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VIA ELECTRONIC MAIL

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Energy Efficiency Division
Department of Energy Resources
100 Cambridge Street, 9th Floor
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Re: Ten Community Demonstration Comments

Dear Ms. McCarey:

On August 11, 2022, Governor Charlie Baker signed into law An Act Driving Clean Energy and Offshore Wind (the “Drive Act”). The Drive Act requires the Massachusetts Department of Energy Resources (“DOER”) to establish a demonstration project in which municipalities may adopt and amend general or zoning ordinances or by-laws that require new building construction or major renovation projects to be fossil fuel-free. St. 2022, c. 179, § 84. In accordance with the authority set forth in St. 2022, c. 179, § 84, DOER issued draft regulations and a model rule for public comment on December 23, 2022. The purpose of 225 C.M.R. 24.00 (“Draft Regulations”) is to establish the framework, requirements, and timeline for municipalities to participate in DOER’s Municipal Fossil Fuel Free Building Construction and Renovation Demonstration Project (the “Demonstration Project”). 225 C.M.R. 24.01. DOER provided notice that it would accept written comments until 5:00 p.m. on February 10, 2023.

National Grid appreciates the opportunity to provide written comments and offers the following thoughts and suggestions on the Demonstration Project and DOER’s proposed Draft Regulations.

I. Meeting National Grid’s Public Service Obligations

National Grid’s vision is to be at the heart of a clean, fair and affordable energy future. As part of that vision, National Grid takes seriously its public service obligations to provide its customers with safe and reliable natural gas and electricity service throughout Massachusetts. The Demonstration Project will, if properly designed and implemented, inform the future delivery of energy services in Massachusetts in important and novel ways. Specifically, the Demonstration Project will help: (1) elucidate the interplay between natural gas and electricity; and (2) inform steps needed to facilitate the transition from fossil fuels. Accordingly, National Grid makes two initial suggestions for the Draft Regulations.

First, as part of a municipality’s application to participate in the Demonstration Project, the Draft Regulations require that a community provide an implementation plan that must include, among other features, a “[d]escription of how the local bylaw will affect the use of fossil fuels for

commercial and industrial Process Load in buildings subject to the bylaw or ordinance, including but not limited to, restaurants, dry cleaners, and manufacturing uses.” 225 C.M.R. 24.04(1)(c)(4).¹ National Grid submits that a community’s implementation plan should be required to take a step further and specifically describe the anticipated energy alternative to fossil fuels that the community and local customers expect will be used in place of natural gas. To the extent certain buildings will no longer be using natural gas or other fossil fuels, it is imperative that DOER, the local natural gas distribution company (“LDC”) such as National Grid, and other policymakers understand the anticipated alternatives to be used on a case-by-case basis. This is necessary because, if the community or customer intends to use an alternative that depends on electricity provided by the local *electric* utility, it is critical to know whether any electric distribution system upgrades will be necessary to accommodate the switch to technologies such as electric heat pumps or otherwise. At a minimum, municipalities and individual customers should be required to consult with their local electric distribution company to ensure that the local electric system infrastructure is equipped to accommodate alternatives to fossil fuel on a case-by-case basis.

Similarly, in the event that a municipality initially participates in the Demonstration Project, but ultimately decides to withdraw from the Demonstration Project, and therefore seeks to have the ability to use natural gas service again,² DOER’s regulations should specifically and explicitly acknowledge that such communities must provide the LDC a sufficient amount of advance notice in order to enable the LDC to install the infrastructure necessary to resume service to such customers again. The LDC cannot be expected to be immediately available to provide natural gas distribution service in areas where it has not been made available for potentially upwards of several years or more.

National Grid needs advanced notice and sufficient time for both short term and long term gas system planning to anticipate what infrastructure work and gas contract arrangements are necessary to support natural gas service at projected need levels. For those municipalities that ban new natural gas infrastructure, National Grid will not include any forecasted growth in its system modeling, which is used to project when system constraints are likely to occur, and in turn, to identify work necessary to meet demand. The amount of time necessary to resume installation of new gas services, gas main reinforcements, or gas main extensions will differ from municipality to municipality based on having sufficient gas capacity, gas commodity volumes, and construction resources available in the specific municipality seeking to resume gas service. The time necessary will also be affected by the amount of time the new gas connection bans have been in place – *i.e.*, the amount of time that National Grid has not been planning for growth in that particular municipality. A general rule of thumb for purposes of establishing a sufficient amount of advanced notice is that National Grid would need at least an amount of time equal to the time during which the municipality banned new gas connections. For example, if a ban had been in place for two

¹ “Process Load” is defined in the proposed regulations as “[e]nergy demand in commercial or industrial buildings that is not covered by the Massachusetts building energy code.”

² This circumstance could also arise if the Participating Community no longer met eligibility requirements, such as affordable housing criteria, or if a community decides that participation in the program was having adverse effects on the development of new housing in the city or town.

years in a municipality, National Grid may need at least two years to plan to resume service to that community and any growth in gas load that may result.³

II. Ensuring Diversity of the Ten Participating Communities

The Draft Regulations establish “Prioritized Communities” that have the first opportunity to secure a place as a Participating Community in the Demonstration Project. The Prioritized Communities are municipalities with a home rule petition filed with the Legislature prior to August 11, 2022 and include (in order of filing): (1) Arlington; (2) Lexington; (3) Brookline; (4) Acton; (5) Concord; (6) Cambridge; (7) Lincoln; (8) Newton; (9) West Tisbury; and (10) Aquinnah (collectively, “Prioritized Communities” or, individually, a “Priority Community”). 225 C.M.R. 24.03(1). With the exception of Cambridge (Eversource), West Tisbury (no natural gas service), and Aquinnah (no natural gas service), each of these communities receives natural gas local distribution service from National Grid.⁴

