

# Massachusetts Grid Modernization Advisory Council

## Equity Working Group Meeting

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March 24, 2025



# Meeting Agenda



Item	Time
<b>Administrative Items</b> <ul style="list-style-type: none"><li>Welcome, Agenda, Roll Call</li><li>Meeting Minutes Review and Voting</li></ul>	10:00 – 10:05
<b>CESAG Update</b>	10:05 – 10:10
<b>National Grid EWG Membership Request</b>	10:10 – 10:20
<b>ESMP Metrics and Reporting</b> <ul style="list-style-type: none"><li>EDC Filing Overview</li><li>EWG Comments (<i>see draft comments document</i>)</li></ul>	10:20 – 11:10
<b>MassCEC: Grid Services Study/Compensation Fund</b>	11:10 – 11:25
<b>Close</b>	11:25 – 11:30

**Roll call alphabetically by voting and then non-voting members**

# Roll Call



## Equity Working Group Voting Councilors

Larry Chretien

Julia Fox

Chris Modlish

Kyle Murray

Mary Wambui

Jolette Westbrook

Kathryn Wright, Chair

Green Energy Consumers Alliance

Department of Energy Resources

Attorney General's Office

Acadia Center

Planning Office for Urban Affairs

Environmental Defense Fund

Barr Foundation

## Non-Voting Councilor

Erin Engstrom (non-voting)

Eversource

## Consultants

Aidan Glaser Schoff

Synapse

Tim Woolf

Synapse

# Meeting Minutes

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- Calling for vote to finalize:
  - February 20, 2025, Equity Working Group minutes
- *Motion to approve the February 20<sup>th</sup> minutes [as distributed/as corrected]?*

# CESAG Update

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*Verbal update to be provided by Erin Engstrom*

# Question on Expanding EWG Membership

- National Grid GMAC rep. Andrew Schneller has expressed interest in adding Marc Lucas from National Grid as an **additional EDC representative on the Equity Working Group** to allow National Grid to be more responsive to EWG outcomes and help shape the EWG discussion. *Detailed reasoning:*
  - **Increasing diversity of EWG:** The EDCs are not monolithic; we have individual service territories, diverse customer bases, and unique projects. We each have our own individual experiences. Serving a broad and diverse customer base, it would be informative for the EWG to hear more than one EDC perspective on equity and stakeholder engagement. Each service territory warrants different considerations (rural vs urban, college town vs single-family homes, major language barriers vs full English speaking, transmission vs distribution, etc.).
  - **Experience:** Marc has worked at both Eversource and National Grid in the field of project engagement over the course of 20+ years. He has significant engagement experience in the types of projects the EDCs propose to build. He also has had multiple (and ongoing) “best practices” conversations with colleagues in other utilities across the county. Marc has also spoken on this topic for 7 years at multiple conferences. It would be ideal to leverage his “on the ground” experience and “real-time” feedback directly to better understand lessons learned and practical considerations of any policy decision.
- The current bylaws outlines membership of **one** representative of the EDCs. This mirrors the structure of the GMAC Executive Committee. The GMAC would have to vote to amend the EWG bylaws **and** vote to appoint the candidate.
- The ExCom discussed this request at their February 13<sup>th</sup> meeting and recommended that the EWG give their feedback on this decision prior to a GMAC vote.

**Do EWG members have any questions or reactions on this request?**

# ESMP Phase II Initial Filing Overview

# ESMP Biannual Reports: Summary

*"[T]he Department established the first five-year ESMP term as beginning on July 1, 2025 and concluding on June 30, 2030. As such, the Companies first ESMP biannual report shall be filed on September 30, 2025... and the second biannual report will be due on March 31, 2026."*

## September Report (mostly prospective)

- 2025 and 2026 planned expenditure tables by investment
- Summary of planned investments by category for upcoming year
- Changes to forecasting methodology for baseload, solar, EVs, heating, and storage
- Upcoming stakeholder engagement activities and update on stakeholder framework from CESAG

Both Reports will include updates on:

- Integrated energy planning
- Climate vulnerability assessments
- Outside funding

