

# Grid Modernization Advisory Council (GMAC) Equity Working Group

## MEETING MINUTES

**Tuesday, March 5, 2024**

Virtual Zoom Meeting

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**Members Present:** Kathryn Wright, Barr Foundation (chair)  
Julia Fox, Department of Energy Resources  
Chris Modlish, Attorney General’s Office  
Kyle Murray, Acadia Center  
Vernon Walker, Clean Water Action  
Mary Wambui, Planning Office for Urban Affairs

**Non-Voting Members:** Meredith Boericke, Eversource (designee for Erin Engstrom)

**Members Absent:** Larry Chretien, Green Energy Consumers Alliance

**DOER Staff Present:** Aurora Edington  
Sarah McDaniel

**Consultants Present:** Jennifer Haugh, GreenerU  
Chelsea Mattioda, Synapse  
Madeline Rawson, GreenerU  
Tim Woolf, Synapse

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### 1. Call to Order

Kathryn Wright, as Chair, called the meeting to order at 12:04 p.m.

### 2. Agenda and Roll Call

Chair Wright reviewed slide 2, indicating that review of the EWG charter have affected how we think of the EWG. We also have some new information filed at DPU not included in ESMP drafts; a lot is relevant to this group because it’s focused on community benefit agreements (CBAs) and bill impacts, which the consultants will go over. Finally, we’ll spend some time

having some discussion on some of that new information, as well as some time to talk about the utility responses to some of our feedback.

Chair Wright took roll call.

### **3. Review of the 2024 GMAC Process**

Councilor Fox went through the GMAC's meeting schedule, which included upcoming GMAC meetings and the DPU's ESMP procedural schedule.

Councilor Fox shared an update on the DPU interlocutory order on scope. The DPU is reviewing the current proceedings with a "strategic plan approach," which means they are not going to be adjudicating any pre-approved investment or budget requests, cost allocation proposals, rate design, or rate design proposals in this proceeding. Performance metrics will be in a later phase of the current proceedings.

*Mary Wambui:* I'd like a link to this information. It's quite something to chew on.

*Julia Fox:* Definitely. In the slides we sent out, and on the website, there's a link at the text for interlocutory order. I can also share that with you directly.

*Kathryn Wright:* Mary, the GMAC is also digesting this—it's quite a lot.

### **4. Discussion on the 2024 EWG Process and Role**

Chair Wright shared slide 6. Per the charter, this group is focused on providing recommendations to the GMAC on equity in the draft ESMPs. The EWG cannot comment as a group in the public comment period of the DPU dockets, but we can provide information for the public through our discussions. What we would like to do is provide the public with as much information as possible through analysis and discussions so that if any of us or the public wants to submit comment individually, you are welcome to do so. Wright shared some ideas of how the EWG might think about its meeting cadence and potential agenda items. On slide 7, she shared the proposed meeting plan for the year.

*Mary Wambui:* For me personally, the first topic there (review implications and next steps for D.P.U. 24-15 affordability docket), I would not like to duplicate that conversation that's happening elsewhere. That would be duplication of an existing framework that already exists in the EJ organized community that has been hosting these types of forums. I'm not sure I would find that valuable to do here.

*Kathryn Wright:* That makes sense. Are those conversations available to the public?

*Mary Wambui:* No, but my assumption is the DPU will have public hearings. And that people will show up and share public comment. But the working groups are not like open to the public; it's advocacy.

**Kathryn Wright:** Maybe it's something we don't spend as much time on, or if we do talk about it, only focus on areas that are directly relevant to what we're focusing on with the ESMPs. I agree, we don't want to duplicate existing efforts. You're all incredibly busy.

**Mary Wambui:** Targeted works for me, because there are components directly related to ESMPs.

**Kathryn Wright:** If there are no other thoughts, we will work on scheduling as things evolve in the coming months.

**Julia Fox:** I just wanted to give a more firm date; polls could be sent out next week to get these meetings on the calendar.

Chair Wright shared slide 8 on priority areas for discussion later in the meeting. This discussion is intended to close the loop on responses to the Equity Working Group from the EDCs, plus discuss benefits cost analyses and bill impacts. We went back to our original set of comments and took the three major headings we organized our thoughts around—procedural, distributional, recognition—and shared where there are still some concerns. What we would like to do is take some notes so that we can summarize some of our discussions in this meeting and make that available publicly with the rest of our meeting materials. That's the intent and where we'll be going. But first we'd like to hear from the consulting team about some of the new material filed with the ESMPs.

## **5. Presentation on ESMP Filings**

GMAC Consultant Tim Woolf presented on benefit cost analyses (BCAs) and bill impacts.

**Mary Wambui:** Folks who are in the GMAC may already know the answer, but I don't: was the BCA the only tool that was used to analyze the ESMPs, or are there any plans to use a distributional equity approach on the ESMPs? Is this all that happened, because this is an equity working group. Just interested in finding out what actually happened.

**Tim Woolf:** Great question. There are qualitative benefits that don't fit into quantitative analysis, but to your point, there is essentially no analysis of equity in their BCA. As you know, doing an analysis should start by doing a robust benefit cost analysis and then address equity issues. But no.

