinate

and 220 CMR 5.00, for Approval of a General Increase in Base Distribution Rates for Electric Service and a Performance-Based Ratemaking Plan, D.P.U. 23-80 (Aug. 17, 2023).

²⁹⁷ See, M.G.L. c. 25, § 21; see also, M.G.L. c. 164, § 92B(b)(vii).

²⁹⁸ See, M.G.L. c. 164, §92B(a-b).

²⁹⁹ D.P.U. 20-80-B, Order at 133-135.

³⁰⁰ D.P.U. 24-10, Exh. ES-ESMP-1 at 641; D.P.U. 24-11, Exh. NG-ESMP-1 at 456; D.P.U. 24-12, Exh. UN-ESMP-1 at 263.

them in a way that increases efficiencies, both from a timeline and scoping of parallel efforts perspective.

IX. Conclusion

DOER respectfully requests the Department approve the Distribution Companies' ESMPs with the modifications detailed above, as well as adopting DOER's recommendations for future iterations of the ESMPs, which are summarized as:

- Establish a robust standard of review for ESMPs as standardized, flexible strategic plans that are clearly responsive to GMAC and stakeholder feedback;
- Require future ESMPs be developed through a multi-year collaborative process with the GMAC, which should begin immediately following an Order in this proceeding to also remedy deficiencies on forecasts and long-term system planning in the filed plans;
- Require standardization of the ESMPs across Companies to the maximum extent possible, including the specific recommended formats for presentation of program and investment timelines and key information on investment and cost recovery mechanisms;
- Require revisions to the ESMP forecasts to ensure they minimize costs to customers prior to using the ESMPs to justify recovery of investments;
- Affirm that the ESMPs are strategic plans which should guide investments that are primarily recovered through base distribution rates;
- Direct the proposed Community Engagement Stakeholder Advisory Group (CESAG) to be led by the GMAC Equity Working Group and direct other changes to center equity in the ESMPs;

- Require the Companies to conduct public-facing biannual report webinars to present on ESMP progress in plain language to the public and stakeholders;
- Set a concrete timeline for the creation of the proposed Integrated Energy Planning Working Group to align with the Department’s directives for Climate Compliance Plans in Order D.P.U. 20-80-B;
- Direct next steps on data access in this proceeding to align with the outcomes of the AMI Stakeholder Working Group;
- Align the ESMP schedule with that of related grid planning and investment proceedings, to the extent possible.

Respectfully submitted,

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES
By its attorneys:

/s/ Sarah McDaniel

Sarah McDaniel, Legal Counsel
Colin Carroll, Legal Counsel
Christopher McDonough, Legal Counsel
Department of Energy Resources
100 Cambridge Street, 9th Floor, Boston, MA 02114