## March Report (mostly retrospective)

- 2025 actual expenditure from prior year by investment
- High-level summary of ongoing investments by category
- ESMP metrics provided in excel tables
  - With a cross reference to existing metrics
- Most recent Annual Reliability Report and most recently recorded annual peak
- Update on stakeholder engagement activities in prior year (including CESAG) and how EDCs are addressing distributional and structural equity in ESMP implementation
- High-level data on non-ESMP investments and summary list of relevant docketed proceedings in prior year



# ESMP Biannual Reports: Stakeholder Engagement



## September Report

- Updates on upcoming stakeholder planned activities for the next year
- An update on development of stakeholder framework from CESAG (first bi-annual report only)

## March Report

- Updates on stakeholder engagement activities in the prior year, including CESAG
- Updates on how the EDCs are addressing distributional and structural equity in the implementation of their ESMPs, including:
  - A description of lessons learned that may impact equity framework
  - Updates on training staff on equity matters for ESMP implementation and allocation of staff resources

# EWG Draft Comments Discussion

*(Refer to comments document)*

# Massachusetts Grid Services & DER Compensation Study



*In Partnership With*



Energy+Environmental Economics

# The electric utilities (EDCs) highlight the importance of leveraging customer DERs for local grid services in their ESMPs

## + In August 2024, the MA Department of Public Utilities approved all three EDCs' Electric Sector Modernization Plans (ESMPs)

- The ESMPs are long-term strategic plans to safely deliver an electric distribution system capable of supporting Massachusetts' Net Zero by 2050 vision
- Each EDC plan includes five years of investments needed starting in July 2025

## + The plans are unique to each EDC, but each of the plans includes investments and programs intended to:

- Facilitate the proactive buildout of the electric distribution system for electrification and DER growth
- Make it easier for customers to participate in the clean energy transition
- Operationalize customer flexibility and maximize its value, including:
  - Grid Service Compensation Funds (GSCF) to provide customer incentives for new local distribution grid service programs/markets
  - Enabling technology investments that will provide EDC grid operators and planners with tools needed to reliably manage customer DERs to those programs and markets

**“Customer Flexibility”** is a technology- agnostic term that could include active management of flexible demand (e.g., EVs, controllable thermostats), exporting DER including front of the meter (e.g., ESS, PV, vehicle to grid), and demand destruction (e.g., EE). These technologies can be aggregated together as Virtual Power Plants (VPPs), managed by an aggregator, and/or managed individually.

Focus  
for  
today

# The utility / energy sector is early on the journey of using customer DERs to address local grid constraints

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- + **The EDCs envision a future** in which customer flexibility is further integrated into distribution network planning and operations as a complementary lever to physical distribution investments, maximizing the value of customer flexibility to reduce the costs of the clean energy transition
- + In Massachusetts, **we have industry-leading system-wide EE and DR programs**, but **the collective industry is nascent on its journey to leverage customer flexibility for local distribution grid constraints**
- + **A “walk before you run” approach** will enable EDCs and their customers to start capturing the benefits of DER providing local grid services while gathering best practices and insights to further develop programs over time
- + **This Grid Services Study will provide critical input** to EDCs as we develop programs that provide compensation for customers that enroll their DERs to provide local grid services
  - **Statewide valuation frameworks** that provide guidance on how compensation should vary based on location, driven by the value of local grid needs
  - **Consistent guidelines** to inform program development (e.g., added value in EJ communities, coordination with existing non-locational DER compensation programs)
  - **Implementation roadmap** with guidance on short-term techniques to get started animating the market for flexibility and more advanced capabilities to build towards.

