MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES

Massachusetts Electric Rate Task Force

Debrief and Phase 2 Kick-Off Meeting
August 18, 2025, 1:00-3:30pm

The contents of this presentation do not necessarily reflect the views or positions of the Massachusetts Department of Energy Resources.

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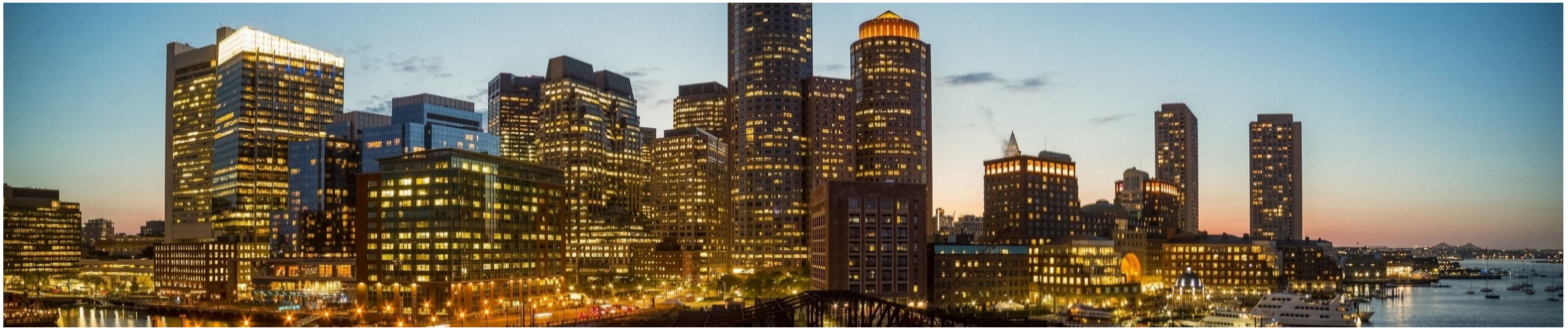
Our Mission

The Department of Energy Resources' (DOER) mission is to create a clean, affordable, resilient, and equitable energy future for all in the Commonwealth.

To achieve our mission, DOER connects and collaborates with energy stakeholders to develop effective policy

As the state energy office, DOER is the primary energy policy agency for the Commonwealth. DOER supports the Commonwealth's clean energy goals as part of a comprehensive, Administration-wide response to the threat of climate change. DOER focuses on transitioning our energy supply to lower emissions, reducing and shaping energy demand, and improving our energy system infrastructure.

DOER is dedicated to advancing clean, resilient, and accessible energy solutions across the state. It aims to provide a sustainable energy landscape that prioritizes environmental responsibility while promoting economic growth and social equity.



Agenda

i. Introduction (5 minutes)

ii. Phase I Debrief (55 minutes)

iii. Break (5 minutes)

iv. Phase II Key Topics (55 minutes)

v. Next Steps and Closing (10 minutes)

Massachusetts Electric Rate Task Force

Mission Statement

The Massachusetts Electric Rate Task Force brings together diverse stakeholders to reimagine how electric rates and the regulatory framework can drive an affordable, equitable, and decarbonized energy future.

Through targeted conversations, expert presentations, and thoughtful exploration of complex issues, the Task Force aims to deepen understanding, surface critical questions, clarify challenges, and build the foundation for durable regulatory reform and action.

Purpose

To facilitate informed and forward-looking dialogue on electric rate design and regulatory mechanisms that advance Massachusetts' decarbonization and affordability goals.

Objective

To build shared understanding of key issues, surface priority and outstanding questions, and prepare a strong foundation for a Department of Public Utilities (DPU) investigation into electric rates and the regulatory framework.

Rate Task Force Goals

The Rate Task Force will use the Massachusetts Interagency Rates Working Group's Long-Term Ratemaking Study and Recommendations as a starting point for discussion and knowledge building on rate designs, ratemaking, and regulatory mechanisms.

