



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND PUBLIC HEARING

D.P.U. 23-115

December 21, 2023

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 Operational Parameters for Energy Storage Systems Tariff, filed pursuant to Chapter 179, Section 72 of the Acts of 2022.

On October 31, 2023, Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid ("National Grid" or "Company") submitted to the Department of Public Utilities ("Department") for review and approval of the Company's Operational Parameters for Energy Storage Systems¹ ("ESS," also known as a battery energy storage system) Tariff, ("Operational Parameters for ESS Tariff") filed pursuant to Section 72 of Chapter 179 of the Acts of 2022 ("2022 Clean Energy Act" or "Act"). The Department docketed this matter as D.P.U. 23-115.

¹ As defined by G.L. c. 164, § 1, ESS is:

a commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy and which may be owned by an electric distribution company; provided, however, that an energy storage system shall: (i) reduce the emission of greenhouse gases; (ii) reduce demand for peak electrical generation; (iii) defer or substitute for an investment in generation, transmission or distribution assets; or (iv) improve the reliable operation of the electrical transmission or distribution grid; and provided further, that an energy storage system shall: (1) use mechanical, chemical or thermal processes to store energy that was generated for use at a later time; (2) store thermal energy for direct heating or cooling use at a later time in a manner that avoids the need to use electricity at that later time; (3) use mechanical, chemical or thermal processes to store energy generated from renewable resources for use at a later time; or (4) use mechanical, chemical or thermal processes to capture or harness waste electricity and to store the waste electricity generated from mechanical processes for delivery at a later time.

Section 72 of the 2022 Clean Energy Act requires each Electric Distribution Company to file with the Department

- (i) at least one electric rate tariff, which addresses operational parameters, to apply to ESS interconnected to their respective distribution networks; and
- (ii) notice of its intent to promptly file with the Federal Energy Regulatory Commission a wholesale distribution service rate schedule to apply to standalone energy storage systems that are interconnected to their distribution network but are transacting in New England's wholesale electricity markets.

St. 2022, c. 179, § 72.

Pursuant to the Section 72, the Company's filing must: (1) identify the costs incurred to upgrade its electric power system ("EPS") that are not recouped through a project-sponsored interconnection upgrades or otherwise paid directly by the project sponsor; and (2) design rates to recoup its net costs in a manner similar to how they are incurred by the Company without unduly impeding the participation of ESS in power markets and other uses of such systems that provide benefits to the electric grid.

In this docket, the Company has filed its Operational Parameters for Energy ESS Tariff in compliance with the 2022 Clean Energy Act. The Operational Parameters for ESS Tariff will govern the operational parameters applicable to ESS interconnected to the Company's EPS. These parameters include the operational and technical restrictions on an ESS facility, such as the charging and discharging schedule, limitations on the facility's capacity based on EPS infrastructure limitations, and the ability of the facility to incorporate future distributed energy resource management ("DERMS") technology.

In its filing, the Company also proposes an ESS Charging Rate Retail Delivery Service Rate Tariff ("ESS Retail Rate Tariff"), with rate class ESS-1. The ESS Retail Rate Tariff is available to stand-alone ESS facilities and is designed to recover the costs to the distribution network not recouped through project sponsor-funded interconnection upgrades or otherwise paid directly by the project sponsor and National Grid's net costs in a manner similar to how they are incurred by the Company, without unduly impeding the participation of ESS in power markets and other uses of such systems that provide benefits to the electric grid.

If the Company's petition is approved as proposed, National Grid states that the bill impacts for ESS facilities that opt-in to the Rate ESS-1 rate class will vary based on several factors, including usage and when an ESS is charged. ESS customers should contact the Company, as indicated below, for specific bill impacts. If approved, the Company states it is unable to estimate specific bill impacts for Rate ESS-1 customers. However, compared to rate G-3,² which features a Peak Period of 8:00 am to 9:00 pm on non-holiday weekday, the ESS Retail Rate Tariff Peak Period would be 2:00 pm to 8:00 pm on non-holiday weekdays. Thus,

² The G-3 rate is the General Service Time-of-Use rate, available at M.D.P.U. No. 1428.