# Collaborative Study Partners:

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+ Study is led & funded by MassCEC's Net Zero Grid team



+ MA state agencies:

- Department of Energy Resources (DOER)
- Attorney General's Office (AGO), Office of the Ratepayer Advocate



+ Investor-owned MA electric distribution companies (EDCs):

- Eversource
- Unitil
- National Grid

EVERSOURCE

Unitil  
nationalgrid

+ Consultants:

- Rocky Mountain Institute (RMI)
- Energy and Environmental Economics (E3)

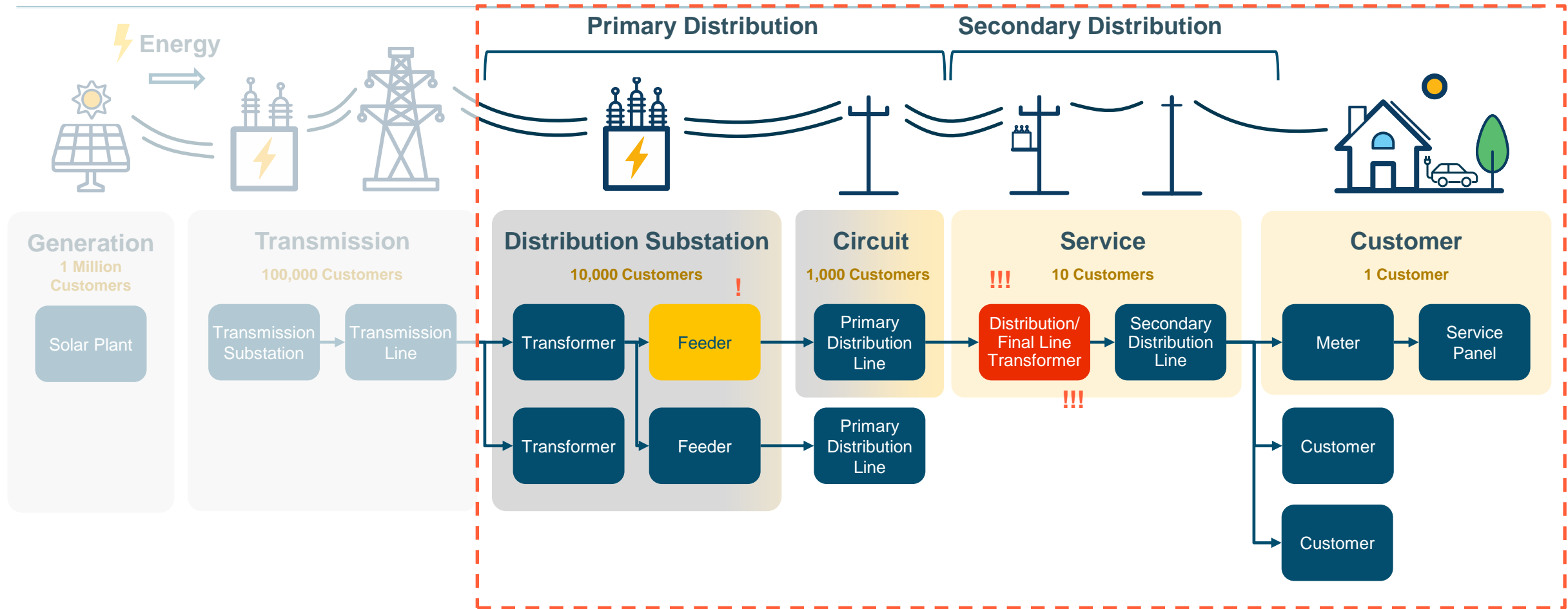
RMI



Energy+Environmental Economics



# Distribution grid services address highly location-specific needs



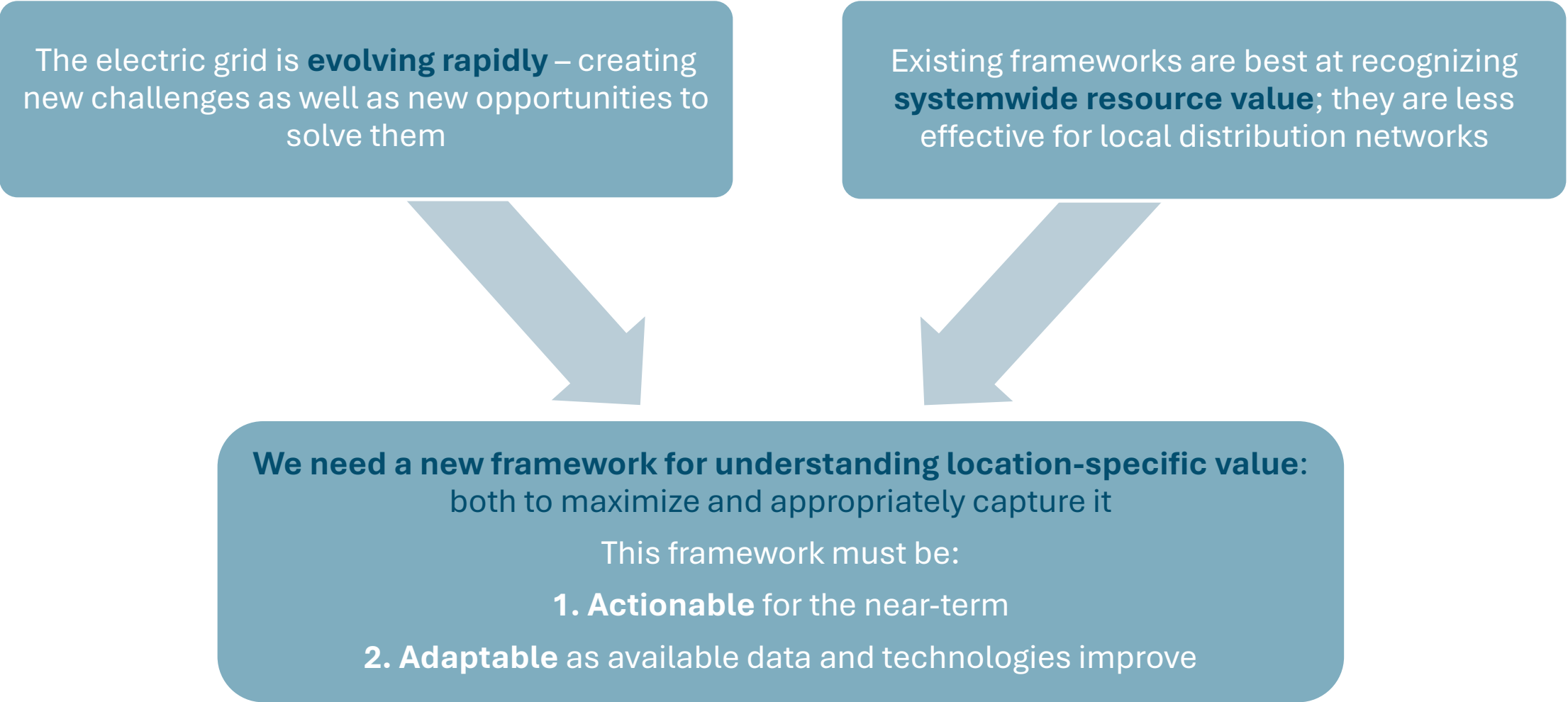
This study focuses specifically on distribution grid services, with the goal of establishing a framework for valuing these services and laying out a roadmap for how we can capture and compensate those benefits

# Electric sector modernization requires innovative analysis and policy to keep pace with technology adoption

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The electric grid is **evolving rapidly** – creating new challenges as well as new opportunities to solve them

Existing frameworks are best at recognizing **systemwide resource value**; they are less effective for local distribution networks



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graph TD; A["The electric grid is evolving rapidly – creating new challenges as well as new opportunities to solve them"] --> D["We need a new framework for understanding location-specific value: both to maximize and appropriately capture it"]; B["Existing frameworks are best at recognizing systemwide resource value; they are less effective for local distribution networks"] --> D; D --> E["This framework must be:"]; E --> F["1. Actionable for the near-term"]; E --> G["2. Adaptable as available data and technologies improve"]
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**We need a new framework for understanding location-specific value:**  
both to maximize and appropriately capture it

This framework must be:

1. **Actionable** for the near-term
2. **Adaptable** as available data and technologies improve



# Driving questions for this study

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- + What are the benefits that DERs can provide to the distribution grid?**
- + How do we quantify the different types of benefits?**
  - How can we incorporate non-monetizable benefits?
- + What determines where on the grid these benefits where appear and what value they provide?**
  - How may these benefits impact Environmental Justice populations differently and specifically?
- + What is required for utilities to be able to realize these benefits?**
- + How should we go about compensating these benefits?**
  - What does a feasible near-term implementation plan look like to begin exploring this value?
  - How should the approach to valuation and compensation evolve over time?

