

GSEP Working Group

Outline for Final Report and Recommendations

Section 68 of *An Act Driving Clean Energy and Offshore Wind*, St. 2022, chapter 179, requires the Department of Public Utilities to convene a stakeholder working group to “develop recommendations for legislative and regulatory changes that may be necessary to align gas system enhancement plans [GSEPs] developed pursuant to section 145 of chapter 164 of the General Laws with the applicable statewide greenhouse gas emission limits and sublimits established pursuant to chapter 21N and the commonwealth’s emissions strategies.” This report represents a compilation of the recommendations of the working group to the Legislature.

This report is divided into two sections. The first section compiles the proposed revisions to the existing GSEP statute, section 145 of chapter 164. For each proposed revision, the proponent of such revision is identified, followed by a brief statement explaining the basis for the proposed change. Then other members of the working group supporting the revision are identified. If there is opposition to such revision, such opponents are identified, along with an explanation of the basis for such opposition.

The second section of the report examines broader concepts that are not captured by proposed legislative revisions, such as termination of the GSEP program itself in favor of base rate recovery of the costs associated with measures to address leak-prone pipes.

PART ONE

Proposed Statutory Revisions

Section (a): Definitions

“Eligible Infrastructure Replacement”

- Change “Replacement” in title of section to a more inclusive term, such as “measure,” “act,” or “action.”

Proposed by: Senator Barrett

Supporting Statement: [explanation of why they proposed it]

Supported by: [names/organizations]

Opposed by: [names/organizations]

Statement in Opposition [Optional; explanation of basis for opposition]

- Addition of “repair” and “retirement”
Proposed by: Senator Barrett; EEA Agencies (repair only); Eversource Energy; Liberty; National Grid; Unitil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Additional considerations in determining eligible infrastructure replacements
 - Minimization of stranded assets
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

 - System security
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

 - Consumer protection
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

 - Income equity
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

 - Reduction in GHG emissions to comply with Chapter 21N
Proposed by: Senator Barrett; EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Replacing “lost and unaccounted for” with “emissions”
Proposed by: EEA Agencies; Eversource Energy; Liberty; National Grid; Unutil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- No increase in pipeline capacity
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- May include “non-pipe alternatives”
Proposed by: Eversource Energy; Liberty; National Grid; Unutil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- May include “non-pipe alternatives,” with preference for locations in EJ communities
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires consideration of “non-pipe alternative,” and a finding that such alternative is infeasible or not cost-effective
Proposed by: HEET; PowerOptions
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Addition of definition of “non-pipe alternative”

Proposed by: HEET; EEA Agencies; Eversource Energy; Liberty; National Grid; Unutil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Including non-emitting renewable thermal infrastructure projects
Proposed by: HEET; EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

“Plan”

- Can be in conjunction with an electric distribution company
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires consideration of “all reasonable alternatives to natural gas”
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]
 - Analysis must include consideration of emissions reductions, reliability, safety, resilience, customers costs, public health and other benefits, and risks
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires consideration of targeted decommissioning of a gas system, based on independent assessment of costs and benefits of decommissioning
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires identification of leak-prone pipes and prioritization as follows:
 - Immediate and significant health and safety concerns
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Moderate health and safety concerns
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Impact on vulnerable populations, including children and elders
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Section (b): Requirement to submit GSEP plans

- Phases out GSEP filings after December 31, 2024
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Includes reference to “unnecessary” natural gas infrastructure
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Adds purposes of promoting public safety, system reliability, system security, consumer protection, and income equity
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Eliminates reference to “lost and unaccounted for natural gas”
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Adds reference to reducing GHG emissions to achieve limits and sublimits established in Chapter 21N
Proposed by: Senator Barrett; HEET; PowerOptions; EEA Agencies; Eversource Energy; Liberty; National Grid; Unitil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Annual targets for subsequent 10 years required
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]
 - Must include subtargets for replacements, repairs, and retirements
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

 - Eliminates reference to interim targets of not more than 6 years, of 2 complete 3-year walking survey cycles
Proposed by: LEAN/NCLC
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Includes “repair” and “retire” in addition to “replace”
Proposed by: Senator Barrett; HEET (include “retire”); Liberty (include “retire”)
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Adds required considerations of:
 - Improves public safety
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Ensures system security
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Promotes infrastructure reliability
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Protects consumer interests
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Advances equity
Proposed by: Senator Barrett
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Schedule not inconsistent with GHG emissions limits and sublimits in Chapter 21N and commonwealth's emissions strategies
Proposed by: Senator Barrett; HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Gas companies must update targets annually
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Section (c): Contents of plans filed with the Department

