

PROVISIONAL SYSTEM PLANNING PROGRAM

Program Introduction

- In D.P.U. 20-75, the Department of Public Utilities (“Department”) is investigating how to improve distributed energy resource planning furthering the Commonwealth’s progress towards achieving net-zero greenhouse gas emissions.
- Currently, a distributed generation (“DG”) facility whose interconnection triggers the need for an upgrade of the electric power system (“EPS”) is responsible for the full cost of that upgrade. These upgrades can be expensive and require extensive system planning and time to construct. However, once the EPS has been upgraded, if properly designed, it may allow for future DG projects to interconnect without further upgrades to the EPS.
- In [D.P.U. 20-75-B](#), the Department established a new, provisional framework for planning and funding essential upgrades to the EPS to foster timely and cost-effective development and interconnection of DG.
- The provisional approach provides a potential pathway for many solar and energy storage system projects currently in the DG interconnection queue that may not be able to move forward due to significantly higher than historical interconnection costs.
- The provisional framework allows the electric distribution companies (“Distribution Companies”)¹ to file certain EPS infrastructure upgrade proposals (capital investment projects “CIPs”) with the Department that limit the interconnection costs allocated to each DG facility enabled by a specific CIP. Under the provisional design, ratepayers will help fund the initial construction of these EPS upgrades but will be reimbursed over time from fees charged to future DG facilities that are able to interconnect due to the prior upgrades. This new pathway should help facilitate an equitable allocation of costs and remove barriers to the Commonwealth’s progress to a clean energy future.
- Establishment of the Provisional Program does not mandate or pre-authorize any CIPs. The Department will review each CIP on a case-by-case basis for approval, denial, or modification.

¹ The Distribution Companies are Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”), NSTAR Electric Company d/b/a Eversource Energy (“Eversource”), and Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid (“National Grid”).

Provisional Program Summary

Process:

- Following the completion of a distribution and transmission (if applicable) impact study for an Affected Group Study², a Distribution Company must notify all Group Study members and the Department of study completion (“Completion Date”) through a letter filed in D.P.U. 20-75.³
- A Distribution Company has ten business days from the Completion Date (a) to determine if any EPS upgrades identified for a Group Study will be the subject of a CIP in the Provisional Program and (b) to inform the Group Study members.
- If no upgrades will be submitted in a CIP, the current DG Interconnection Tariff timeline applies.⁴
- A Distribution Company shall have 40 business days from the Completion Date to file a CIP for Department review and approval.
- A CIP shall consist of all EPS upgrades identified for an Affected Group Study that are eligible for the Provisional Program.
- Each CIP shall be filed in a separate docket; however, the Department may review multiple CIPs in one proceeding if it determines that such review is appropriate based on such factors as time of submission, geographical region, and factual similarities of the filings.
- The Department will review CIPs through an adjudicatory proceeding.

² Group Studies identified by the Distribution Companies are expected to be presented with significantly higher than historical interconnection costs and, thus, would be appropriate for inclusion in the Provisional Program.

³ Where an impact study for any eligible Group Study has been completed prior to issuance of D.P.U. 20-75-B (November 24, 2021), the Completion Date shall be December 9, 2021, which is ten business days from the date of issuance of D.P.U. 20-75-B.

⁴ In the revised Group Study process under the DG Interconnection Tariff, upon completion of a Group Study, the Distribution Company presents the study results to the group and each group member has 15 business days to determine whether it will proceed in the interconnection process (“Notice Period”) (DG Interconnection Tariff, § 3.4.1(i)). The first day of the “Notice Period” is the day that the Distribution Company provides notice of a determination that no EPS upgrades identified for the Group Study will be included in a CIP.

- The Department strongly encourages the Distribution Companies to coordinate with each other and stakeholders to establish commonalities between their respective filings to help facilitate a more expedited review by the Department.

