

GSEP Working Group

Meeting Date: May 26, 2023 (held virtually)

Final Minutes – Approved at June 21, 2023 Meeting

Attendees:

- Jamie Van Nostrand, Chair, Department of Public Utilities (“DPU”)
- Alice Davey, Attorney, Legal Division, DPU
- Jeff Hall, Assistant Director, Rates and Revenue Requirements Division, DPU
- Senator Michael Barrett, Senate Chair, 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, New England, 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
- Tatiana Roc, President, Liberty
- Sue Kristjansson, President and Chief Operating Officer, Berkshire Gas
- Jerrold Oppenheim, Co-Owner, Democracy and Regulation, representing Low-Income Energy Affordability Network (“LEAN”)
- Karen Lusson, 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

- Heather Takle, President and CEO, PowerOptions
- Audrey Schulman, Co-Founder and Co-Executive Director, HEET
- Priya Gandbhir, Senior Attorney, Conservation Law Foundation (“CLF”)

Moderator – **Alice Davey, DPU** - Welcome. Noted that meeting is being recorded via zoom by member of public. Discussed procedural matters, including notice publication and zoom protocols. Took roll call. There are additional edits to minutes so will be approved at next meeting, June 7, at 1:30 p.m. Noted per agenda will be going through sections (a) and (b) of GSEP Statute.

Various people – Discussing protocol for going through the redline edits. Some concern that will only be making provisional judgements because did not receive drafts in advance. Explanation that under Open Meeting Law, the drafts may not be emailed to the group in advance. Suggestion that the redlines be posted to the GSEP working group website.

Alice Davey, DPU - Basically going through redline quickly and flagging items that require further discussion.

Senator Barrett – Offered assurances that extending reporting date for six months would be in the first supplemental budget.

Alice Davey, DPU – Going through G.L. c. 164, Sections (a) and (b) redline.

(Shared redline document on the computer screen)

First edit is to the definition of “eligible infrastructure,” adding repair and retire to every place it says replacing gas pipeline. Edit proposed by DEP.

Karen Lusson, NCLC – Asking whether accelerated cost recovery is still at issue.

Alice Davey, DPU - Yes, accelerated cost recovery issue will be on the second document. Asking for show of hands if agree with this edit to add repair and retire. Noting almost unanimous consensus.

Senator Barrett – Raising the issue of whether one or two dissents means there is no consensus.

Alice Davey, DPU – Will need to decide if we don’t get unanimous agreement, do we go with general consensus or do we propose two versions of legislation. Right now just flagging the edit as requiring future discussion.

JoAnn Bodemer, Attorney General’s office – Raising whether we should just rewrite legislation instead of work on a redline of the current statute. From a lawyer’s perspective, there’s history in the language and companies’ understanding that may linger even if there are changes.

Senator Barrett – Respectfully disagrees. This is working group, many other inputs into any other action the legislature takes. For now, starting from scratch would be a herculean undertaking and would not advance. Current framework may well be a useful one. Also legislatures prefer to amend. Noting that fact not unanimous vote is neither here nor there; never expect consensus. Important thing is to have discussion and those that lose out will have many other bites of the apples. For example, if organized labor is on the losing side, they will get a full hearing in the Senate and the House. Think we should do our best and two or three meetings from now should revisit whether the current framework has been useful to maintain.

Alice Davey, DPU – Having seen all of the redlines, think we can find common ground. Lots of comments and redlines were similar including the gas companies had lots of similar redlines to Senator Barrett so very specific edits that are proposed that may not be consensus on, but don't think this is an unfruitful exercise. Even if it's to give people a visualization of some of these edits.

Audrey Schulman, HEET – More important to write down who is supporting rather than number of votes. Volunteering to take screen shots of raised hands.

Karen Lusson, NCLC – Noting concern regarding voting on definition of “eligible infrastructure.” It's hard to understand to understand what we're voting for without seeing what we're designating them to be eligible for. Gets back to whether we're providing accelerated cost recovery.

Alice Davey, DPU – If accelerated cost recovery is gone, it will simply be whatever eligible infrastructure means at the end of the process. This edit means that the gas pipeline is not replaced but may also be retired or repaired.

John Buonopane, United Steelworkers – Not comfortable voting without having more discussion and more time to think about things.

Priya Gandbhir, CLF – Concern regarding on taking screen shots for voting since under open meeting law, must take votes and record votes in minutes.

JoAnn Bodemer, Attorney General's office – With respect to open meeting law, you can just say I want to get a sense of the working group. That avoids use of the word vote.

Alice Davey, DPU – Reiterating these are not the final votes under Open Meeting Law, but simply getting a pulse of the working group's opinion on each proposed edit.

Alice Davey, DPU – If you feel we need further discussion on this topic (repair/replace/retire), please raise your hand. Noting not unanimous so need further discussion.

Still in the definition of eligible infrastructure, the next edit is in section (ii) and it's adding “health, public” safety, “system security,” infrastructure reliability, “consumer protection, income equity; and reduce greenhouse gas emissions in compliance with the limits and sublimits established in chapter 21N of the general law.” To get sense of working group, if you feel you are okay with edits, raise your hand.

JoAnn Bodemer, Attorney General's office - Instead of voting yes, perhaps ask whether people want more conversation as a way of speeding things up.