# Study work products

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## ***Valuation Framework***

- Incorporate distribution grid services and non-rate impacts
- Must be applicable statewide and include consideration for EJ communities

## ***Compensation Mechanism***

- Compare candidate mechanisms
- Determine qualitative considerations of each mechanism

## ***Near Term Implementation Plan***

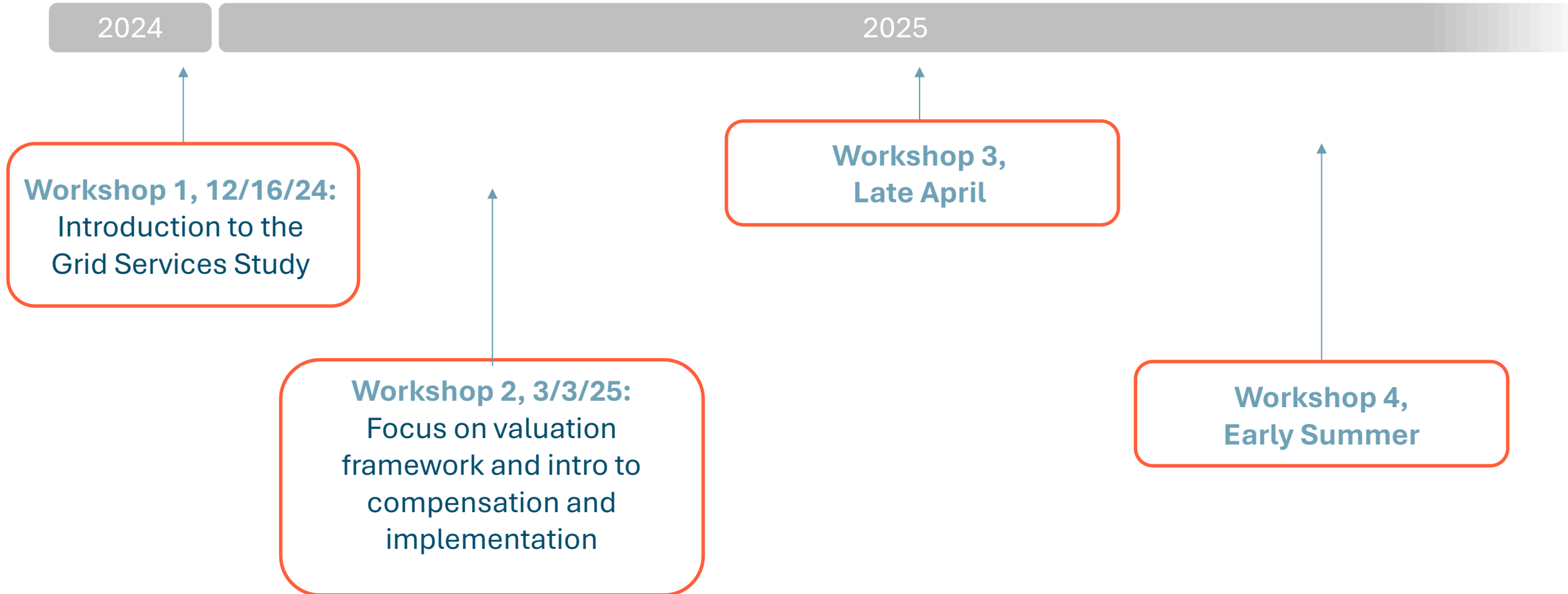
- Provide steps for engaging stakeholders and supporting EJ communities in implementation
- Identify potential barriers to implementation and recommend improvements

## ***Long Term Implementation Plan***

- Consider the future of the electric sector and impacts on compensation design
- Discuss milestones that can be used to determine when to re-evaluate the mechanism

# EJ and Community Engagement Overview (Channels)

## + Stakeholder Workshop Timeline (EJ Focus Groups not pictured here)



# Integrating Equity and Environmental Justice

- + Core to this work is early integration of equity considerations into the design, analysis, and development of future grid service offerings.
- + In addition to the stakeholder workshops, there are 3 EJ focus groups

- Participants include...