Build technical knowledge

Provide an opportunity for **knowledge-building** by and amongst stakeholders, including those who have not traditionally been involved

Facilitate open, inclusive dialogue

Engage in **open, inclusive dialogue** about complex ratemaking and regulatory issues outside of a regulatory proceeding

Develop shared understanding

Converge towards **shared understandings** of the challenges and priorities

Frame critical questions and opportunities

Empower stakeholders to identify **critical questions and opportunities** for the advancement of rate design and ratemaking reform

Rate Task Force Participants

- Eversource
- National Grid
- Unitil
- Massachusetts Attorney General's Office
- Massachusetts Clean Energy Center
- Executive Office of Energy and Environmental Affairs
- Acadia Center
- Conservation Law Foundation
- Sierra Club
- Low-Income Affordability Network
- Environmental Defense Fund
- Environmental League of Massachusetts
- Green Energy Consumers Alliance
- Planning Office of Urban Affairs
- Vote Solar
- Rewiring America
- Advanced Energy United
- Alliance for Climate Transition
- GoodLeap
- Action for Boston Community Development
- National Consumer Law Center
- Self Help Inc.
- Sunrun
- Trinity Solar
- IGS Energy
- PosiGen
- NineDot Energy
- Solar Energy Industries Association
- American Council for an Energy Efficient Economy
- Stephens and Company/Northeast Home Energy Raters Alliance
- Northeast Energy Efficiency Partnership
- Good Energy
- Massachusetts Institute of Technology
- GridX
- Stack Energy Consulting
- PowerOptions
- Regulatory Assistance Project
- RMI
- Foley Hoag
- Oracle
- Cape Light Compact
- LG Electronics
- ISO-NE
- Department of Public Utilities
- Darja Mihailova
- Ahmad Faruqui
- Raymond Albrecht
- Ray D. Williams
- Brett Feldman

Ground Rules & Engagement

This work is complex – and your insight matters; let's focus on learning, listening, and shaping together!

Participation, Engagement, & Respect

- Everyone's perspective is valuable – this space works best when all voices are heard
- Respect differences in background, experience, and priorities
- Bring curiosity – ask questions and offer potential answers
- Focus on understanding others' goals and values, not just their positions
- It's okay not to have a solution – help us shape the right questions

Collaboration, Not Consensus

- This body is deliberative, it is not a decision-making space
- We don't need to agree on everything, but we should work toward shared understanding
- Where we disagree, help clarify what the tension is and why it matters

Transparency & Trust

- We'll be clear about how input is used
- Share what you can; identify when you're speaking on behalf of your organization or personally
- Materials, summaries, and key findings will be shared openly to support accountability

Focus & Productivity

- Stay on topic and honor the scope of the Task Force
- Raise related concerns, but help us stay anchored in the rate design and regulatory issues at hand
- Use the structures provided (i.e., expert sessions, targeted conversations, office hours) to deepen discussion
- Avoid discussion about open and ongoing proceedings at the DPU

Statutory and regulatory parameters for rate design

DPU has broad authority over electric rates, though statute provides the following directives

- The DPU must "prioritize **safety, security, reliability of service, affordability, equity and reductions in greenhouse gas emissions** to meet statewide greenhouse gas emission limits and sublimits"

  G.L. c. 25, § 1A; emphasis added

- In decisions or actions regarding rate designs, the DPU must consider the impa**cts on "(i) on-site generation;. . . (iii) the reduction of greenhouse gases as mandated by chapter 21N to reduce energy use; (iv) efforts to increase efficiency and encourage non-emitting renewable sources of energy; . . . and (vii) the use of new financial incentives to support energy efficiency efforts."**

  G.L. c. 164, § 141; excerpted and emphasis added

DPU has utilized the following principles to evaluate rate structures and designs

- **Efficiency:** provide accurate basis for consumers' decisions about how to meet their needs and recovers the cost to society of the consumption of resources to produce the utility service (i.e., cost-based)
- **Simplicity:** easily understood by consumers
- **Continuity:** changes to rate structure should be gradual to allow consumers time to adjust their consumption patterns in response to a change in rate structure
- **Fairness:** each customer class should pay no more than the costs of serving that class
- **Earnings Stability:** amount a company earns from its rates should not vary significantly over a period of one or two year
- **Equity:** rate structure considers affordability among customers in establishing rate classes and when establishing discount rates for low-income customers

D.P.U. 23-150 Order at 476-477

Rate design and ratemaking priorities

The IRWG, informed by stakeholder feedback, developed the following near- and long-term priorities for rate design and ratemaking.

