GMAC MEETING BACKGROUND:

EQUITY IN DISTRIBUTION PLANNING



JULY 2025

ENERGY EQUITY FOUNDATIONS

Energy policymakers in Massachusetts strive to incorporate equity into their decision-making processes. The electric distribution companies of Massachusetts (EDCs) define equity with regards to energy as "engaging all stakeholders, including its customers and communities, with respect and dignity while working toward fair and just outcomes, especially for those burdened with economic challenges, racial inequality, negative environmental impacts, and justice disparities." (DPU Phase I Order)

Energy equity is composed of multiple components, including procedural equity, distributional equity, and structural equity; defined by the <u>American Council for an Energy-Efficient Economy</u> (ACEEE) and adopted by the EDCs and DPU:²

DISTRIBUTIONAL EQUITY

Enabling a more equitable distribution of the benefits and burdens associated with the clean energy transition.

PROCEDURAL EQUITY

Creating transparent, inclusive, and accessible processes for engagement, such that stakeholders and communities impacted by energy projects and programs are given necessary information and opportunity to meaningfully participate in and shape processes to inform project siting, development, and implementation.

STRUCTURAL EQUITY

Developing processes and decisions that are informed by historical, cultural, and institutional dynamics and structures that have led to inequities.

Per the Massachusetts Clean Energy and Climate Plan for 2025 and 2030, equity is "a key consideration in the implementation of the state's clean energy policies." Per the 2022 Climate Law, the Department of Public Utilities (DPU) must "prioritize equity alongside traditional considerations of safety, security, and reliability of service." Further, 2024 Climate Act established the Massachusetts Office of Environmental Justice and Equity, among other equity-related provisions.

ENVIRONMENTAL JUSTICE IN MASSACHUSETTS

The <u>Environmental Justice Council</u> was created to advise the Massachusetts Executive Office of Energy and Environmental Affairs (EEA) on environmental justice principles and the definition of environmental

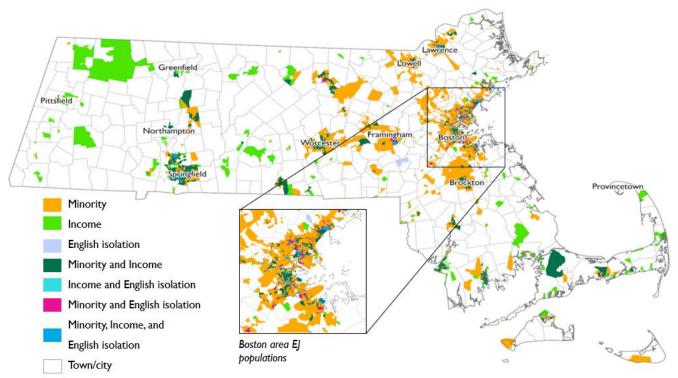
¹ In 2002, the Executive Office of Energy and Environmental Affairs (EEA) published its <u>first Environmental Justice</u> (EJ) Policy. The EEA updated the policy in 2017 and <u>most recently in 2021</u> to make environmental justice an integral part of all EEA programs. In 2024, the Department of Public Utilities <u>established an EJ strategy</u> to advance environmental justice.

² ACEEE defines energy equity using a sustainability framework <u>developed by Angela Park at the Urban Sustainability Directors Network</u>. The framework includes a fourth dimension of equity: transgenerational equity.

justice populations. A Massachusetts Environmental Justice population is a neighborhood which meets one or more of the following criteria:

- The annual median household income is 65 percent or less of the statewide annual median household income
- Minorities make up 40 percent or more of the population
- 25 percent or more of households identify as speaking English less than "very well"
- Minorities make up 25 percent or more of the population and the annual median household income of the municipality in which the neighborhood is located does not exceed 150 percent of the statewide annual median household income.

The map below displays Massachusetts Environmental Justice populations by census block. The EEA also provides an <u>interactive map</u> of environmental justice populations.



These data were obtained from https://www.mass.gov/info-details/massgis-data-2020-environmental-justice-populations.

EQUITY IN GRID MODERNIZATION

EQUITY WORKING GROUP

The Equity Working Group (EWG) was created as a subcommittee of the GMAC to advise and assist the GMAC on equity matters, including providing recommendations on how to integrate and improve equity in the Electric Sector Modernization Plans (ESMPs). The EWG is composed of multiple stakeholders from community-based and governmental organizations plus an EDC representative. The full list of current EWG members can be found here.

The EWG developed comments and recommendations on the draft ESMPs in November 2023. It also recommended several changes to the EDC biannual reports and developed a set of <u>recommended</u>

<u>metrics</u> including measurements of public understanding, EDC response to public feedback, adding locational data to the proposed metrics and community benefit agreements. EWG members also participated in the MassCEC Grid Services Study that will inform the Grid Services Compensation Fund.

In response to EWG feedback, the EDCs committed to summarize feedback received during stakeholder meetings and the grid services compensation fund in the narrative section of the biannual reports. Beyond this, the EDCs declined to incorporate most aspects of the EWG's recommended metrics into their proposed ESMP biannual report. Adding geographic data to the reporting metrics is still being discussed in the DPU docket. The DPU will release an Order prior to September 2025 with final requirements for ESMP biannual reports.

EDC EQUITY FRAMEWORK

The DPU approved the EDC's joint equity framework proposed in the ESMPs, which the DPU found is the "first comprehensive strategy to incorporate equity principles into their distribution planning processes." The framework addresses aspects of procedural equity by using plain language in public-facing materials and translating these materials into other languages. The EDCs plan to address distributional and structural equity by entering into community benefit agreements with communities that host electric distribution infrastructure.

Community Engagement Stakeholder Advisory Group

The EDCs proposed, and the DPU approved, the creation of a community engagement stakeholder advisory group (CESAG), co-chaired by an electric utility representative (Eversource) and a community-based organization representative (AmplifyLatinx), and composed of other community-benefit organizations, EDC representatives, and an environmental or equity advocate.

The CESAG met eight times in 2025 to develop a community engagement framework to inform EDC efforts to engage stakeholders and communities in energy infrastructure project implementation.

REQUIRED EQUITY UPDATES BEFORE THE NEXT ESMPS

In the first ESMP Phase I Order, the DPU ordered the EDCs to:

- Coordinate with the CESAG to "develop clear and cohesive equity policies and practices ...
 related to language access, EJ [environmental justice], and the equitable siting of electric
 distribution system infrastructure"
- Update how they are addressing distributional and structural equity, allocating resources and training staff on equity matters in the biannual reports

The Department also noted that the role of community benefits agreements in distribution system planning will be addressed in a separate proceeding with a broader set of stakeholders and involvement with the Energy Facilities Siting Board.