

**Minutes from
Energy Transformation Advisory Board Meeting
January 22, 2025**

Welcomes and Opening Remarks

1:20 pm: Office of Energy Transformation (OET) Executive Director, **Melissa Lavinson** called the meeting to order.

Executive Director (ED) Lavinson welcomed the Energy Transformation Advisory Board (ETAB) to the second quarterly meeting. **ED Lavinson** reinforced that the Commonwealth is focused on making progress towards transforming the energy system sustainably, equitably, and affordably and that the engagement and input of the ETAB is central to this effort. **ED Lavinson** reported that the Focus Area Working Groups (FAWGs) are nearing completion of Phase 1 work and transitioning to Phase 2, which involves assessing and evaluating alternatives, with Phase 3 – making recommendations -- planned for later this year. She also acknowledged the federal administration change, noting that the Commonwealth remains focused on advancing its clean energy goals through the FAWGs' work, which will help drive competitiveness, energy independence, job creation, and sustainable economic development.

ED Lavinson turned the meeting over to the meeting's facilitator **Joshua Ryor**, Assistant Secretary for Energy at the Massachusetts Executive Office for Energy and Environmental Affairs (Assistant Secretary Ryor).

Assistant Secretary Ryor reviewed the agenda, ground rules for meeting facilitation, the governance, responsibilities, and expectations of the ETAB and FAWGs, and the objective of the day's meeting: 1) to ensure awareness of and alignment with OET progress-to-date, including resourcing; 2) FAWG progress to date, topics addressed, key takeaways, and next steps, 3) Alignment on the Local Distribution Companies LDCs approach to the EMT section of their Climate Compliance Plans (CCPs), and 4) ETAB Member and FAWG additions. **Assistant Secretary Ryor** also advanced a proposal to amend the Remote Participation bylaws for voting to make it more efficient.

Assistant Secretary Ryor called for a vote on:

- Amend remote participation policy: Allow for a simple "aye," "nay," and "abstain" vote by ETAB members participating remotely, as opposed to a formal "roll call" vote.

VOTED: to amend the participation policy

Resourcing and Progress to Date

ED Lavinson provided an overview of the dedicated resources for the OET and overall process, including a new Deputy Director, Katherine O'Malley, and facilitation from the Consensus Building Institute. Five, year-long fellows are being added to the team through the Clean Energy Transition Legacy (CELT) Program. They will be on boarded at the beginning of February. OET has also secured several technical consultants, including Groundwork Data, Energy and

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Environmental Economics Inc. (E3), Georgetown Climate Center, Harvard Environment & Energy Law Program, and Analysis Group.

ED Lavinson then reviewed outreach, engagement, and media efforts, including an expanded OET website, extensive national, state, and local news coverage, and several speaking and stakeholder engagements. **ED Lavinson** also informed the ETAB that she would be co-chairing a legislatively established Commission on Fossil Fuel Workforce and that OET would hold its first regional community meeting in Lowell at the end of March, in collaboration with UMass Lowell.

Finally, **ED Lavinson** provided an overview of the launch process of the three FAWGs, which included informational webinars. The FAWGs have each met two or three times since their respective launch, covering relevant subject matter. Engagement and participation are strong for all FAWGs.

FAWG Updates and Discussion

Assistant Secretary Ryor introduced the section on FAWG updates. He asked the ETAB to consider several questions in response to the updates from FAWGs:

- 1) Has the FAWG made sufficient progress on its goals?
- 2) Has the FAWG covered the appropriate topics to date?
- 3) Are there additional topics and/or financing mechanisms the FAWG should explore?
- 4) Are there important areas for the FAWG to explore during Phase 2?

Financing the Transition (FTT) Focus Area Working Group

ED Lavinson presented Phase 1 objectives and outcomes, highlighting the FAWG's progress in understanding utility systems, investments, regulation, and ratemaking. The group is currently evaluating existing cost recovery approaches and exploring alternative financing mechanisms, with additional sessions planned to examine their applicability to utility distribution infrastructure.