- Includes “repair” in addition to “replacement”
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Includes reference to “leak-prone” meter sets and other ancillary facilities
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires alignment with GHG emissions limits in Chapter 21N
Proposed by: National Grid
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires comparison of eligible infrastructure repair and replacement between EJ populations and non-EJ populations
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires comparison of GHG emissions reductions from eligible infrastructure repair and replacement with other investment alternatives, including electrification
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires evaluation to support the selection by the gas company of a non-pipe alternative
Proposed by: National Grid
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Includes “repairing” and “retiring” in addition to “removing” leak-prone infrastructure
Proposed by: HEET; EEA Agencies (repair only)
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Eliminates target end date of 20 years from filing of initial plan and “reasonable target end date”
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Changes requirement to file summary from every five years to annually, beginning October 31, 2023
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]
 - Summary includes “repair” and “retirement” in addition to “replace”
Proposed by: HEET; EEA Agencies (repair only); National Grid (repair only)
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

 - Summary includes GHG emissions reductions attributable to plan
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Department must require gas company to file an updated long-term timeline
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Section (d): Department review of plan

- Replaces “lost and unaccounted for natural gas” with “emissions”
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Required considerations include extent to which the use of low-carbon gas resources offsets or reduces emissions, advances objective of energy policy of the state (including Chapter 21N)
Proposed by: HEET; PowerOptions; Eversource Energy; Liberty; National Grid; Unitil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Improves gas system resiliency through diversification of supply options
Proposed by: Eversource Energy
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Section (e): Department acceptance of plan

- Adds reference to “emissions reductions”
Proposed by: EEA Agencies
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Includes “repair” and “retirement” in addition to “replacement”
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Includes consideration of enabling “the safe and reliable interconnection, distribution, and metering of low-carbon fuel resources”
Proposed by: Eversource Energy; Unutil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Section (f): Project documentation for prior year

- Changes 1.5% to 3.0% as cap on annual change in revenue requirement
Proposed by: Eversource Energy; Liberty; National Grid; Unutil
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Section (g): Rate changes

No change

Section (h): Department regulations

- Within 12 months, Department is required to promulgate rules and regulations that “include a performance-based financial incentive to a gas company to reduce and retire miles of gas infrastructure and to build utility-scale non-emitting renewable thermal energy infrastructure”
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Infrastructure must comply with Chapter 21N mandated GHG emissions reductions
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

Section (i) (NEW): Development of standards

- Department required to develop standards “to inform a decision by a gas company whether to retire gas infrastructure and replace it with non-emitting renewable thermal energy infrastructure, repair the gas infrastructure, or replace the gas infrastructure with new gas infrastructure”
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Standards required to be adjusted annually for first 10 years
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Requires annual audits to ensure compliance
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

- Failure to comply precludes recovery of the cost of eligible infrastructure investment
Proposed by: HEET
Supporting Statement: [explanation of why they proposed it]
Supported by: [names/organizations]
Opposed by: [names/organizations]
Statement in Opposition [Optional; explanation of basis for opposition]

PART TWO
Broader Conceptual Issues

Proposal: Terminate existing expedited rate treatment for GSEP-related costs in favor of recovery of such costs by LDCs in base rates

Proposed by: AGO, NCLC

Supporting Statement: [explanation of why they proposed it]

Supported by: [names/organizations]

Opposed by: [names/organizations]

Statement in Opposition [Optional; explanation of basis for opposition]

Proposal: Redefine an LDC's obligation to continue to serve an existing customer in a manner that would enable natural gas service to be replaced with substitute heat or energy service (e.g., networked geothermal or electrification)

Proposed by: HEET

Supporting Statement: [explanation of why they proposed it]

Supported by: [names/organizations]

Opposed by: [names/organizations]

Statement in Opposition [Optional; explanation of basis for opposition]

Proposal: If section 145 is amended to require (1) consideration of a non-gas pipe alternative, and (2) a determination by the LDC that such alternative is "infeasible or not cost-effective," what costs are included in such cost-effectiveness analysis?

Proposed by:

Supporting Statement: [explanation of why they proposed it]

Supported by: [names/organizations]

Opposed by: [names/organizations]

Statement in Opposition [Optional; explanation of basis for opposition]