

GSEP Working Group

Meeting Date: April 24, 2023

Final Minutes – Approved at May 10, 2023 Meeting

Attendees:

- Cecile Fraser, Acting Chair, Department of Public Utilities (“DPU”)
- Alice Davey, Attorney, Legal Division, DPU
- Jeff Hall, Assistant Director, Rates and Revenue Requirements Division, DPU
- Shirley Barosy, Legal Assistant, Legal Division, DPU
- Senator Michael Barrett, Senate Chair, Joint Committee on Telecommunications, Utilities, and Energy
- Representative Jeffrey Roy, House Chair, Joint Committee on Telecommunications, Utilities, and Energy
- Caleb Oakes, Research Director, Joint Committee on Telecommunications, Utilities, and Energy
- JoAnn Bodemer, Assistant Attorney General, Office of the Attorney General
- Sharon Weber, Deputy Division Director, Air & Climate Programs, Department of Environmental Protection
- Shevie Brown, Gas Policy Analyst, DOER
- Stephen Woerner, President, Gas Division, National Grid
- Lynne Nadeau, Regulatory Affairs, National Grid
- Amy Smith, Director, Gas Division, National Grid
- William Akley, President, Gas Business, Eversource Energy
- Robert Hevert, Senior Vice President, Unutil
- Chris LeBlanc, Vice President, Gas Operations, Unutil
- Tatiana Roc, President, Liberty
- Kristin Jardin, Director, Rates and Regulatory Affairs, Liberty
- R.J. Ritchie, Attorney, Liberty

- Sue Kristjansson, President and Chief Operating Officer, Berkshire Gas
- Jerrold Oppenheim, Co-Owner, Democracy and Regulation, representing Low-Income Energy Affordability Network (“LEAN”)
- Jenifer Bosco, Senior Attorney, National Consumer Law Center (“NCLC”)
- Pete Dion, General Manager, Wakefield Municipal Gas and Light Department
- John Buonopane, Representative, United Steelworkers, Local 12012
- Jonathan Buonocore, Assistant Professor, Environmental Health, Boston University
- Robert Gyurjan, Manager – Regulatory Economics, Berkshire Gas
- Heather Takle, President and CEO, PowerOptions
- Audrey Schulman, Co-Founder and Co-Executive Director, HEET
- Priya Gandbhir, Staff Attorney, Conservation Law Foundation (“CLF”)

Moderator – Alice Davey, DPU

Welcome. Outlined proposed agenda that had been emailed to the working group. Took roll call. Approved prior meeting’s minutes.

Senator Michael Barrett – Thanking everyone for attending. Following conversations regarding the first meeting, wanted to attend the second meeting and suggest a reorientation of the focus. Concern is that continuing GSEP as currently structured is incompatible with greenhouse gas (“GHG”) reductions limits. Legislature is concerned with continued use of natural gas for home heating and committed to progressively working away from reliance on natural gas. In particular, criticism was offered that emphasizing repair of infrastructure was guaranteeing we would strand more assets. Concerned that there should not be four working subcommittees that have equal status. The GSEP working group statute states: “The Department of Public Utilities shall convene a stakeholder working group to develop recommendations for regulatory and legislative changes that may be necessary to align gas system enhancement plans developed pursuant to section 145 of Chapter 164 of the General Laws with the applicable statewide greenhouse gas emission limits and submits established pursuant to chapter 21N and the Commonwealth’s emission strategies.” The purpose and sole focus is to develop recommendations to align with GHG emission reductions. It’s an exceedingly difficult purpose but doesn’t want anyone to think equal weight should be given to other matters, which are subsidiary. Emission reduction should be given all-important defining role. Wants any subgroups to be retitled and have active discussion on what subgroups should be. All goals should be reworded so that sublimits is the sole focus.

JoAnn Bodemer, Attorney General’s Office – agrees with Senator Barrett. Wants to focus on what legislation says. Wondering if there is an ability to expand the time in which we have to do this work.

Senator Barrett – open to give more time.

Representative Roy – agrees with additional time, although it’s a little late to get something passed through the budget.

Audrey Schulman, HEET – Supports Senator Barrett’s comments. Agrees more time would be helpful. Wonders if we should read the pertinent section out loud. Consider how we want to frame the goal. For instance, might want to identify data we need to meet mandate.

Jerrold Oppenheim – Appreciates Senator Barrett’s comments. Agree that we need more time. Concerned that breaking into groups with competing topics would be counterproductive.