Promote electrification by removing operating barriers inherent in electric rates	• Design cost-based electric rates that encourage ratepayers to electrify end-uses • Create rate design features targeted to reduce energy burden for ratepayers – while maintaining safe and healthy living conditions
Increase adoption of cost-effective distributed energy resources (DER) to advance decarbonization and electrification	• Promote DER and equitably allocate costs (e.g., the costs of interconnection, incentive programs, etc.) through rate design
Integrate distribution system planning into the utility's business-as-usual operations and investments	• Promote least-cost electric system investments that accommodate transportation and building electrification and other new loads
Promote operational efficiency to facilitate the transition of the distribution grid	• Utilize price signals to achieve effective load management, including peak demand reduction, which may defer or avoid electric system investments • Improve grid reliability, efficiency, and resiliency

Why we are here?

Interagency Rates Working Group (IRWG)

- IRWG was formed to advance near- and long-term electric rate design and ratemaking that align with the Commonwealth's decarbonization goals; included representatives from the Executive Office of Energy & Environmental Affairs (EEA), the Massachusetts Clean Energy Center (MassCEC), the Department of Energy Resources (DOER), and the Attorney General's Office (AGO)
- IRWG's **Long-Term Ratemaking Recommendations** (March 2025) identify rate designs and examine regulatory mechanisms to support decarbonization and promote affordability in Massachusetts

Massachusetts Electric Rate Task Force

- IRWG identified that further stakeholder deliberation prior to a DPU investigation would better support the necessary advancement of electric rate design and a comprehensive regulatory framework to cost-effectively support the Commonwealth's clean energy and climate goals
- The DPU will need to investigate and determine next steps on rate design and a regulatory framework following the Rate Task Force's process.

How will this work matter?

Comprehensive inquiry is critical

Massachusetts will need supportive policies, utility business models, and regulatory mechanisms to ensure an orderly and fair transition to a clean energy future, while guaranteeing safe, reliable, affordable, and equitable electric service as the Commonwealth advances towards its climate change mandates.

The DPU will be better equipped to investigate and determine next steps on rate design and a regulatory framework following the Rate Task Force's process and DOER is committed to advancing this work.

DOER, informed by the IRWG's work, considers it important to take proactive steps to investigate the appropriate rate designs and regulatory mechanism for the EDCs as the Commonwealth transitions to a clean, electrified, and decarbonized energy future.

An investigation will provide the platform for the DPU to assess fully the prevailing concerns and relevant issues facing EDCs, customers, and other stakeholders and formalize policies regarding AMI-enabled rate designs and ratemaking and regulatory mechanisms.

Rate design as phase one

This phase will allow the DPU to provide necessary guidance for the EDCs to prepare for the timely implementation of rate design changes, including, but not limited to existing, modified, or new requirements for their next base distribution rate case filings.

Regulatory framework as phase two

This phase will allow the DPU to provide guidance on the implementation of the policy and regulatory framework to ensure the continued development and operation of an efficient electric power system to advance affordability and customer needs, in addition to any legislative initiatives required to support the Commonwealth's climate policy and actions.

Phase I Debrief

55 min

Rate design was the focus of phase one

Tools for least-cost electrification and decarbonization

- The IRWG explored rate designs that would provide more cost-reflective price signals and enable customers to lower their utility bills through managing the timing and volume of their electricity usage.
- Enabling load management, including peak demand reductions, will support least cost and affordable electrification and decarbonization
  - Focus was on residential customers; however, commercial and industrial customers contribute approximately an equal share towards peak demands and drive electric power system investments that could be deferred or avoided

1. Time of Use Rates

Expert Presentation: May 19, 2025
Targeted Conversation: May 28, 2025

Review of IRWG TOU proposal and design considerations

2. Alternative Rate Designs

Expert Presentation: Jun 9, 2025
Targeted Conversation: Jun 18, 2025

Optional CPP rate, advanced rates, applicable program or policy for use in fixed charge