Eligibility Criteria:

- A Distribution Company may submit an EPS upgrade as part of a CIP only if the Distribution Company meets the following criteria:
 - upgrade identified through a distribution or transmission impact study for an Affected Group Study;⁵
 - upgrade will enable the interconnection of multiple DG facilities;
 - upgrade will result in a cost to interconnecting customers of \$500/kW or less;
 - Distribution Company can demonstrate that the amount of enabled DG likely will be interconnected in the associated geographic area within the proposed Rate Recovery Period;⁶ and
 - Distribution Company can demonstrate that the aspects of the construction timeline within their control can be completed within a maximum of four years from the conclusion of the Department’s adjudicatory process.⁷

⁵ National Grid identifies the following Affected Group Studies: (1) Ayer-Clinton; (2) Barre-Athol; (3) Gardner-Winchendon; (4) Millbury-Grafton; (5) MPL-East; (6) MPL-Northwest; (7) Shutesbury; (8) Spencer-Rutland; and (9) Webster-Southbridge-Charlton (Exh. EDC-1 (National Grid) at 2-3). Eversource identifies the following Group Studies: (1) Marion-Fairhaven; (2) Plymouth; (3) Cape Cod; (4) Freetown; (5) Dartmouth-Westport; (6) New Bedford; and (7) Plainfield-Blandford (Exh. EDC-1 (Eversource) at 2).

⁶ In opening the investigation in D.P.U. 20-75, the Department issued a Straw Proposal that set out, for discussion, the conceptual framework for the Provisional Program. Under the Straw Proposal, the Department proposed that CIP fees associated with the costs of specific CIPs would be collected from interconnecting customers for a period of ten years from Department pre-approval, after which any remaining costs would be collected from ratepayers via the Reconciling Charge. D.P.U. 20-75, Att. A, at 6. Here we do not set a time period for recovery under the Reconciling Charge for collection of costs from distribution customers or CIP Fees from interconnecting customers. Instead, we direct the Distribution Companies to propose a time period for rate recovery through the Reconciling Charge for each CIP proposal (“Rate Recovery Period”).

⁷ For these purposes, the Department’s adjudicatory process includes completion of the adjudicatory proceeding, issuance of a final Order, ruling on any post-Order motions, and ruling on any judicial appeal.

CIP Filing Requirements:

- CIPs must include, at a minimum:
 - a description of the CIP, including expected cost, equipment, permitting and licensing requirements, and construction timeline;
 - a demonstration that the CIP meets all eligibility criteria;
 - a detailed cost allocation proposal based on the Straw Proposal⁸ that includes a proposed rate recovery period for the CIP through the Reconciling Charge;
 - expected bill impacts;
 - a description of how the CIP will benefit ratepayers and aligns with cost-efficiently meeting the Commonwealth's clean energy policies; and
 - an explanation of how the CIP will or will not affect low-income and environmental justice populations, including describing any projects in the CIP that will be constructed in an environmental justice neighborhood.
- The Department has not made a determination on whether any CIP costs should be borne solely by distribution customers, but will investigate CIPs that include such cost assignment proposals. Any Distribution Company that makes such a proposal must provide (a) detailed descriptions of each component of a CIP that it proposes to recover solely from ratepayers and (b) a justification for why the costs of the CIP should be recovered from ratepayers and not from Interconnecting Customers.

Process for Affected Group Studies:

- The Notice Period for any Affected Group Study for which a Distribution Company submits a CIP shall be 15 business days from the issuance of a Department final Order in the underlying CIP adjudicatory proceeding, unless otherwise directed by the Department.

Estimated Timeline:

- The Department requested certain information from the Distribution Companies on estimated timelines for potential CIP filings. The information from National Grid can be found [here](#) and the information from Eversource can be found [here](#).⁹

⁸ Cost allocation proposals must include details on the differentiation between distribution and transmission EPS upgrade costs. The Department has not made a determination as to whether both distribution and transmission upgrade costs associated with a CIP will be eligible for the Provisional Program.

⁹ Unitil states that it does not have any applications or groups of applications that are expected to be presented with interconnection costs in the next year that are significantly

Provisional Program Dockets

Based on information provided by the Distribution Companies in D.P.U. 20-75, the Department is anticipating the first CIP filings in the Spring of 2022.

Questions:

- * Submit procedural questions related to the Provisional Program to the Department's DG Group via this online [form](#).
- * To request to provide input in the Distribution Companies' CIP proposal preparation process, contact the Distribution Companies directly using the contact information included [here](#).

higher than historic costs presented to interconnecting customers (D.P.U. 20-75, Exh. EDC-1 (Unitil) at 1).