Paul Hibbard of Analysis Group, which is supporting this FAWG, shared key observations and takeaways from the FTT FAWG regarding grid modernization requirements, including:

- FTT FAWG recognizes the need for infrastructure capable of supporting two-way power flows and increased electricity demand.
- Distribution costs, while currently a minor component of customer bills, are projected to grow as investment needs accelerate beyond historical patterns.
- The DPU's oversight is focused on ensuring prudent investments and reasonable rates.
- The utilities utilize debt and equity financing for investment costs and cost recover costs through DPU-approved revenue requirements and rates.
- There are alternative mechanisms that can reduce financing costs and shift investment cost accountabilities; it is important to understand applicability to distribution system infrastructure investments and what's needed to implement each.

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While energy efficiency and demand management programs will help moderate costs, the FAWG identified concerns about electric ratepayers bearing the full burden of grid upgrades that support broader decarbonization efforts. The FAWG is continuing efforts that advance coordination with parallel initiatives on affordability and rate design. Some FAWG members have also suggested the need to expand the purview of the FTT FAWG to address other investments and/or more formally align its work.

As a next step, the FTT FAWG will meet on *January 31st and February 13, 2025*. In January, Eversource will present on investment decision-making, rate development, and DPU proceedings, highlighting how revenue requirements impact rates. In February, Analysis group will present findings on the applicability of financing mechanisms to utility distribution infrastructure.

Discussion:

Assistant Secretary Ryor asked for questions or comments on topics covered, takeaways, and next steps, with a specific interest in feedback and a **vote** on a proposal to provide the FTT FAWG with the option to expand its scope.

Dan Dolan (New England Power Generators) asked for clarification on the terms of the expanded scope and suggested the need for more specificity in the revision of the scope.

Assistant Secretary Ryor responded that the terms of the expanded scope is still an open discussion, but it could focus on elements beyond infrastructure.

Liz Anderson (Attorney General's Office) suggested leaving the scope as it is. By meeting the current scope, the lessons learned and proposed solutions can be applied to other topics.

Mindy Lubber (Ceres) expressed support for expanding the scope, as outlined in the current proposal to the ETAB. Mindy emphasized that alternative financing options are particularly important for reducing the impact on populations who are already struggling to pay utility bills.

Steve Cowell (Northeast Energy Efficiency and Electrification Council) drew attention to the dual challenges of added revenue from increased electrification, and the added transmission costs. These short-term and long-term challenges are in tension with one another, and both need to be addressed.

Mary Wambui (Planning Office for Urban Affairs) registered concern that in focusing on alternative mechanisms, the FTT FAWG would overlook operational efficiencies that contribute to the overall costs. **ED Lavinson** responded that emphasis of this FAWG on financing aims to complement efforts in other offices – such as DPU or the Grid Modernization Advisory Council (GMAC) – that are focusing on operational and investment efficiencies.

Brad Campbell (Conservation Law Foundation) echoed Mindy Lubber's comments, suggesting that the scope should be kept as is. He noted that recommendations and strategies need to be

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flexible, recognizing that certain assumed mechanisms for investments and financing may no longer be options within the new federal administration.

Senator Michael Barrett (Co-Chair Joint Committee on Telecommunications, Utilities and Energy) asked whether pressure could be taken off of distribution rates by looking at other cost allocations, such as behind the meter generation or the expansion of rooftop solar, or storage. He noted that Microsoft has agreed to put online a reactor at the Three Mile Island plant, which will potentially help with distribution system upgrades and offset costs for other customers. **ED Lavinson** responded that the FTT FAWG is looking at some of these options.

Paul Chodak (Eversource) commented that while the scope is broad, he trusts the members of the FAWG to appropriately focus the efforts. He added that if the goal is affordability, it is important to think about more than distribution and infrastructure investments.

Zeyneb Magavi (HEET) asked whether the FAWG should also be looking at thermal infrastructure, such as Eversource's geothermal network. **ED Lavinson** responded that while the current focus is on the electric distribution infrastructure side, the FAWG could at some point shift focus to look at thermal infrastructure. Before this shift were to occur, it would come back to ETAB for approval.