3. Bill and DER Impacts

Expert Presentation: Jun 30, 2025
Targeted Conversation: Jul 9, 2025

Integration with DG/DER and customer bill impacts

4. Implementation and Protections

Expert Presentation: Jul 21, 2025
Targeted Conversation: Jul 30, 2025

Implementation considerations, billing system capabilities and rollout, and customer protections

5. Marketing, Education, and Outreach

Expert Presentation: Aug 4, 2025
Targeted Conversation: Aug 13, 2025

Critical planning and implementation for rollout

Topic 1: Time of Use Rates

I. ISO-NE Perspective on Rate Designs

ISO-New England, Dennis Cakert

Present on the wholesale markets and costs for energy, capacity, and transmission in New England and their relevance to the design and implementation of variable retail rates

II. Time of Use Rate Design in Maine

Maine Public Utilities Commission, Chair Phillip L. Bartlett II

Present Maine's process for developing time of use rates and its most recent findings and recommendations

III. Marginal Cost Studies & Application for Rate Design

Charles River Associates, Amparo Nieto

Present approach of marginal cost of service studies and the use of the marginal cost of service study in supporting time-of-use period analysis in establishing delivery rate design

IV. Maryland TOU Process

Molly Knoll, Former Co-Chair of Maryland Rate Design Work Group

Present on Maryland's process to design TOU rates through the Rate Design Work Group

Default seasonal TOU rates maximize customer price signals when reflecting cost-reflectivity of each electricity service

- Cost-reflective rates can reduce growth in total system costs and are essential to an affordable energy future
- When (and where) energy is used is more important than lower energy use; though our existing retail electricity rates prioritizes the latter and TOU rates can communicate the former
- Electricity rates reflect several components of service (i.e., supply, transmission, distribution, and other programs/policies), and each have unique cost drivers to account for in rate design
- It is appropriate to time-vary at least a portion of energy supply, transmission, and distribution service to achieve a cost-reflective rate design for customers that will incentivize behaviors to maximize benefits to the system

Topic 2: Alternative Rate Design

I. Policy Fixed Charge

Department of Energy Resources, Mike Giovanniello

Present on IRWG's recommendation to consider nonbypassable fixed charge for policy costs

II. Overview of Long-Term Advance Rate Designs

Current Energy Group, Ron Nelson

Present a high-level overview of advanced rate designs, including critical peak pricing, export tariffs, non-firm tariffs, real-time pricing, and day-ahead tariffs

III. Residential Demand Charges

Electric Distribution Companies

Present on the use and the implications of demand charges for residential customers

II. Key Concepts and Options of Advanced Rate Design

Regulatory Assistance Project, Mark LeBel

Present an overview of key background and theory of advanced rate design and associated concepts and options

Rate design is an underutilized strategy to empower customers to take control of their energy costs

- Alternative rate designs empower customers to leverage resources (i.e., demand-side resources) in a manner that reduces bills, improves system efficiency, and reduces system investment needs
- Cost-reflective rate design and load flexibility are equally important for commercial and industrial customers even though the IRWG and Task Force have been focused on residential customer rate designs
- Well-designed alternative rate designs may be appropriate for different services to maximize cost-reflective price signals for customers, such as critical peak pricing for supply service, demand charges for distribution and/or transmission service, or fixed charges for policy or program costs

Topic 3: Bill and DER Impacts Expert Presentations

I. IRWG Bill Impact Recommendations

Massachusetts Clean Energy Center, Sarah Cullinan

Present recommendation for more granular bill impact analysis

II. Opportunities and Challenges in Rate Design

Energy & Environmental Economics, Inc., Ari Gold-Parker & Vivan Malkani

Present on the Household Energy Expenditure Model (HEEM) for considering bill impacts, implications of cost-reflective rates for bills, DERs, and complementary programs

III. Evolution of DER Programs in Hawai'i

Hawaii Public Utilities Commission, Abby Austin & Clarice Schafer

Present the implementation of long-term DER programs in Hawaii that includes smart DER tariffs and bring-your-own-device tariffs

IV. Impacts on Existing DER Policies & Incentive Programs

Massachusetts Department of Energy Resources, Samantha Meserve

Present the impacts of time of use rates on existing policies and incentive programs that incentivize solar and storage resources in the Commonwealth