## Tuesday 3/25, 3-4pm

- Barr Foundation
- Acadia Center
- Conservation Law Foundation
- Action for Equity

## Wednesday 4/2, 3-4pm

- GreenRoots
- Clean Energy Group
- Slingshot
- Planning Office for Urban Affairs

## Thursday 4/3, 1-2pm

- Vote Solar
- TSK Solutions
- Public Health Institute of Western Mass
- Union of Concerned Scientists
- Alternatives for Community and Environment

# Stakeholder Feedback Highlights

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- + “There are potential benefits of distribution grid services to EJ participants including improvements to air quality, reduced risk of outages... household community resiliency, increased economic activity, and access to technology that could yield bill savings...”
- + “There are also some things to be wary of... including predatory selling by developers or aggregators, arrangements that result in EJ individuals seeing only a small share of the benefits... [and] overcompensation of participants who may largely be affluent already...”
- + “Talking about this program brings up ideas for other changes needed in the electric system, including increased consideration of community ownership for DERs, opportunities for BIPOC developers, rate design modernization, and changes to how local communities have ownership in planning. ”

# Your Feedback and Perspectives

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+ We want to hear from you too:



Email [grid@masscec.com](mailto:grid@masscec.com) and [scullinan@masscec.com](mailto:scullinan@masscec.com)