Assistant Secretary Ryor called for a vote on:

- ETAB support for providing the FTT FAWG the option to expand its scope to include alternative mechanisms for financing/funding other electric-sector activities and programs beyond distribution infrastructure investments, if the FAWG determines it would be productive and fill a current gap.

VOTED: to provide the FTT FAWG the option to expand its scope. Two Members of ETAB – Dan Dolan (NEPGA) and Liz Anderson (AGO) – voted nay.

Decarbonizing the Peak (DTP) FAWG Update

ED Lavinson presented Phase 1 objectives and outcomes which include an analysis of regional peak demand from a system wide perspective, alongside a case study approach to understand the operational drivers, impacts and opportunities for four facilities across Massachusetts. The DTP FAWG is currently developing an assessment framework for reviewing alternatives at the facility and systemwide level.

Jon Blair, of E3 which is supporting this FAWG, shared key observations and takeaways pertaining to the system wide analysis, including:

- While peaker plants contribute 38% of capacity, they operate only about 10% of the time and are disproportionate carbon emitters.

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- Meeting the last 50-hours of demand in wholesale markets, represent approximately 5% of wholesale commodity costs.
- Annual generation from the peakers will decline as renewable capacity increases, however, the need for firm, dispatchable capacity may remain similar or grow to maintain system reliability.
- Combined heat and power (CHP) facilities will become higher-polluting alternatives as the grid decarbonizes, though replacing them with electrification could also increase peak demand, so coordination of policies, programs, and incentives is key.
- Resources Adequacy is a key measure of reliability and describes the ability of a “generation portfolio” to meet load across a wide range of system conditions, accounting for variability of supply and demand; ISO-NE plans to a standard where loss of load due to insufficient supply occurs very rarely, consistent with NERC guidance and standards.
- Effective Load Carrying Capability (ELCC) measures a resource’s contribution to system needs based on “perfect capacity,” which is defined as capacity being available 24/7/365, without interruption.
- Different resources have a different ELCC based on operational capabilities and existing concentrations on the system.
- Demand-side resources/response can play a significant role in reducing peak demand, including by shedding and shifting load to non-peak periods.
- The four facilities participating in the FAWG as “model” facilities represent geographic, attribute, and use-case diversity.

In Phase 2, the focus of the FAWG will shift to a deep dive into alternatives for meeting peak demand, including demand-side management, distributed energy resources, grid-scale storage, and supply alternatives. Working group members have requested more detailed analysis of environmental justice impacts and community considerations, particularly regarding the four case study facilities.

As a next step, the DTP FAWG will develop an assessment framework that considers scalability and replicability at the March ETAB meeting, which will focus on alternatives inventory and the proposed assessment framework.

Discussion:

Assistant Secretary Ryor asked for questions or comments on topics covered, takeaways, and next steps.

Mekala Krishnan (McKinsey Global Institute) underscored that the DTP FAWG is operating at both a systems and facility scale. These scales require different strategies for analysis. Mekala reminded the ETAB that decarbonizing the peak is not happening in a static electric system. Increasing renewable penetration and electrification will likely increase peak demand substantially. The implications of increased demand must be factored into cost and other analysis.

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Brad Campbell (Conservation Law Foundation) noted that there was no mention of pricing strategies, and suggested that shaving the peak using pricing strategies as an obvious option. Brad also raised the importance of careful attention to equity implications in pricing strategies. **ED Lavinson** responded that equity will be a key part of the assessment framework. **Assistant Secretary Ryor** also noted that the lead for the Interagency Rates Working Group (IRWG) is a member of the DTP FAWG, to ensure coordination, and that the IRWG is actively exploring dynamic rate designs and affordability and that this will be brought into work of the DTP FAWG.

Deputy Commissioner Joanna Troy (DOER) reiterated that rate structures are a big priority for DOER. She noted that the scope of the DTP FAWG is large, so keeping some of the topics with the appropriate decision-making bodies is important. The Deputy Commissioner asked for clarification on whether 'supply alternatives' primarily refers to alternatives to fuel, or whether it involves a larger scope. **ED Lavinson** responded that the DTP FAWG is trying to think as holistically as possible and will begin to narrow the alternatives as they are compared against assessment criteria.

