



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING, PUBLIC HEARINGS, AND REQUEST FOR COMMENTS

D.P.U. 24-11

February 2, 2024

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, pursuant to G.L. c. 164, § 92B, for Approval of its Electric Sector Modernization Plan.

On January 29, 2024, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“National Grid” or “Company”), filed a petition with the Department of Public Utilities (“Department”) for approval of its Electric Sector Modernization Plan (“ESMP”) for the period January 1, 2025 through December 31, 2029. The Company made the filing pursuant to G.L. c. 164, § 92B (“Section 92B”), established by the Act Driving Clean Energy and Offshore Wind, St. 2022, c. 179, § 53. Section 92B requires the Department to approve, approve with modification, or reject the ESMP within seven months of submittal. The Department docketed this matter as D.P.U. 24-11.

To be approved by the Department, an ESMP must provide net benefits for customers and meet the criteria enumerated in Section 92B, which requires the Company to proactively upgrade its distribution and, where applicable, transmission systems to: (i) improve grid reliability, communications and resiliency; (ii) enable increased, timely adoption of renewable energy and distributed energy resources (“DERs”); (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 for ratepayers, in order to help the Commonwealth of Massachusetts meet its statewide greenhouse gas (“GHG”) emissions limits and sublimits under G.L. c. 21N. Additionally, Section 92B requires the Company to: (i) prepare and use three planning horizons for electric demand, including five- and ten-year forecasts and a demand assessment through 2050 to account for future trends in the adoption of renewable energy, DERs, and energy storage and electrification technologies necessary to achieve the Commonwealth’s GHG emission goals; (ii) 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 previously approved by the Department; (iii) solicit input and report on recommendations from the Grid Modernization Advisory Council (“GMAC”) established pursuant to

G.L. c. 164, § 92C; and (iv) conduct technical conferences and a minimum of two stakeholder meetings to inform the public and others in developing its ESMP.

National Grid is the primary electric provider for more than 172 cities and towns across the Commonwealth and provides service to approximately 1.3 million customer accounts. The Company's proposed ESMP includes forecasts of electric demand on its distribution system over the next five years, ten years, and through calendar year 2050 that account for expected future growth in the adoption of renewable energy, DER and energy storage, and electrification technologies, as well as forecasted changes in baseload and regional forecasts. National Grid projects that peak demand will increase from 4.9 gigawatts ("GW") to 6.3 GW by 2034 after taking into account load reductions from energy efficiency, demand response, and distributed renewable generation.

National Grid proposes incremental investments that the Company states will be necessary to meet the forecasted demand and achieve the requirements of Section 92B. Specifically, as part of its 2025-2029 ESMP, the Company requests Department approval to spend an estimated \$2.4 billion in capital and operations and maintenance expenses on the following categories of investments: (1) customer and grid technology investments to fund new programs and demonstration projects to advance virtual power plants and use DER for grid service, and deploy new clean energy customer portals and enabling technologies (\$100 million); (2) platform investments, including advanced distribution management systems, distributed energy resource management systems, active power restoration services, new network management capabilities, conservation voltage reduction and volt/var optimization, early fault detection, billing capabilities to support time-varying rates, cybersecurity, and communications (\$400 million); (3) network investments to fund new substation and distribution line upgrades to support electrification and DER interconnections, as well as to install and manage additional technology to improve network operations and management (\$1.6 billion); and (4) electric vehicle ("EV") programs to extend and expand EV make-ready and charging infrastructure enablement programs through 2029 (\$299 million). Further, the Company states that it will seek Department approval to expend an additional \$71 million for new CIPs in future separate proceedings to enable timely DER interconnection.

The Company proposes to recover from ratepayers in future filings ESMP-related capital investment costs and incremental ESMP-related operating and maintenance costs through a new annual reconciling mechanism, which the Company refers to as the Infrastructure, Safety, Reliability and Electrification ("ISRE") mechanism. The Company seeks Department approval of its proposed ISRE mechanism in its pending base distribution rate proceeding, Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 23-150. For incremental investments with costs permitted for recovery through existing reconciling mechanisms (e.g., energy efficiency investments, grid modernization and advanced metering infrastructure investments, EV investments, and capital investment

projects (“CIPs”)), the Company proposes to continue recovering the costs of those investments from ratepayers through those separate reconciling mechanisms. For CIP investments included in the proposed ESMP and/or new CIP proposals to be submitted to the Department during the term of the proposed ESMP, the Company requests that the Department allow the Company to recover the associated costs from ratepayers and interconnecting distributed generation customers consistent with the cost recovery mechanism approved in Distributed Energy Resource Planning and Cost Assignment, D.P.U. 20-75-B (2021).