Priya Gandbhir, CLF – Instead of subgroups, better use of time would be having presentations from people with expertise on these topics, such as public health and GHG. Perhaps spend more time talking about what we already have to put in the report and how to get missing information for the report.

Jerrold Oppenheim – great suggestion from Priya Gandbhir.

Alice Davey, DPU – asking Audrey Schulman to lead us through the reading of the statute.

Audrey Schulman, HEET – pertinent language for mandate is the GSEP working group “shall consider GSEPs impacts on, and implications for, public health, safety, equity, affordability, reliability, reductions in greenhouse gas emissions and cost recovery for repair and replacement of pipeline infrastructure including, but not limited to, embedded costs, potential stranded assets and opportunity costs and benefits; provided however, that said working group shall evaluate opportunities to advance utility-scale renewable thermal energy under said section 145 of said chapter 164; and provided further, that any change recommended shall enable natural gas local distribution companies to maintain a safe and reliable gas distribution system during the Commonwealth’s transition to net zero emissions.”

Senator Michael Barrett – Noting that Audrey Schulman omitted the first sentence, which should be considered the most important wording.

Audrey Schulman, HEET – “The Department of Public Utilities shall convene a stakeholder working group to develop recommendations for regulatory and legislative changes that may be necessary to align gas system enhancement plans developed pursuant to section 145 of Chapter 164 of the General Laws with the applicable statewide greenhouse gas emission limits and submits established pursuant to chapter 21N and the Commonwealth’s emission strategies.”

Senator Michael Barrett – Noting that the first sentence is the primary charge and the other section is subsidiary issues.

Alice Davey, DPU – highlighting that Pete Dion from Wakefield Municipal Gas and Light Department offered space for a hybrid, in person and virtual, meeting. Happy to have someone else facilitate the meeting.

Heather Takle, PowerOptions – Agrees with some concerns with breaking up into smaller working groups. Should determine what it takes to come up with legislative goal.

Alice Davey, DPU – asking members to feel free to outline what information or data you think should be compiled

JoAnn Bodemer, Attorney General’s Office – A work plan is ideal. Helpful exercise would be to know the statutory GSEP language and the application of the statute. Could be a subgroup to understand that. Questioning whether the working group is redlining the current statutory language or discarding it and providing new language that should govern oversight of emissions reduction.

Alice Davey, DPU – at the first meeting, we gave an overview of the GSEP statute; will send the powerpoint to working group members.

JoAnn Bodemer, Attorney General’s Office – Concerned that the GSEP is more than just a reconciling mechanism, for example, the DPU waived the cap from 1.5 percent to 3 percent. The cap waiver presents potentially more stranded assets. Could be recommendation from working group that waiver should not be permitted. The working group needs the statute and the DPU’s interpretation and application of that statute in the GSEP and GREC dockets.

Alice Davey, DPU – Happy to work with DPU staff to produce that.

Jenifer Bosco, NCLC – agrees with JoAnn Bodemer’s comments regarding changes to statutory language. Whatever we end up doing, equity and affordability should be part of all discussions. When those issues are separated, they become an afterthought.

Alice Davey, DPU - As we go forward, if anyone has specific proposals for how we structure the report, our group, how or whether we break up into small groups, that would be helpful.

Audrey Schulman, HEET – In terms of JoAnn Bodemer’s suggestion, agrees it is incredibly important to look at the statute. Would love to figure out how we assess the impacts of our decisions over what time frame. How do we make sure we set on the right horizons, i.e., 2080, 2100. Might want presentations from other groups, not only utilities, since might create wrong perception if only utilities provide information. Need to show everyone is involved.

Senator Michael Barrett – First, wants to encourage non-lawyers to feel good about being able to fully participate, and secondly, wants to call out a fundamental tension embodied in the statute. GSEPs are to be formulated by the natural gas companies. So fundamentally asking natural gas companies to likely reorient to emission reductions and actively participate in downsizing their business volumes. What we fundamentally need is a managed retreat from natural gas and a managed retreat from the GSEPs. Citing to two subparagraphs of section 145, which suggest where discussion needs to go. For example, subparagraph B of section 145 of Chapter 164 states “A gas company shall file with the Department a plan to address aging or leaking natural gas infrastructure within the commonwealth and the leak rate on the gas company's natural gas infrastructure in the interest of public safety and reducing lost and unaccounted for natural gas through a reduction in natural gas system leaks.” Questioning whether public safety and reducing lost and unaccounted for natural gas should be the sole focus