John O'Brien (JERA Americas) offered a brief amendment to the ELCC discussion, clarifying that the final most reliable generation source is not natural gas but dual fuel (gas/oil).

Heather Tackle (PowerOptions) flagged that CHP and Peaker plants are being treated as two different tracks in the DTP FAWG and that CHP is receiving less emphasis. She suggested clarification on the level of priority of CHP, the overall contributions of CHP, and how to sequence the transition of both peaker plants and CHP.

Larry Chretien (Green Consumers Alliance) prompted the DTP FAWG to delve into virtual power plants and to find ways to support EV owners in synergistic ways, such as offering remuneration for battery storage and in turn shaving the peak. **Assistant Secretary Ryor** noted the managed charging programs on the docket for Department of Public Utilities (DPU), which move in this direction, as well as the work of the IRWG.

Everett Marine Terminal (EMT) FAWG Update

The Everett Marine Terminal FAWG is tasked with the development of a coordinated strategy to reduce or eliminate LDC's reliance on the EMT. **ED Lavinson** and **Mike Walsh** of Groundwork Data, which is supporting this FAWG, presented on objectives and outcomes from Phase 1.

- 1) The FAWG has developed a **robust understanding of the role of EMT**, recognizing that the facility plays a significant role in Massachusetts' gas infrastructure, particularly for Local Distribution Companies (LDCs). The facility can provide up to one-third of state gas demand on peak days and is important for system reliability. While EMT's direct utilization has declined since the Mystic Generating Station's closure in 2019, the state's LDCs rely on EMT to meet projected gas demand, especially given the region's pipeline constraints, including those in the Greater Boston area/Cambridge, with Gardner having

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unique constraints. The DPU has directed LDCs to work toward reducing or eliminating their reliance on EMT, while maintaining system reliability.

- 2) The FAWG has **reviewed and assessed LDC Reporting Requirements**. The FAWG is in the process of reviewing the outline for the EMT section of the Climate Compliance Plans. Beginning April 1, 2025, each LDC is required to file individual CCPs every five years to the DPU. LDCs with approved contracts must report on EMT agreements and their efforts to reduce and eliminate reliance on EMT. This report will cover historical use, system function, demand reduction efforts through Mass Save programs, and detailed alternative analyses. These alternatives include both demand-side options (like geothermal networks and targeted electrification) and supply-side options (such as incremental pipeline capacity and additions to storage). The EMT FAWG reviewed and provided feedback on the EMT section outline, emphasizing the need for consistency across LDCs, while ensuring that LDC-specific information on uses and need is provided. The FAWG indicated that the LDC's proposed outline was consistent with DPU requirements per the order and that the LDCs were including appropriate content.
- 3) A workstream within the FAWG is in the process of **developing an assessment methodology and rubric for alternatives to EMT**. This is anticipated to be completed by March. This assessment rubric will be incorporated into the LDCs' CCPs. The LDCs will use the framework developed by the workstream and affirmed by the full FAWG to assess alternatives beginning in May 2025. This will launch Phase 2 of the FAWG's work.

Discussion:

Assistant Secretary Ryor asked for questions or comments on topics covered, takeaways, and next steps.

Ronald DeCurzio (MA Municipal Wholesale Electric Company) asked that if the reliance on EMT was longer than expected, would there be any consideration for public ownership. **ED Lavinson** responded that if option was raised in the FAWG, then it would be considered and that she would provide this feedback/question to the FAWG.

Steve Cowell (NEEEEC) asked to what extent the analysis of the reduction of EMT would result in bringing in gas from somewhere else, versus reducing the reliance on gas, overall. **ED Lavinson** responded that the alternatives assessment will include impact on greenhouse gases.

Mekala Krishnan (McKinsey Global Institute) asked how the alternatives assessment might evolve as the demand on gas evolves. **ED Lavinson** highlighted Chapter 3 in the LDC's EMT section outline, which focuses on existing efforts to reduce gas demand. **ED Lavinson** noted that the assessment is designed to both look back and forward. The assessment will also take into account evolving state policies.