**Mary Wambui:** The rate impacts graph shows that ESMP costs will be minimal. Do you know why that would be the case? I'm thinking that ESMPs actually have other resources from the DOE where they can look for money and from the IRA, and I'm concerned that we have such a tiny component, and I'm not sure why. I'm also wondering, if the regular way of paying for capital projects continues, are we really modernizing the grid or what exactly are we thinking or talking about here? This seems to be a business-as-usual model.

**Tim Woolf:** Just to clarify what's on this chart, these are just the costs. No benefits here. Just revenue requirements that utilities would pass through to customers if the utilities plans were approved. This is not conventional at all; a conventional rate and bill impact analysis would look

at all revenue requirements and would look at impacts on sales. That's why this is so limited, to say the least.

**Mary Wambui:** I live in National Grid territory, and we are preparing to intervene in the rate case, and I'm not an energy person so this is just regular thinking of someone who doesn't know much about this. I think if we are modernizing the grid, we'd be planning to get that capital, that cost taken care of from another place.

**Tim Woolf:** Ideally, the plans would account for potential tax incentives from the federal government. It's my understanding that they did not account for some of those tax breaks in the plan, and that's a problem; that overstates the costs. It's not going to change these fundamentally, but it should be in there and it's an important piece of the puzzle.

**Kathryn Wright:** I do think they added the grant applications they put in or have received, but tax implications aren't there to my knowledge.

**Kyle Murray:** My point is sort of along the lines of Mary's. This is one of the most frustrating things about the ESMPs because they're incredibly deceptive and make it seem like the costs to ratepayers will be significantly less than they are actually going to be. I'm hopping mad about this, to be honest. There are recovery mechanisms elsewhere to recover the costs for this, so it's still likely that ratepayers will end up paying for this, but they put in a small number here. They didn't account for all the other funding resources out there for some, but not all, or even the majority, of these costs.

**Kathryn Wright:** I hope I have a relatively quick question about utility responses to our comments: Tim made a comment about a weighted appropriate discount rate for evaluating investments.

**Tim Woolf:** This is a topic of great dispute among a lot of people, but a great discount rate is to show the value in your analysis, but that's not the purpose here. Purpose is to identify costs and benefits to customers. Massachusetts uses a low-risk discount rate to reflect that, and that would be more appropriate here. It won't matter as much in this BCA as in other because it's amortized properly, so timing isn't as different as it is with other investments.

## **6. Discussion on Equity Considerations in ESMPs: Procedural, Distributional, and Recognition Equity**

**Kyle Murray:** [slide 20] Like with many responses, it's frustrating that we provided a recommendation for CESAG; the GMAC agreed with that recommendation, and it was apparently ignored by the utilities. I just want to express my frustration with that one.

**Mary Wambui:** I feel the same way as Kyle; I was very frustrated as I read the response from the utilities. My major issue is that I don't know how the CESAG is going to be credible or trustworthy. I'm not saying people can't be trusted, but utilities do have a trust deficit. So I'm kind of frustrated about whatever I read in there. I actually feel that the process did not shift any power to regular community groups.

**Kathryn Wright:** I share some of your frustrations and concerns and the shift of power, and accountability in this context if there's not a reporting structure back to the GMAC or another body, what is the way for the public and other groups to actually interact with the CESAG, because there's only so much representation a handful of groups can provide. The DPU has also postponed discussions about metrics to a later phase of the proceeding, so I'm also suggesting we return to metrics conversation at a later point, although there was some indication that EDCs were willing to engage in that conversation. In the interest of time, I want to make sure no one else has any comments about the working group and connections before we switch to concerns about distributional impacts.

**Kathryn Wright:** [slide 21] To Mary's earlier point, we did provide examples of distributional equity analysis methodologies that were not utilized, in addition to the deficits with CBAs that the consultants did not discuss. So if there's a way for that to be included in the future or for there to be a more rigorous qualitative discussion of the benefits, that would be helpful to this group in understanding the investments.

**Mary Wambui:** Going back to other slide, I just want to cite an example: the lack of trust with the CESAG process is because we do have or have had a working group on the energy efficiency side, and it was controlled by IOUs or EDCs, and stakeholder voices were not technically being heard. This was a theme that was on and on in EEAC meetings; Kyle can remember Dennis Villanueva's comments. I don't want to accuse anyone without backup as to why I don't trust the process.

**Kathryn Wright:** Even as I was reading this, I was thinking of the customer groups the utilities run, and those conversations aren't as close to the public, and that was what was on my mind.

## 7. Next Steps

Chair Wright indicated that she will organize comments from this discussion so followers will have this information ahead of the public comment deadline on March 12.

**Kyle Murray:** I'd just like to express my general sense of frustration that a lot of EWG recommendations were not followed.

## 8. Adjourn

The meeting adjourned at 4:00 p.m.

Respectfully submitted,  
*Jennifer A. Haugh*  
GreenerU, Inc.

**Meeting materials:**

- Meeting agenda
- Meeting presentation slides
- Consultant Summary of EDC Responses to GMAC Stakeholder Recommendations
- DPU 24-10/24-11/24-12 Exhibit Stakeholder-2
- DPU Interlocutory Order on Scope—2/20/24