



Advancing the Clean Energy Future

15 Court Square • Suite 1000

Boston, MA 02108

617.742.0054 • acadiacenter.org

March 12, 2024

Kerri Phillips, Hearing Officer
Elyssa Klein, Hearing Officer
Scott Seigal, Hearing Officer
Kevin Crane, Hearing Officer
Massachusetts Department of Public Utilities
One South Station, 5th Floor
Boston, Massachusetts 02110

Dear Hearing Officer Phillips, Klein, Siegal, Crane, and Service List:

Acadia Center appreciates the opportunity to provide written comments in response to the February 23, 2024, Procedural Notice and Ground Rules in Department of Public Utilities (DPU) Dockets 24-10, 24-11, and 24-12, concerning the Electric Sector Modernization Plans (ESMPs) developed by NSTAR Electric Company, Massachusetts Electric Company and Nantucket Electric Company, and Fitchburg Gas and Electric Light Company. Acadia Center is a non-profit research and advocacy organization committed to advancing the clean energy future.

The ESMP process was initiated from Section 53 of Chapter 179 of the Acts of 2022. This section established the Grid Modernization Advisory Council (GMAC), the basic framework of the ESMPs, and the timeline for the process. That timeline allowed for effectively a year from the passage of the Act for the establishment of the GMAC and the submission of the first draft plan by the Electric Distribution Companies (EDCs) to the GMAC (September 1, 2023). The GMAC then had around two and a half months to provide feedback on the plans to the EDCs (November 20, 2023), who in turn had to process said feedback and submit their final plans to the DPU (January 29, 2024). This truncated timeline required an enormous amount of work by the GMAC and the EDCs in a very short time period.

Acadia Center appreciates that the development of the ESMPs was a massive undertaking and wants to laud the GMAC and the EDCs for their work. The ESMPs are extensive and detailed documents and contain vast quantities

of thoughtful and useful information. That being said, unfortunately the ESMPs also contain a number of critical deficiencies.

In general, Acadia Center's thoughts mostly align with those provided by the consultants to the GMAC.¹ As Acadia Center is currently intervening in these dockets, we will follow up with more extensive comments and thoughts in the future. However, we wanted to briefly highlight a few issues of critical importance. In particular, Acadia Center is concerned that the ESMPs:

- **Do not present an accurate picture of ratepayer impacts**-The ESMPs present significant proposed capital expenditures to meet future grid demand. As proposed in the EMSPs, the proposed expenditures are bifurcated between ESMP and non-ESMP categories. However, the vast majority of the proposed expenditures are allocated as non-ESMP. Therefore, the proposed bill impacts presented in the ESMPs (which only include ESMP expenses) vastly underestimate the actual overall impact that these proposals will have upon ratepayers.
- **Contain unclear Benefit Cost Analysis (BCA)**-As outlined in the consultant comments to the GMAC, a number of crucial deficiencies make "it difficult to have confidence in the BCA results."² These include issues such as the choice of discount rate, the bifurcation of proposed expenditures, the selection of costs and benefits, and interrelated functions across investment categories, among others.
- **Decline to accept the GMAC Equity Working Group recommendation on the Community Engagement Stakeholder Advisory Group (CESAG)**-The ESMPs propose a CESAG that is co-chaired by an EDC and a community-based organization. The GMAC and GMAC Equity Working Group recommended having the CESAG within the GMAC structure, possibly within the Equity Working Group, to avoid duplication of work. Acadia Center also believes that having the EDCs co-lead this group with a community-based organization could lead to an imbalance of power in the CESAG. Unfortunately, the ESMPs did not accept this recommendation.
- **Still have some reference to hybrid heating**-National Grid's ESMP contemplates the use of hybrid fossil-fuel and electric heating in its modeling. However, in its recent order on regulatory principles and framework in DPU 20-80, the DPU stated that it was "not persuaded that pursuit of a broad hybrid heating strategy that would necessitate maintenance of the natural gas system to support backup heating systems is a viable path forward."³ Therefore, such an approach should not be seriously considered as part of these ESMPs.
- **Did not accept the substance of certain GMAC recommendations**-As referenced above, the GMAC provided feedback to the EDCs on the ESMPs in the form of a series of recommendations. As part of their filings before the DPU on the ESMPs, the EDCs included explanations of whether and how they did or did

¹ See <https://www.mass.gov/doc/consultant-comments-on-the-2024-esmps/download>.

² *Id.*, at 74.

³ D.P.U. 20-80-B, at 55.

not assent to the recommendations of the GMAC. Recommendations were accepted; accepted, but modified; or rejected. While the EDCs did accept many of the recommendations of the GMAC, several of the supposed “accepted” recommendations did not actually follow the substance of the recommendation. These include recommendations that the ESMPs be the central distribution planning document and that the EDCs should be more transparent about short-term and long-term load forecasts.

- **Appear to pick and choose from various scenarios from the Massachusetts Clean Energy and Climate Plan (CECP) and Massachusetts 2050 Decarbonization Roadmap (Roadmap)**-As part of their peak demand forecasts, the ESMPs rely upon several planning scenarios taken from the CECP and Roadmap. However, their assumptions for certain load drivers appear to rely upon several different scenarios. For example, PV assumptions are lower than the CECP phased scenario. Additionally, none of the load forecasts appear to utilize the “Full Electrification” CECP scenario, which is the only scenario that appears to comply with DPU 20-80-B.⁴
- **Do not adequately contemplate non-wires alternatives**-The ESMPs do not appear to contain to a real evaluation of the benefits of non-wires alternatives to reduce peak demand and seemingly underrate their critical importance on this issue.

Thank you again for the opportunity to comment on these important issues and we appreciate your

consideration of these comments.

Sincerely,

Kyle Murray
 Director, State Program Implementation
kmurray@acadiacenter.org
 617-742-0054 x106

⁴ See <https://www.mass.gov/doc/consultant-comments-on-the-2024-esmps/download>, at 85.