TOU rates will impact customer bills and existing DER programs

- Additional data resources and availability enable more granular bill impact analysis for evaluating rate designs, but will be particularly essential in assessing affordability and impacts to vulnerable customers
- Rate design and complementary programs have supported adoption and use of DERs thus far, continued coordination during the transition will be necessary to ensure clear and fair customer price signals are aligned with system costs and other grid benefits
- TOU rates can provide price signals to encourage DER dispatch and load management; will need to complement existing policies or programs, such as net energy metering, Solar Massachusetts Renewable Target (SMART), managed charging programs, and portfolio standards (e.g., Clean Peak Energy Standard)

Topic 4: Implementation and Protections

I. Dr. Nock's IRWG Recommendations

Peoples Energy Analytics & Carnegie Mellon University, Dr. Destenie Nock

Present on the Dr. Nock's recommendation to the IRWG on the Near- and Long-Term Reports

II. Lessons & Strategies for Implementing TVR

Synapse Energy Economics, Melissa Whited

Present on customer acceptance, cautionary tales, and other recommendations for implementing default time-varying rates (TVR)

III. Reflections on California's TOU Transition

California Public Utilities Commission, Paul S. Phillips

Present on current and future pricing strategies for electrification, decarbonization, and affordability in California

IV. AMI and TVR Implementation

Massachusetts Electric Distribution Companies

Present on the timeline and status of advanced metering infrastructure (AMI) deployment and future capabilities to offer TVR

Implementing default TOU rates will benefit customers

- The IRWG's recommendation of a default time-of-use (TOU) rate for residential customers that varies supply, transmission, and distribution may necessitate a phased roll-out but will allow customers to adjust to an increasing portion of their rate and bill exposed to time-varying costs
- To implement the TOU rate as recommended, the EDCs need DPU direction on approved end state and glidepath for transition (similar to CA Commissions' decision with blueprint for implementing TOU)
- Robust customer education and tools (e.g., rate comparison tool) are critical resources; and may need to be supplemented by further customer protections
- Default and/or opt-out TOU rates will maximize customer and system benefits, and customer protections can mitigate any adverse consequences

Topic 5: Marketing, Education, and Outreach

I. Marketing, Education, & Outreach (MEO)

Hawks Peak Strategies, Dr. Courtney Henderson

Present on the opportunities to leverage MEO to better serve customers and the IRWG near- and long-term recommendations

II. Missouri's Time of Use (TOU) Experience

Missouri Office of the Public Counsel, Geoff Marke, PhD

Present on the roll-out of TOU in Missouri, the opportunity of TOU rates, and lessons learned.

III. MEO for TVR – Best Practices Across U.S.

GridX, Michael Pirro

Present on best practices and common challenges in implementing TVR, in addition to a case study of customer experience and education

IV. Dynamic Rates Engagement

Oracle, Samantha Caputo

Present on leveraging AMI for customer engagement and empowerment through the deployment of dynamic rates, in addition to a case study of a utility deployment

V. Embedded Intelligence in the Electric Grid

Sense, Mike Phillips

Present on the opportunities of edge computing and real-time applications for customer engagement and home/grid optimization

MEO is key to an effective roll-out of TOU rates

- An effective MEO plan identifies potential barriers to participation, tailors MEO efforts to mitigate and remove those barriers, and uses meter energy usage data to target communications to individual households about opportunities to reduce their financial burden
- The IRWG's MEO recommendations are a good guide for MEO efforts and should be further refined and expanded upon with the help of stakeholders, customers, and MEO professionals
- Consider politics during roll-out: get stakeholder buy-in and have clear, consistent, and targeted communication and education.
- Customers are inundated with advertising but, with the help of new technologies, utilities are well positioned to offer targeted, effective tools to communicate about the potential benefits of TOU rates for customers.

