



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND PUBLIC HEARING

D.P.U. 20-98

November 2, 2020

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for review and approval by the Department of Public Utilities of the Company's proposed Basic Service Adjustment Provision, M.D.P.U. No. 1456, to reflect revisions associated with the Massachusetts Clean Peak Energy Portfolio Standard regulations in 225 CMR 21.00.

On September 14, 2020, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid ("Company"), filed a petition with the Department of Public Utilities ("Department") for approval of revisions to its Basic Service Adjustment Provision ("BSAP"), as set forth in proposed tariff M.D.P.U. No. 1456. The Company withdrew this proposed tariff on October 16, 2020, and filed a revised proposed tariff M.D.P.U. No. 1457. The Department has docketed this petition as D.P.U. 20-98.

The BSAP allows the Company to recover certain costs associated with its provision of basic service, including supply-related costs for: (1) cash working capital; (2) bad debt; (3) administration of basic service; (4) conducting the competitive bidding processes; and (5) regulatory compliance. Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 09-39, at 318 (2009). The Company currently recovers through the BSAP the costs associated with compliance with certain environmental attribute requirements: (1) the Renewable Energy Portfolio Standard – Class I at 225 C.M.R. 14.00; (2) the Renewable Energy Portfolio Standard – Class II pursuant to 225 C.M.R. 15.00 (collectively the "RPS"); (3) the Alternative Energy Portfolio Standard ("APS") under 225 C.M.R. 16.00; and (4) the Clean Energy Standard ("CES") established in 310 C.M.R. 7.74 and 7.75.

Effective August 7, 2020, the Massachusetts Department of Energy Resources ("DOER"), established the Clean Peak Energy Portfolio Standard ("CPS") regulations at 225 C.M.R. 21.00, as required by Chapter 227 of the Acts of 2018, An Act to Advance Clean Energy (the "Act"). The CPS is designed to provide incentives for clean energy technologies that can supply electricity or reduce demand during seasonal peak demand periods. Under the Act, DOER was charged with developing a program that would require retail electricity providers to meet a baseline minimum percentage of sales with qualified clean peak resources that dispatch or discharge electricity to the electric distribution system during seasonal peak periods or, alternatively, reduce load. Accordingly, DOER promulgated the regulations in 225 C.M.R. 21.00 that established a value for clean peak energy certificates for each megawatt-

hour of energy or energy reserves during the seasonal peak period by creating an alternative compliance payment rate and other mechanisms.

The Company states that it will incur costs to comply with the CPS regulations in 225 C.M.R. 21.00, including administrative costs, similar to the administrative costs already incurred and recovered through the BSAP for compliance with the RPS, APS and CES. Accordingly, the Company seeks to revise the BSAP to allow recovery of administrative costs for the CPS. In proposed M.D.P.U. No. 1457, the Company has revised the BSAP to define the cost of providing Basic Service more broadly to include the costs related to environmental attributes necessary to comply with requirements enacted by the Commonwealth of Massachusetts from time to time and deleting the detailed costs for the environmental attributes specifically enumerated in bullets on Sheet 2 of M.D.P.U. No. 1438. The Company asserts that the proposed revisions will simplify the BSAP and will enable the Company to reflect in Basic Service rates costs associated with procuring any new environmental attributes, such as the CPS. The Company notes that no change in the amount of administrative costs associated with the RPS, APS, CES, or CPS is being proposed, as the level of administrative costs recovered through the BSAP would be addressed in the Company's next general base rate case.

Due to the COVID-19 state of emergency issued by Governor Baker on March 10, 2020, and certain ongoing restrictions and safety measures relating to in-person events, the Department will conduct a virtual public hearing to receive comments on the Company's filing. The Department will conduct the hearing using Zoom videoconferencing on **Thursday, November 19, 2020**, beginning at 2:00 p.m. A procedural conference will take place immediately following the public hearing. Attendees can join by entering the link, <https://zoom.us/j/97393407717>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the hearings, attendees can dial in at (301) 715-8592 (not toll free) and then enter the Meeting ID# 973 9340 7717. If you anticipate providing comments via Zoom during the public hearing, please send an email by November 13, 2020, to henry.d.kahn@mass.gov with your name, email address, and mailing address.

Alternately, any person who desires to comment on this matter may submit electronic written comments to the Department no later than the close of business (5:00 p.m.) on Thursday, November 19, 2020. At this time, all filings will be submitted only in electronic format in recognition of the difficulty that parties and the Department may have filing and receiving original copies. Ordinarily, all parties would follow Sections B.1 and B.4 of the Department's Standard Ground Rules (D.P.U. 15-184-A, App. 1 (March 4, 2020)); however, until further notice, parties must retain the original paper version and the Department will later determine when the paper version must be filed with the Department Secretary. Importantly, all large files submitted must be broken down into electronic files that do not exceed 20 MB. In addition, one copy of all written comments should be emailed to the Company's attorney, Meabh Purcell, Esq. at Meabh.Purcell@nationalgrid.com.

All documents must be submitted to the Department in **pdf format** by e-mail attachment to peter.ray@mass.gov and henry.d.kahn@mass.gov. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 20-98); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. All documents submitted in electronic format will be posted on the Department's website as soon as practicable at <http://www.mass.gov/dpu>. To the extent a person or entity wishes to submit comments in

accordance with this Notice, electronic submission, as detailed above, is sufficient. To request materials in accessible formats (Braille, large print, electronic files, audio format) for people with disabilities contact Department's ADA coordinator at DPUADACoordinator@state.ma.us.

The Company's filing and all subsequent related documents, pleadings and/or filings submitted to the Department and/or issued by the Department will be available on the Department's website as soon as is practicable at <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (insert 20-98). A paper copy of the filing will not be available for public viewing at the Company's offices or the Department due to the state of emergency. Any person desiring further information regarding the Company's filing or a paper copy of the filing should contact Meabh Purcell, Esq., at (781) 907-1789 or Meabh.Purcell@nationalgrid.com. For further information regarding this notice, please contact Henry Kahn, Hearing Officer, Department of Public Utilities, at henry.d.kahn@mass.gov.