going forward. Or whether reducing emissions shouldn't be a co-equal objective of any future GSEPs. Legislature has already decided that emission reductions have to be paramount. Also reading subparagraph E of section 145 of chapter 164: "If a plan is in compliance with this section and the Department determines the plan to reasonably accelerate eligible infrastructure replacement and provide benefits, the Department shall issue preliminary acceptance of the plan in whole or in part." Should we add that the GSEP must also reasonably accelerate emission reductions? Proposes that as a way to center the discussion at the next meeting, we work our way subparagraph by subparagraph through the statute and see whether changes could be made.

Alice Davey, DPU – Very good idea that we go through the GSEP statute at the next meeting. Asking people to be prepared to discuss that as well as any concerns with statute. Proposed to push company's presentations on leak rates to next meeting or alternatively get in written form. Everyone agreed with this approach.

Jerrold Oppenheim – One other suggestion that Priya Gandbhir made is at some point, maybe before go line by line, might hear brief presentations from the various points of view from this panel about their redlines and their needs, as well as further information and data that might be required.

Sharon Weber, DEP – Highlighting data she's looking for, specifically cost differential between replacing pipe, repairing pipe, and retiring pipe, as well as emissions between the three and how the choices are made right now.

Priya Gandbhir, CLF – noted we should set some communication norms before we adjourn today to make sure we don't raise any open meeting law issues. Also shared screen and proposed agendas for next four meetings with presentations from various working group members.

William Akley, Eversource Energy – Company has been working on what's needed to advance electrification and reduce GHG. Trying to share realities and challenges. Impetus around GSEP was really DOT and PHMSA regarding older infrastructure. Massachusetts still has one of the largest leak rates in the U.S. Think there's ways we can help modify. Hope the companies' voices are heard as productive voices. Understands the tension. Seconds Priya Gandbhir's suggestion to have presentations rather than subgroups and agrees with Senator Barrett regarding the working group goals.

JoAnn Bodemer, Attorney General's Office – with respect to Sharon Weber's question regarding cost differentials, a lot of the cost comparison is in GSEP dockets and was obtained through discovery. Thanking Priya Gandbhir for taking the lead in agenda ideas but noting it misses Senator Barrett's focus on emissions. All of the voices identified are important but think we should start with the statute and see how each portion speaks to putting emissions first. And would ask people to speak up if it's within their area of expertise. Would rather start digging in rather than having presentations. Interplay with federal safety requirements and obligations there is a little muddy and would be helpful to understand if any proposed changes to GSEP compete with federal safety requirements.

Jerrold Oppenheim – At next meeting proposes to proceed with line-by-line review of the GSEP statute with each group raising their major concerns.

Senator Michael Barrett - Primary responsibility pre-climate change movement was on safety and that remains an important preoccupation. But what everyone recognizes is GHG now comes over the top. Uncomfortable with proceeding by topic and addressing safety or leaks report first because that places things in the wrong order. Acknowledges that there are federal guidelines. But noting that we can't continue to replace pipelines as if we'll be using natural gas forever. At next meeting would like to go provision by provision through the GSEP statute. Working through the statute's provisions in order would encounter real-world problems and would make sure not shortchanging issues that people have mentioned.

Audrey Schulman, HEET – Did not mean that utilities should be silenced; expertise of utilities is only way to move forward. Just didn't want the public to get the perception that only the utilities are providing information. Noting that with respect to potential conflicts between state and federal mandates, PHMSA is currently reauthorizing legislation on this so if any suggestions, this is time to consider that.

Jenifer Bosco, NCLC – another idea on information that could be useful is one of the issues is gas leaks and there's fairly recent data about leaks of meters in peoples' home, hydrogen in pipes, also information about efforts to subsidize home electrification, particularly for equity and affordability.

Sue Kristijansson, Berkshire Gas – Appreciates conversation and wants to reiterate we all have the same goal. We need to do something about the emissions and leave a better world. Hearing high-level discussions regarding the GSEP and wonder if it would be helpful to present in more practical concerns, for example, how the companies come to numbers, what they actually do, what is it they're digging up and replacing, when do we count the emissions reductions. There's lots of information available if anyone is interested in that.