The Company states that the Department’s approval of the proposed \$2.4 billion ESMP budget will establish a planned level of eligible ESMP funding recoverable through the designated rate mechanisms. The Company proposes that recovery of ESMP investments would be subject to the Department’s future determination of prudence at such time that the investments are proposed for cost recovery and subject to any applicable cap for expenditures recovered through the ISRE. Further, the Company states that the engineering analysis conducted for the ESMP assumed that the infrastructure upgrades already included in the Company’s core network investment plan, investments in the pending -CIPs, and investments required to interconnect certain distributed generation already in the group study process would all be in place and, as such, the infrastructure investments identified from the ESMP engineering analysis are incremental to these other planned infrastructure investments.

The Company also states that it will continue planned and Department approved investments, as well as investments proposed for Department approval in other proceedings, in energy efficiency, demand response, grid modernization technologies, and distribution infrastructure, including the construction or rebuild of new substations and upgrades to existing substations, to meet its forecasted demand increase and integration of DERs such as solar. The Company anticipates that these investments will be funded by its base distribution rates or through programs and funding mechanisms existing cost recovery mechanisms already approved by the Department.

In its filing, the Company provides a net benefits analysis to demonstrate both the quantitative and qualitative benefits of each ESMP investment. Further, the Company requests that the Department establish standards of review for ESMP filings and proposes specific standards of review for Department consideration. The Company also proposes three stakeholder engagement performance metrics and five metrics related to the proposed incremental ESMP investments.

Additionally, due to the scope of the ESMP and the limited seven-month statutory review period, the Company requests that review of certain issues be deferred to other proceedings or a different phase of the existing proceeding. These issues include rate redesign options, opportunities to dispatch energy storage technologies, alternative approaches

to financing proposed ESMP incremental investments, and ESMP-related performance metrics.

The foregoing is not intended to be an exhaustive list of proposals set forth in the Company's filing. Additional information regarding the foregoing proposals, and all other proposals set forth by National Grid, can be found in the Company's filing, which is located on the Department's website as noted below.

The Company will hold a virtual public information session to provide an overview of the ESMP and respond to questions from the public on **Tuesday, March 5, 2024**, at 2:00 p.m. Attendees can join the information session by entering the link, <https://us06web.zoom.us/j/88404034335> from a computer, smartphone, or tablet. For audio-only access to the session, attendees can dial in at 1 (646) 558-8656, and then enter Webinar ID# 884 0403 4335.

The Department will conduct two virtual public hearings using Zoom videoconferencing to receive comments on the Company's filing. No prior software download is required. **The first public hearing will be held on Thursday, March 7, 2024, at 7:00 p.m., and the second public hearing will be held on Tuesday, March 12, 2024, at 2:00 p.m.** Attendees can join either session as follows:

- For the Thursday, March 7, 2024 session, by entering the link, <https://us06web.zoom.us/j/84187654178>, from a computer, smartphone, or tablet. For audio-only access to the public hearing, attendees can dial in at 1 (646) 558-8656 (not toll free), and then entering Webinar ID# 841 8765 4178.
- For the Tuesday, March 12, 2024 session, by entering the link, <https://us06web.zoom.us/j/86594935693>, from a computer, smartphone, or tablet. For audio-only access to the public hearing, attendees can dial in at 1 (646) 931-3860 (not toll free), and then entering Webinar ID# 865 9493 5693.

If you anticipate providing comments via Zoom at either public hearing, please send an email by **Monday, March 4, 2024**, with your name, email address, mailing address, and hearing date. If you anticipate commenting by telephone, please leave a voicemail message by **Monday, March 4, 2024**, at (617) 305-3611 with your name, telephone number, mailing address, and hearing date. Access to these hearings and other events relating to this proceeding will also be available through the Department's website at <https://www.mass.gov/info-details/electric-sector-modernization-plan-resources>.

Alternately, any person interested in commenting on this matter may submit written comments no later than the close of business (**5:00 p.m.**) on **March 12, 2024**. Written comments from the public may be sent by email to dpu.efiling@mass.gov,

kerri.phillips@mass.gov, and the Company's attorneys, John K. Habib, Esq. at jhabib@keeganwerlin.com, Tiffany Tisler, Esq. at tisler@keeganwerlin.com, and Nancy D. Israel, Esq. at nancy.israel@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 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 in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department. The deadline for petitions to intervene from (1) members of the GMAC, and (2) entities whose interests are represented on the GMAC, was Tuesday, January 30, 2024. All other persons/entities who desire to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business on **Wednesday, February 14, 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 5:00 p.m. on the second business day after the petition to intervene was filed.

All documents should be submitted to the Department in **.pdf format** by email attachment to dpu.efiling@mass.gov, kerri.phillips@mass.gov, and the Company's attorneys at the email addresses identified above. The text of the email must specify: (1) the docket number of the proceeding (D.P.U. 24-11); (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 through our online File Room as soon as practicable (enter "24-11") at: <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber>. To the extent a person or entity wishes to submit comments or intervene 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), please contact the Department's ADA coordinator at Andrea.R.Casul@mass.gov.

For further information regarding the Company's filing, please contact the Company's attorneys, identified above. For further information regarding this Notice, please contact

Kerri DeYoung Phillips, Hearing Officer, Department of Public Utilities, at kerri.phillips@mass.gov.