



THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

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December 11, 2023

Elizabeth Mahony, Commissioner
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, Massachusetts 02114

RE: Grid Modernization Advisory Council Budget, D.P.U. 23-98

Dear Commissioner Mahony:

The Grid Modernization Advisory Council (“GMAC”) was established pursuant to Chapter 179 of the Acts of 2022 (“2022 Clean Energy Act”) to, in part, review and provide recommendations on the electric-sector modernization plans (“ESMPs”) developed pursuant to G.L. c. 164, § 92B(a). G.L. c. 164, § 92C(c). The GMAC must annually submit to the Department of Public Utilities (“Department”) a proposed budget for the “retention of expert consultants and reasonable administrative costs” and the Department must allocate sufficient funds for these purposes from the natural gas and electric energy efficiency funding authorized under G.L. c. 25, § 19, provided that the budget cannot exceed one percent of such energy efficiency funding on an annual basis. G.L. c. 164, § 92C(c).

On September 8, 2023, the Department of Energy Resources (“DOER”), on behalf of the GMAC, submitted proposed budgets for 2023 and 2024 for review by the Department (“Filing”). On October 17, 2023, the Department requested that DOER provide certain additional information to support the GMAC’s proposed budgets. On November 8, 2023, DOER provided the additional information to the Department (“Response”).

In its Filing, the GMAC originally sought Department approval of a budget of \$376,653 for 2023 and \$417,978 for 2024 (Filing at 2). In its Response, DOER submitted revised budgets that shifted \$20,000 for the GMAC’s administrative expenses (i.e., its

operating budget) from 2023 to 2024 (Response at 1-2). DOER states that the proposed 2023 budget comprises \$356,653 for expert consulting services (Response at 2). DOER further states that the proposed 2024 budget comprises \$387,978 for expert consulting services and \$50,000 for the GMAC's administrative costs (*i.e.*, its operating budget) (Response at 2). In sum, DOER requests that the Department approve budgets for the GMAC of \$356,653 and \$437,978 for 2023 and 2024, respectively (Response at 1-2).

At the outset, the Department notes that the 2022 Clean Energy Act that established the GMAC was enacted on August 11, 2022 and that the present budget request is the GMAC's first request. As such, the Department determines that review of the GMAC's budget request for two calendar years in this instance is reasonable and appropriate. Going forward, the Department anticipates that future budget requests will be limited to a single calendar year.

Next, the Department has reviewed the GMAC's 2023 and 2024 budget requests and the additional information provided by DOER. The Department finds that the GMAC's requested budgets of \$356,653 for 2023 and \$437,978 for 2024 are for the retention of expert consultants and reasonable administrative costs. Further, the Department finds that the proposed budgets do not exceed one percent of the total energy efficiency funding for 2023 and 2024 authorized by the Department pursuant to G.L. c. 25, § 19.¹ Accordingly, pursuant to G.L. c. 164, § 92C(c), the Department approves the GMAC's requested budgets of \$356,653 for 2023 and \$437,978 for 2024.

Notwithstanding our approval, the Department clarifies the permissible scope of the technical assistance provided by the consultant during the Department's adjudication of the electric distribution companies' ("EDCs") ESMPs. Because the Department anticipates that individual GMAC members will participate in the Department's adjudications of the ESMPs, the purpose of any technical assistance provided to the GMAC during the Department's adjudication of the ESMPs must be to support the GMAC's statutory duties and not the interests or positions of any individual GMAC member. This limitation is intended to prevent ratepayers from subsidizing a particular GMAC member's private business interest or position in the Department's adjudication of the ESMPs.

¹ For instance, the total authorized energy efficiency funding for 2023 and 2024 is \$1,321,881,815 and \$1,630,347,533, respectively. See 2022-2024 Three-Year Energy Efficiency Plans, D.P.U. 21-120-C through D.P.U. 21-127-C and D.P.U. 21-128-D through D.P.U. 21-129-D, Order on Compliance Filings (2022).

The Department allocates the approved budgets for 2023 and 2024 to the EDCs in proportion to each EDC's 2022 distribution load-share² as shown in the table below:

EDC	Percentage of Statewide Distribution Load-Share	GMAC Budget Allocation for 2023	GMAC Budget Allocation for 2024
National Grid	45.17%	\$161,100.16	\$197,834.66
NSTAR Electric	53.66%	\$191,380.00	\$235,018.99
Unitil	1.17%	\$4,172.84	\$5,124.34
Total	100%	\$356,653.00	\$437,978.00

(Filing at 3; Response at 8). Each EDC shall incorporate its allocated share of the GMAC's budget, as set forth above, in all applicable filings with the Department.

The GMAC's budget request for calendar year 2025 should be filed with the Department no later than August 15, 2024. With its 2025 budget filing, the GMAC shall provide the following information: (1) an accounting of the amounts expended under the approved budget for the 2023 and 2024 calendar years, broken down by cost category (*i.e.*, project management, GMAC meetings, other committee meetings, technical support, evaluation and monitoring, administration, and strategic planning); (2) detailed invoices to support all expert consulting services/expenditures for the 2023 and 2024 calendar years;³ (3) detailed invoices to support all administrative expenditures for the 2023 and 2024 calendar years; (4) the consultant workplan for the 2025 calendar year; and (5) a breakdown of the proposed 2025 calendar year budget by cost category, for both expert consulting services and the GMAC's administrative costs.

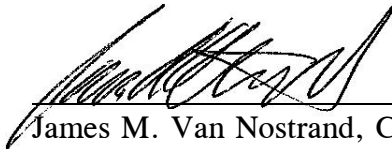
Finally, the Department emphasizes that the GMAC's duties, and the funding for those duties, are established by statute. In this Order, the Department approves budgets for 2023 and 2024 based on the information provided. Nothing in this Order, however, is

² See DOER, Electric Customer Choice Data, 2022 Monthly Electric Customer Migration Data, <https://www.mass.gov/info-details/electric-gas-customer-choice-data> (last visited November 27, 2023).

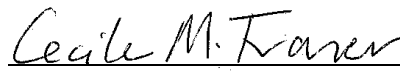
³ All invoices must contain a detailed description of each task and the number of hours billed to each task. The invoice description must be sufficiently detailed to permit DOER to track and report the GMAC consultant's expenditures by cost category for each task.

determinative of the permissible activities that may be undertaken by the GMAC in 2025 and until the next ESMP filings.

By Order of the Department,



James M. Van Nostrand, Chair



Cecile M. Fraser, Commissioner



Staci Rubin, Commissioner

cc: Mark D. Marini, Secretary
Grid Modernization Advisory Council
Electronic Distribution List, D.P.U. 24-10 through D.P.U. 24-12