Pete Dion, Wakefield Municipal Gas and Light Department – Based on charge from Senator Barrett, we need to go through the GSEP statute itself first and look at potential changes that we're going to be suggesting and then secondary piece of that is, what impact will changes have on the subsidiary factors.

John Buonopane, United Steelworkers – In agreement with what Pete Dion just said. As John's role representing people that maintain these gas systems, how will any change impact them and public safety. To understand those changes first is really essential. Noting that GSEP is replacing infrastructure that is already there, it's not about increasing gas use. If we're talking about fundamentally changing that, we need to know what that change will be so we don't create a bigger problem.

Alice Davey, DPU – Would like everyone to go through the GSEP statute before the next meeting and have a redline for where your organization is coming from and then we can go through section by section and identify points of contention, identify more information needed, and then try to make it all the way through without the deep discussion, and then from there

construct our next steps, whether it's information needed to be compiled or presented or whether we need to set aside 20-30 minutes for deeper discussion on changes proposed.

Senator Michael Barrett – Likes Alice Davey's approach. People should "issue spot" and determine what's problematic and do that before doing deep dives.

Priya Gandbhir, CLF – Agree that would be a helpful exercise for everyone to do. Proposing to submit redlines to Alice and have her consolidate them. Should also go through the available GHG information and familiarize ourselves. The DPU's mandate in the GSEP statute is currently rigid that it doesn't feel like there is any room for persuasion. There are "shalls" and "musts" as opposed to discretionary terms.

Alice Davey, DPU – Would be most helpful if people came with their own personal redline and we can go through the statute together. Prefers not to consolidate the information because some might want to completely rewrite the statute and also don't want to stifle conversation. Wants people to voice where they land on the issue spotting. Can certainly compile all the issues that come up as of the following meeting. Can also put aside some time to see where we need to read through other pertinent laws.

Jerrold Oppenheim – supports Priya Gandbhir's recommendation - would be helpful to have some sense before the meeting of what others are thinking about.

Senator Michael Barrett – subsidiary question – whether should attempt to go through entire statute or whether we can't focus discussion on subparagraphs B and E. Plugging lost leaks and public safety are two important legacy things that improve climate.

Audrey Schulman, HEET – Whole conversation is incredibly helpful in terms of logistics. For those who are not lawyers, is it possible to send the statute to us ahead of time as well as items that are outside the GSEP statute but that impact the GSEP, such as geothermal.

Senator Michael Barrett – Noting that geothermal is now in the GSEP.

Robert Hevert, Unitol – Wanted to go back to the point made by some members regarding synthesizing comments. Appreciated the point that Alice Davey made, that issue spotting is so critically important so we all should be given a chance to highlight issues without them having to be synthesized into a single document.

JoAnn Bodemer, Attorney General's Office – Appreciates Senators Barrett's idea of breaking statute down and would be helpful if DPU sends out the statutory language to the working group members.

Alice Davey, DPU – Will send the statute to everyone. For the next meeting, will start with meeting minutes. Then roll call for open meeting law, then will go through statute starting with subsection B. Will summarize information needed and points of disagreement. And then use that to plan for next meeting. Maybe start with needed data at the following meeting. And then dive back into our own personal redlines.

Audrey Schulman, HEET – Suggesting we go through definitions section as well as subsection B.

Senator Michael Barrett – great idea to start with subsection A (definitions) and then subsection B.

Jerrold Oppenheim – asking whether next meeting can be for 90 minutes instead of one hour.

Alice Davey, DPU – group voted on 90 minutes.

Pete Dion, Wakefield Municipal Gas and Light Department – Wakefield has a conference room that supports hybrid so could have people join.

Alice Davey, DPU – next meeting is May 10th at 1:30 pm to 3:00 pm. If you have specific thoughts regarding meeting in Wakefield or virtually only, let Alice Davey know in next few days.

Senator Michael Barrett – Expressing concern regarding meetings being on Wednesdays and Thursdays, prefers Mondays and Fridays.

Alice Davey, DPU – The following meeting is Friday, May 26th at 10:00 am, then Wednesday, June 7th at 1:30 pm. Will send proposed change for June 7th meeting. Will change to Monday or Friday.

Priya Gandbhir, CLF – Noting that there's also a meeting scheduled for Wednesday, June 21.

Alice Davey, DPU – Inclined to just pick Monday or Friday meetings and just send it out since people will inevitably have conflicts. Also finally noting that per open meeting law, don't send opinions around to the working group.