Attend EJ focus group: (3/25/25) 3-4p, (4/2/25) 3-4p, (4/3/25) 1-2p

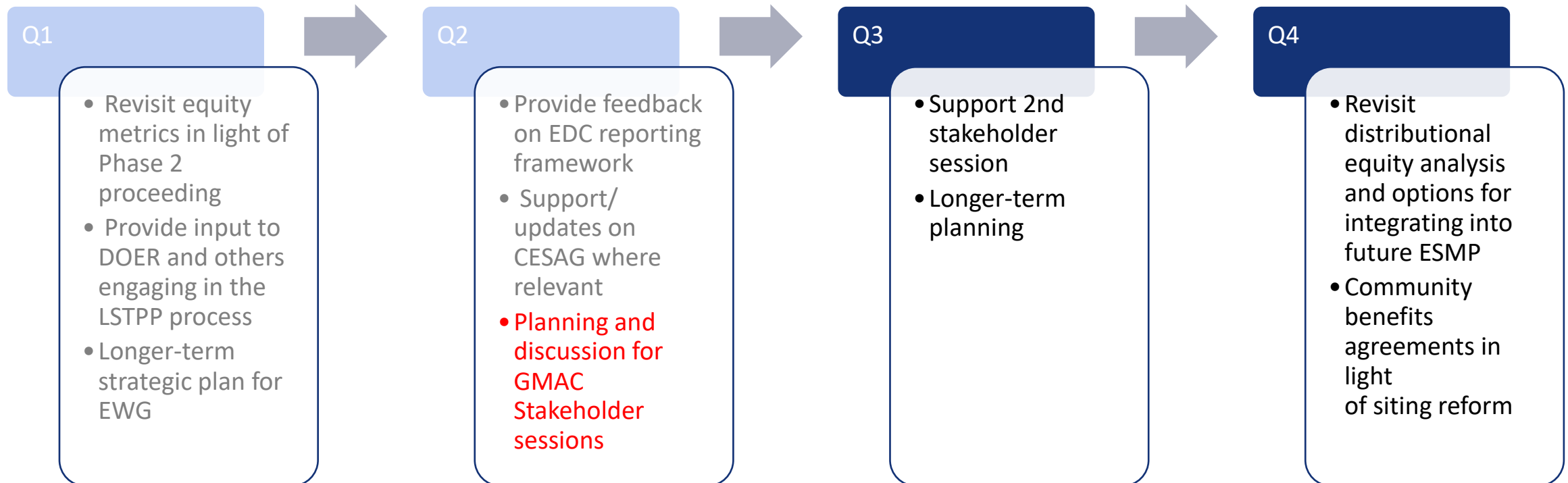


Attend upcoming public stakeholder workshops: Late April and early Summer

# Close and Next Steps

- The next GMAC meeting is May 1, 2025 from 1 – 3 PM.
- The next EWG meeting is July 11, 2025 from 10 – 11:30 AM.
- The 1<sup>st</sup> GMAC Stakeholder Session is July 17, 2025 from 9 – 12 PM.

*Reminder of our quarterly meeting goals:*



# Appendix



# EDC Proposed ESMP Metrics: Stakeholder Metrics



Jointly proposed by all EDCs

1. Number of stakeholder\* outreach and involvement meetings about draft ESMP filings for the next term (2030-2034).
2. **\*Newly added\*** For specific ESMP infrastructure projects, do impacted stakeholders have sufficient opportunity to participate in and inform project development and implementation. Is the outreach:
  1. In plain language?
  2. Available in the appropriate language(s) specific to host communities?
  3. Provide information about required approvals (e.g., permitting)?
  4. Provide appropriate and accessible contacts for feedback?
3. The number and category of stakeholder requests related to ESMP infrastructure projects and the EDC's response (i.e. under consideration, implemented, not accepted with reason).

\* Stakeholders include: EJC's, municipal leaders, community- based organizations and residential, commercial and industrial customers, and DER customers

# EDC Proposed ESMP Metrics: Investment Metrics



Jointly proposed by all EDCs

1. Achievement dates of “ready for load” for major ESMP infrastructure projects.
2. The number of customers benefiting from incremental ESMP resiliency investments.
3. Increase in (a) DER hosting capacity, and (b) load serving capacity by substation.
  - Will also report percentage of benefits located in an EJC.
4. GHG reductions enabled by investments, in alignment with state GHG targets.
5. For the distributed energy resources management system (DERMs) a) number of participating sites, b) amount in kW of non-company owned dispatchable assets the utility can control, c) number of instances sites are dispatched.
6. **\*Newly added\*** For conservation voltage reduction (CVR) and volt amps reactive optimization (VVO) investments, measures of circuit-level energy savings, peak savings, and reactive power savings.

# Summary of GMAC Comments on Original EDC Metrics



The GMAC provided comments and recommendations on ESMP metrics in the 2023 GMAC ESMP Report. A selection of key comments are summarized below. The full text of the comments is provided in the appendix.

- The proposed metrics lack detail about how they directly relate to ESMP investments
  - EDCs should include additional reporting metrics that are tied to the ESMP proposals, e.g.,
    - increase in DER hosting capacity
    - power quality improvements
    - reliability improvements
    - GHG reductions
    - Use of distributed energy resources management systems
  - EDCs should include specific metrics and quantification methods for determining the incremental impact of proposed ESMP investments.
- The EDCs should develop goals and metrics to measure the efficacy of proposed stakeholder engagements
  - Metrics, baselines, and targets should be used to document 5- and 10-year planning solutions
  - EDCs should include reporting metrics related to workforce development training programs, ideally aligned with those produced by the Equity Working Group

# High Level Themes from Original EWG Feedback

- The EWG recommended that the utilities adopt a uniform definition of equity aligned with definitions used by practitioners / *This was adopted in the drafts and the DPU approved the equity definition.*
- The EWG flagged that the stakeholder engagement metrics were insufficient and did not focus on distributional or structural aspects of equity / *Metrics were not addressed in Phase 1.*
- The EWG requested an improvement in the legibility of public facing documents to (e.g., plain language, multiple language support, following best practices for outreach identified through other projects such as the AGO's stakeholder working group) / *The DPU deferred many of the concerns about outreach to the CESAG.*
- The EWG provided sample metrics in many different categories which would provide transparency on how the EDCs are addressing benefits and burdens as they relate to affordability, resilience, workforce, and several other factors / *Metrics were not addressed in Phase 1.*