Rate ESS-1 customers charging during the period 8:00 am to 1:59 am will have the opportunity to do so for the cost of the Contract Demand Charge of \$0.54 per kilowatt-month of demand (primary metered) plus the Access Charge and applicable volumetric reconciling charges, whereas G-3 customers charging between 8:00 am and 9:00 pm on weekdays would pay \$9.63 per kilowatt-month of demand plus the customer charge, applicable G-3 Peak volumetric rates, and G-3 reconciling charges.

The Department will conduct a virtual public hearing to receive comments on the Company's filing. The Department will conduct the public hearing using Zoom videoconferencing on **Wednesday, January 31, 2024, beginning at 2:00 p.m.** Attendees can join by entering the link, <https://us06web.zoom.us/j/84962776437>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the hearings, attendees can dial in at **(646) 558-8656 or (646) 931-3860** (not toll free) and then enter the Webinar ID number, **849 6277 6437**. If you anticipate providing comments via Zoom during the public hearing, please send an email by **Friday, January 26, 2024**, to andrew.w.strumfels@mass.gov and katherine.e.stock@mass.gov with your name, email address, and mailing address.

Any person who desires to provide written comments on this matter may submit written comments no later than 5:00 p.m. on **Wednesday, January 31, 2024**. Written comments from the public may be sent by email to du.e.filing@mass.gov, andrew.w.strumfels@mass.gov, and katherine.e.stock@mass.gov, and the Company's attorneys, Nancy Israel, Esq., at nancy.israel@nationalgrid.com and Brooke Skulley, Esq., at brooke.skulley@nationalgrid.com. Please note that in the interest of transparency any comments will be posted to our website as received and without redacting personal information, such as addresses, telephone numbers, or email addresses. As such, consider the extent of information that you wish to share when submitting comments. The Department strongly encourages public comments to be submitted by email. If, however, a member of the public is unable to send written comments by email, a paper copy may be sent to Mark D. Marini, Secretary, Department of Public Utilities, One South Station, Boston, Massachusetts 02110.

Any person who desires to participate otherwise in the evidentiary phase of his proceeding shall file a petition for leave to intervene no later than 5:00 p.m. on **Friday, January 12, 2024**. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 CMR 1.01(4). To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10. All responses to petitions to intervene must be filed by the close of business (5:00 p.m.) on the third business day after the petition to intervene was filed.

The Attorney General of the Commonwealth of Massachusetts ("Attorney General") filed a notice to intervene in this matter pursuant to G.L. c. 12, § 11E. Further, pursuant to G.L. c. 12, § 11E(b), the Attorney General filed a notice of intent to retain experts and consultants to assist

her investigation of the Company's filing and has requested Department approval to spend up to \$150,000 in this regard. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered in the Company's rates. Any person who desires to comment on the Attorney General's notice of intent to retain experts and consultants may submit written comments to the Department not later than the close of business (5:00 p.m.) on **Friday, January 12, 2024**.

All documents must be submitted to the Department in pdf format by email attachment to dpu.efiling@mass.gov and Hearing Officers Andrew Strumfels and Katherine Stock at andrew.w.strumfels@mass.gov and katherine.e.stock@mass.gov. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 23-115); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic file name should identify the document but not exceed 50 characters in length. All documents submitted in electronic format will be posted on the Department's website as soon as practicable (enter "23-115") at: <http://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber>.

The filing and all subsequent documents submitted to the Department or issued by the Department will be available on the Department's website as referenced above as soon as practicable. 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 for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at Gabriella.Knight@mass.gov.

For further information regarding the Company's filing, please contact the Company's attorneys, Nancy Israel, Esq., at nancy.israel@nationalgrid.com and Brooke Skulley, Esq., at brooke.skulley@nationalgrid.com; or by phone at 332-201-1206. For further information regarding this Notice, please contact Andrew Strumfels and Katherine Stock, Hearing Officers, at andrew.w.strumfels@mass.gov and katherine.e.stock@mass.gov.