If any Prioritized Community defaults or forfeits or otherwise withdraws from participation in the Demonstration Project, the Draft Regulations also establish criteria for “Substitute Communities.” 225 C.M.R. 24.06. Among other criteria, DOER may consider a community’s “[c]ontribution to the overall Demonstration Project, including diversity of Participating Communities, such as gateway cities, environmental justice communities, diversity of demographics, diversity of size, scale of building development, and type of housing development.” 225 C.M.R. 24.06(3). National Grid emphasizes the importance of including a diverse set of communities in the Demonstration Project in order to get the most helpful set of information to inform future policymaking. To that end, National Grid requests that DOER specifically add “diversity of natural gas LDC service territory,” to the selection criteria. The results of the Demonstration Project would be more robust and informative if Participating Communities were located in the service territories of each of the Massachusetts natural gas LDCs, not just National Grid’s.⁵ In the same vein, more specifics in the regulations would be appropriate to ensure the representation of diverse geographic areas of the state so that communities in south, north, central, and western Massachusetts have opportunities to participate in the Demonstration Project in the future.

Likewise, the Draft Regulations state that DOER will “identify and designate Comparable Municipalities in a manner to be determined by [DOER]” and that any such Comparable

³ It also bears noting that limiting natural gas use could potentially have work force implications that would require the LDC and its contractors to redeploy construction resources elsewhere and they may not be readily available to resume work in municipalities that had previously banned natural gas. It takes approximately two to five years to develop new fully trained and qualified gas crews if they are needed to support additional work.

⁴ Gas company service territory information is provided according to mapping available at the following website hosted by the Department of Public Utilities: <https://www.mass.gov/info-details/find-my-electric-gas-and-water-company#find-my-gas-company>.

⁵ With respect to the selection criteria for Substitute Communities (see 225 C.M.R. 24.06(3)), DOER should also require demonstrated support from local housing developers and business leaders (in addition to community members and municipal leaders, as currently reflected in 225 C.M.R. 24.06(3)(f)).

Municipalities⁶ “shall report data as set forth in 225 CMR 24.07(2)” in coordination with DOER. The Draft Regulations do not provide any specifics with respect to how DOER would identify these Comparable Municipalities. National Grid recommends that DOER adopt similar selection criteria for Comparable Municipalities as it proposes to do in selecting Substitute Communities, including the additional criterion to account for diversity in LDC service territory as suggested above.

III. Data Consistency and Quality

National Grid appreciates several aspects of the proposals in the Draft Regulations regarding data gathering and reporting. Specifically, National Grid agrees with the reliance on building permit data provided by municipalities, pre-defining a consistent format for data delivery, and the use of a unique identifier for each property. See 225 C.M.R. 24.07(2), (3).⁷ National Grid comments here only to note some concern about data consistency and data quality.⁸ Municipal building permits will have site addresses identified in a particular way, but there is no guarantee that National Grid’s billing system will match that format (e.g., “100 Main Street” v. “100 Main St.”), nor do National Grid’s service addresses always match up with physical building addresses. Accordingly, this will likely be a manual, labor-intensive effort to match addresses between DOER’s system and National Grid’s system, at least in the first instance of accounting for a particular building permit into the reporting system.

IV. Reporting and Assessment of Results

Assessment of the impacts of the Demonstration Project will be important to informing next steps in the clean energy transition. To that end, it is important that emissions and cost impacts are assessed as comprehensively as possible. With respect to the assessment of net emissions reductions required in 225 C.M.R. 24.07(1), DOER’s analysis must adequately reflect variation in electric grid emissions, particularly under winter peak demand conditions, as well as variations in heat pump efficiencies. The final Clean Heat Commission report notes the need for accurate emissions accounting for electrification, noting, “...it will be important for MassDEP to determine the appropriate way to evaluate and consider the GHG impacts in the power sector of additional electricity demanded by electric heating technologies, including with regard to seasonal variation and the impact of heating demand on the electric grid during winter months.”⁹ In addition, although DOER’s draft regulations do not reference assessment of electric distribution system upgrades, it will be important to quantify and understand the extent of any electric distribution system upgrades necessary to meet the heating needs of new buildings in participating

⁶ “Comparable Municipalities” are defined as “[m]unicipalities designated by [DOER] for data collection and reporting purposes that share similar relevant characteristics to Participating Communities.”

⁷ National Grid also notes a typographical error in 225 C.M.R. 24.07 of the Draft Regulations. The “Reporting Requirements for Participating Communities” and “Reporting Requirements for Electric and Gas Utilities” are each labeled as 225 C.M.R. 24.07(2) instead of (2) and (3), respectively.

⁸ National Grid takes the privacy of its customers seriously and would request that DOER allow National Grid to raise and address confidentiality concerns as they may arise during National Grid’s compliance with the proposed reporting requirements.

⁹ [Massachusetts Commission on Clean Heat Final Report - November 30 2022](#), p. 45, n. 27.

municipalities. DOER should work with participating municipalities and EDCs to identify the types and costs of necessary system upgrades resulting from the Demonstration Project and include this assessment as part of the report required under 225 C.M.R. 24.07(1).

V. Consistency of Town Bylaws

National Grid appreciates that DOER has provided a model by-law for adoption by the towns and believes that there will be benefits to uniformity in the by-laws among the participating municipalities. Having a patchwork of different by-laws among the participating municipalities will make administration of the demonstration project more complex and challenging.

Thank you for your time and attention to these comments. Please contact me with any questions.

Very Truly Yours,



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