Phase I Next Steps

- DOER welcomes further discussion, comments, and requests from Task Force participants on any Phase I topics in the interim;
- The Rate Task Force will be turning attention to Phase II on regulatory and ratemaking mechanisms between now and November 2025;
- DOER expects to request the DPU open an investigation following the conclusion of the Massachusetts Electric Rate Task Force related to Phase I on Rate Design and Phase II on Regulatory and Ratemaking Mechanisms
- The Rate Task Force will host a final debrief to conclude its process on November 24, 2025; DOER will invite participants to provide written comments focused on Phase I and Phase II at that time

Phase II Key Topics

55 min

IRWG on Regulatory & Ratemaking Mechanisms

Consider a comprehensive regulatory framework to cost-effectively advance a clean, electrified, and decarbonized energy future

- Massachusetts is at an inflection point in the energy transition: significant load growth from electrification, investments to modernize the electric grid, and the deployment of advanced meters serve as a catalyst to reexamine the existing regulatory framework
  - The regulatory environment should complement the Commonwealth's clean energy and climate goals driven by statutory requirements, while also encouraging the EDCs to develop innovative solutions to achieve those goals, particularly to support energy affordability, efficiency and flexibility of the grid, reliability of our electric system, and electrification of the building and transportation sectors
- The IRWG noted that a DPU investigation will be a necessary step to critically and comprehensively examine the existing regulatory framework
  - Advantageous window to consider policy and regulatory reform prior to full AMI deployment and several years before the conclusion of the EDCs rate case stay-outs or before future energy efficiency plans and electric sector modernization plans

Phase 2 Key Topic Exploration

Framing

- For each key topic, we will revisit the related IRWG recommendations and preview the associated expert presentations planned to prepare the Task Force for a targeted conversation
- The following questions will be shown on each slide to prompt what questions participants think need to be answered:
  - What questions do you think we need to answer before advancing on this topic?
  - What's unclear, unsettled, or underexplored?
  - What are your biggest concerns or priorities related to this topic?
- DOER will use this input to inform presenters of Task Force participant interest and to guide the preparation of working papers and/or structure of the targeted conversation

IRWG Recommendations

The IRWG recommends the Task Force consider a comprehensive regulatory framework that will effectively support the Commonwealth's clean energy and climate goals and expects a DPU investigation will be a necessary step to critically and comprehensively examine the regulatory framework considering the meaningful change to the DPU's authority and priorities pursuant to recent legislation.

Expert Presentations

Each session will include four relevant expert presentations, each approximately 30 minutes on an identified topic.

Sessions will provide an overview of the relevant topics and an opportunity to hear from experts and other jurisdictions on related issues.

Topic 1: Ratemaking and Massachusetts Utilities

Background

Purpose: Present the IRWG's Massachusetts Regulatory Framework Primer and explore drivers behind the practices and potential changes in ratemaking and regulatory mechanisms in place today. The presentations will prioritize consideration of challenges and opportunities in the regulatory framework to advance a decarbonized energy future.

Context: the IRWG recommends the Task Force consider a comprehensive regulatory framework that will effectively support the Commonwealth's clean energy and climate goals and expects a DPU investigation will be a necessary step to critically and comprehensively examine the regulatory framework considering the meaningful change to the DPU's authority and priorities pursuant to recent legislation.

- What questions do you think we need to answer before advancing on this topic?
- What's unclear, unsettled, or underexplored?
- What are your biggest concerns or priorities related to this topic?

Expert Presentations

I. Massachusetts Electric Regulatory Framework

Massachusetts Department of Energy Resources, Austin Dawson

Present an overview of existing Massachusetts regulatory framework for electric distribution companies, based on the Massachusetts Regulatory Framework Primer

II. Utility Operations and Challenges in Massachusetts

Massachusetts Electric Distribution Companies

Present on the current and future demands of the electric power system and the challenges to electric utilities as we decarbonize and electrify

III. Electric Sector Modernization Plans, Grid Modernization Advisory Council, and Distribution System Planning

Massachusetts Department of Energy Resources, Aurora Edington

Present on the current landscape of distribution system planning and grid modernization activities and proceedings in Massachusetts, focused on the Electric Sector Modernization Plans (ESMPs) and the Grid Modernization Advisory Council (GMAC)

IV. Utility Regulatory Innovation for the Energy Transition

Analysis Group, Daniel Stuart

Present on policy innovations to support the electric distribution system transition (e.g., integrated distribution system planning, pre-authorization of investments, future test years, etc.), based on Massachusetts Energy Transition: Innovation for Electric Utility Regulation

Note: Presentations and expert presenters are subject to change based on scheduling and speaker availability

Topic 2: Tools of Cost-of-Service Regulation

Background

Purpose: Present the use of allocated cost of service studies and historical test years in establishing revenue requirement, in addition to alternatives to an historical test year. The presentations will prioritize consideration of opportunities to modernize cost studies and test years. The presentations will also include an evaluation of innovative approaches to ratemaking.