Alice Davey, DPU – Agreed. If we have no consensus then we need to go back. The edits were to add more information to section (ii) of the definition of eligible infrastructure. If you feel we need more discussion, raise your hand. Noting more discussion needed.

Karen Lusson, NCLC – wants to make formal request that all votes are subject to later determination if talking about retaining accelerated recovery.

Alice Davey, DPU – yes, we're just getting a sense of the working group at this point.

(Alice Davey, DPU – Internet went out for a few minutes)

Alice Davey, DPU - Moving to next edit; still in the definition of eligible infrastructure, this would be changing section (iii) to add “gas” before customers. It would read does not increase the revenue of a gas company by connecting an improvement for a principal purpose of serving new gas customers. If requires additional discussion, please raise your hand.

Senator Barrett – Questioning why the edit is needed.

Alice Davey, DPU – Explaining that if the term “customer” takes on new meaning, with non-pipe alternatives, wouldn't want to limit growth. Noting more discussion needed.

Moving to the next edit; still in the definition of eligible infrastructure. This would be revising section (iv) to adding reduction of the natural gas system itself. If requires additional discussion, please raise your hand. Noting more discussion needed.

The next edit is also in the definition of eligible infrastructure, and it's revising section (vii) to add non-gas pipe alternative infrastructure. Numerous members provided edits to this specific language.

JoAnn Bodemer, Attorney General's office – Thinks that this conflicts with the following section (vii).

Alice Davey, DPU – Both are “may” so if it does not include non-pipe, the second part (section (viii)) would require gas companies to show that non-pipe was infeasible or not cost effective.

Senator Barrett – Feels like the new section (viii) is confusing and contrary with the rest of the statute.

Alice Davey, DPU – One of the proposals that is not included in this redline is that as part of the GSEP submitted each year, a new requirement to require evaluation by the gas companies. Specifically, an analysis to evaluate the non-gas pipe alternative. Let's see whether more discussion is needed for section (vii) before moving on to section (viii.). If requires additional discussion, please raise your hand. Noting more discussion needed.

The last edit in the definition of eligible infrastructure is to add a new section (viii). New language reads “and for which a non-gas pipe alternative has been shown to be infeasible or not cost-effective.” If requires additional discussion, please raise your hand. Noting more discussion needed.

Jerrold Oppenheim, LEAN – Asking whether cost-effective is defined anywhere else.

Alice Davey, DPU – Doesn’t think cost-effective is defined at this point.

Senator Barrett – Questioning whether we want all seven or eight subparts to be additive or in the disjunctive.

Alice Davey, DPU – Section (viii) could be pulled out; whole section could be rearranged as we work through this.

Next edit is a definition proposed by HEET for networked geothermal system. If you feel definition only requires additional discussion.

Heather Takle, PowerOptions – Hard to vote when we don’t know where it’s being used.

Alice Davey, DPU – Use explained in the second document we’ll be going through.

Senator Barrett - Use of utility scale would have consequence of limiting to utilities or whether competition should exist and also might be some municipalities and independent players. Also whether networked geothermal system might consist of air rather than ground source and whether reference to underground is absolutely required.

Heather Takle, PowerOptions – It really depends on how we’re using this definition elsewhere in the document; would just table the vote until we know how it’s being used.

Alice Davey, DPU – It’s possible we’ll agree on a definition but then disagree on the use; Thought perhaps definitions would have a little more consensus. This one requires additional conversation.

Next edit is also from HEET to define non-emitting renewable thermal energy. I understand if Heather Takle has the same type of question on this and how it’s being used. If you think this requires additional discussion, please raise hand. More discussing needed. Just noting that we have seven minutes left.

Alice Davey, DPU – Next definition is for non-gas pipe alternative proposed by Sharon Weber, DEP.

Alice Davey, DPU – Definition reads: Non-gas pipe alternative is activities or investments that delay, reduce, or avoid the need to build or upgrade traditional natural gas infrastructure, including, but not limited to, non-emitting renewable thermal infrastructure projects defined in section 147A of chapter 164. If you feel this definition requires additional discussion, please raise your hand. More discussion needed.

Next edit is referenced in the discussion on section (viii) under the definition of eligible infrastructure. It's new language proposed by most of gas companies to require a non-gas pipe alternative evaluation. Definition reads: Non-gas pipe alternative evaluation is an analysis performed by the gas company to evaluate the selection of a non-gas pipe alternative for replacement of leak prone pipe.

JoAnn Bodemer, Attorney General's office – Thinks definition is not detailed enough so will raise her hand.

Alice Davey, DPU – If you feel this requires additional discussion, please raise your hand. More discussion needed.

I'm inclined to skip any additional edits on repair and retirement since we know it needs additional discussion. We're up to subsection (b).

Karen Lusson, NCLC – Noting that everything is contingent on what the group determines regarding accelerated cost recovery.

Alice Davey, DPU – Will post both redlines, one with more consensus possible and the second document has these accepted and only in redline issues that will need additional discussion. Then last one has all of the edits. Asking group members if they're okay with their redlines being posted online. Consensus.

At next meeting, will pick up where we left off with hope that reviewing edits will allow us to have a more succinct decision on these; open for how we handle the next meeting and which redline to review. Will send out an agenda based on feedback. Thank you.