Context: MA relies on allocated cost of service studies and no longer requires EDCs to provide marginal costs of service studies; the widespread adoption of TVR may necessitate a reevaluation of this practice. Massachusetts has also relied on a historical test year for rate cases; though increasingly the amount of revenue subject to a historical test year is decreasing as more costs are recovered through reconciling mechanisms.

- What questions do you think we need to answer before advancing on this topic?
- What's unclear, unsettled, or underexplored?
- What are your biggest concerns or priorities related to this topic?

Expert Presentations

I. Reconciling Mechanisms, Riders, and Trackers in Massachusetts

Massachusetts Department of Energy Resources, Austin Dawson

Present on the current approaches and utilization of reconciling mechanisms, commonly referred to as riders and trackers, in Massachusetts

II. Allocated Cost Studies & Historical Test Years in Massachusetts

Massachusetts Electric Distribution Companies

Present on the current approach to allocated cost of service studies (ACOSS) and the development and application of historical test years in Massachusetts

III. Future and Multi-Year Test Years

Public Service Commission of Wisconsin, Commissioner Kristy Nieto

Present the applications and use of future and multi-year test years in Wisconsin regulatory environment to support oversight over expanding levels of investment to support load growth

IV. CapEx/OpEx Equalization

RMI, Gennelle Wilson & Current Energy Group, Dan Cross-Call

Present on capex-opex equalization mechanisms, with examples including totex ratemaking as employed in Great Britain's Revenues = Incentives + Innovation + Outputs (RIIO) framework

Note: Presentations and expert presenters are subject to change based on scheduling and speaker availability

Topic 3: Multi-Year and Formula-Based Rates

Background

Purpose: Present the advantages and disadvantages of multi-year and formula-based rates and to what extent either would be impacted by changes in other regulatory or ratemaking approaches being considered in the Task Force. The presentations will prioritize an evaluation of the durability of multi-year rate plans following impacts to the other ratemaking and regulatory mechanisms.

Context: Massachusetts EDCs have operated under PBR plans or PBR-like mechanisms for the greater part of two decades. The use of revenue cap formulas and K-bar adjustments for the EDCs is a more recent practice and currently all three EDCs are under a five-year stay out.

- What questions do you think we need to answer before advancing on this topic?
- What's unclear, unsettled, or underexplored?
- What are your biggest concerns or priorities related to this topic?

Expert Presentations

I. Performance-Based Regulation in Massachusetts

Massachusetts Electric Distribution Companies

Present on the current application and operation of the utilities' revenue cap (I-X) formulas and supporting mechanisms in Massachusetts

II. Multi-Year and Formula-Based Rates

Pacific Economics Group, Mark Newton Lowry

Present on the theory and application of multi-year rate plans and formula-based rates for electric distribution companies

III. Multi-Year Rate Plan and PBR Approaches

Current Energy Group, Matthew McDonnell

Present an overview of peer jurisdictions that have implemented various PBR revenue adjustments, including MYRPs, ESMs, and approaches to capital expenditure and operation expenditure

IV. Consumer Advocate Perspective on Multi-Year Rate Plans

Maryland Office of People's Counsel

Present analysis and position on multi-year rate plans and formula-based rates, in addition to lessons learned from Maryland's pilot multi-year rate plan

Note: Presentations and expert presenters are subject to change based on scheduling and speaker availability

Topic 4: Decoupling and Capital Recovery

Background

Purpose: Present on revenue decoupling in the context of load growth and the interaction with incremental capital recovery needs. The presentations will prioritize consideration of evolving needs to scale electrification efforts to meet statutory limits in the building and transportation sectors and the potential to align utility support.

Context: Massachusetts has increasingly relied on capital cost recovery mechanisms or authorized adjustments to revenue between rate cases to support grid investments, which has been driven in part due to stagnant sales growth. The reevaluation of revenue decoupling in Massachusetts may be suited to support strategic electrification and the utilities need for incremental revenue support between rate cases

- What questions do you think we need to answer before advancing on this topic?
- What's unclear, unsettled, or underexplored?
- What are your biggest concerns or priorities related to this topic?

Expert Presentations

I. Revenue Decoupling in Massachusetts

Synapse Energy Economics, Tim Woolf

Present the origins and drivers under which the DPU implemented revenue decoupling in Massachusetts

II. Evolving Role of Energy Efficiency

Massachusetts Department of Energy Resources

Present the existing landscape of pursuing all cost-effective energy efficiency and the implementation of performance standards, building codes, and other market transformations

III. Capital Recovery Needs and Mechanisms

Massachusetts Electric Distribution Companies

Present on the utilities need for incremental capital recovery or revenues to support growing investments and the current mechanisms that support those needs (e.g., K-Bar)

IV. Future of Revenue Decoupling

Massachusetts Department of Energy Resources, Austin Dawson

Present on the challenges with revenue decoupling and the opportunities associated with modifying the existing approach to revenue decoupling

Note: Presentations and expert presenters are subject to change based on scheduling and speaker availability

Topic 5: Performance Mechanisms

Background

Purpose: Present on the role of performance mechanisms as a central component to a regulatory framework driving widespread electrification, decarbonization, & affordability. The presentations will prioritize consideration of available mechanisms and innovative approaches to measuring utility performance..

Context: The use of performance mechanisms in MA predates the modern use of PBR and is not always directly tied to PBR plans (e.g., timeline enforcement mechanism, EE incentives). The design and use of performance mechanisms must be careful, balanced, and focused on outcomes. The continuous expansion of reporting, scorecard, and performance incentive mechanisms risks increasing administrative burden for utilities, regulators, and stakeholders

- What questions do you think we need to answer before advancing on this topic?
- What's unclear, unsettled, or underexplored?
- What are your biggest concerns or priorities related to this topic?

Expert Presentations

I. Performance Mechanisms in Massachusetts

Massachusetts Electric Distribution Companies

Present on the current use of performance mechanisms, including PBR metrics, service quality standards, and timeline enforcement mechanisms

II. Performance Mechanisms in Other Jurisdictions

Synapse Energy Economics, Melissa Whited

Present on performance mechanisms utilized in other jurisdictions (e.g., load factor PIM, DER interconnection PIM, shared savings mechanisms)

III. Best Practices and Lessons from Connecticut

RMI, Carina Rosenbach

Present on the evaluation and development of performance mechanisms in Connecticut

IV. Performance Mechanisms on Load Management

Massachusetts Department of Energy Resources, Charles Dawson

Present on forthcoming analysis and policy recommendations of DOER's Peak Potential Study, exploring load management strategies for an affordable net-zero grid

Note: Presentations and expert presenters are subject to change based on scheduling and speaker availability

Next Steps and Closing

10 min

Phase two schedule

August

M	T	W	Th	F
				1
4	5	6	7	8
11	12	13	14	15
18 Debrief	19	20	21	22
25 II.1	26	27 OH	28	29

September

M	T	W	Th	F
1	2	3 II.1	4	5
8 II.2	9	10	11	12
15	16	17 I.2	18	19
22	23	24 OH	25	26
29 II.3	30			

October

M	T	W	Th	F
		1	2	3
6	7	8 II.3	9	10
13	14	15 OH	16	17
20	21	22 II.4	23	24
27 II.4	28	29	30	31

November

M	T	W	Th	F
3	4	5 OH	6	7
10 II.5	11	12	13	14
17 OH	18	19 II.5	20	21
24 Debrief	25	26	27	28

Legend

- Task Force Meetings (2 hrs)
- Expert Presentation Series (2.5 hrs)
- Targeted Conversations (2 hrs)
- Optional Office Hours - OH (2 hrs)

Next steps and closing

Next steps

- DOER welcomes questions or comments that we may not have answered today as we approach the first expert presentation
  - Focus on pages 29-33 (V. Regulatory and Ratemaking Mechanisms) and 11-29 (Appendix: Massachusetts Regulatory Framework Primer)

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Thank You!