Lisa Wieland (National Grid, New England) asked for clarification that the ETAB is being asked to vote on compliance with the requirements in the DPU order around EMT. She wanted to

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make sure that the ETAB has a clear enough understanding of what is required in the DPU to determine that what the FAWG has proposed is consistent with the DPU requirements.

Assistant Secretary Ryor and **ED Lavinson** clarified that the vote is less about the content of the outline being in compliance with DPU orders, but rather that the topics included in the outline and the level at which the LDCs propose to cover them is consistent with what the DPU required to be included in the CCP.

Assistant Secretary Ryor called for a vote:

- Does the outline and informational content, at this juncture, reasonably meet the (1) requirements of the DPU order; and (2) sufficiently reflect the efforts of the FAWG to provide guidance and feedback?

VOTED that the outline and informational content meet the requirements and reflect the efforts of the FAWG to provide guidance and feedback. One ETAB Member – Deputy Commissioner Joanna Troy (DOER) -- abstained and one ETAB Member – Brad Campbell (CLF) voted nay.

Secretary Tepper Observations and Perspectives

ED Lavinson welcomed **Energy and Environmental Affairs Secretary Tepper**, who provided her perspective on where the Commonwealth is headed, and the important role of the ETAB and work of OET as the Commonwealth works to meet the climate and clean energy mandates of the state.

Secretary Rebecca Tepper thanked ETAB members and highlighted the Governor's State of the Commonwealth address reaffirmed Massachusetts' clean energy commitment. She emphasized the state's consistent leadership in clean energy and outlined 2025's focus on implementation, including implementing the siting and permitting law, making meaningful progress on interconnection, advancing SMART 2.0, and driving affordability. She emphasized the need for creative approaches and growing recognition of climate action's economic benefits. The Secretary concluded by reinforcing the Governor's goals of energy independence, equity and affordability, and environmental sustainability while advancing economic development through clean energy initiatives and the importance of working together to achieve these outcomes.

Advisory Board Member Update and Proposed FAWG Addition

ED Lavinson welcomed two new board members, Vivien Lee (Waterfront and Climate Expert) and Mekala Krishnan (McKinsey Global Institute). These members have already been approved, but are joining ETAB for the first time today.

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ED Lavinson introduced two proposed members, suggested by other ETAB Members: Zeyneb Magavi (HEET), and Amy Longworth (Boston Green Ribbon Commission)

Assistant Secretary Ryor then presented a proposal for a new FAWG to address sustainable economic development through "clean energy ready" zones. This initiative responds to stakeholder inquiries and recommendations received by ETAB Members. The proposed FAWG would focus on accelerating economic development and growth aligned with Mass Leads and priorities laid out in the Governor's State of the Commonwealth. The new FAWG would address current economic expansion and development challenges, particularly regarding interconnection timing and business development coordination. A key objective would be identifying and preparing pre-designated electric-ready sites to reduce barriers to business attraction and expansion, aligned with the state's climate, clean energy, land use, and equity goals. Assistant Secretary Ryor noted that the work of the FAWG would feed into and be coordinated with existing efforts across the administration to address grid interconnection challenges, broadly.

Discussion:

ED Lavinson and **Assistant Secretary Ryor** asked for comments or questions on the proposals

Dan Dolan (NEPGA) offered that he believes this is a smart approach. He noted that these investments are going to come to the state regardless, so it is best if the investments can be directed towards parts of the grid that can accommodate them. If we are prepared, we can make sure new businesses can integrate well. This is a dual goal: both attracting business and being prepared to receive them.

Dan Leary (Utility Workers Union of America) emphasized that attracting new businesses is needed, and to do this the grid needs to be built up.

Brooke Thomson (Associated Industries of Massachusetts) noted that AIM has had a number of conversations with businesses in the last few weeks who are excited about the expanded energy mandate in the state, but that they can't grow because of other barriers. She commented that this FAWG is really important and will amplify critical issues.

Mike Monahan (IBEW) emphasized that Massachusetts is losing out on growing industries because of high electricity costs and red tape. This loss is impacting many sectors, including manufacturing, generation, and others. He commended the proposal for the FAWG addition, and commented that while other FAWGs are important, economic development is the most important piece.

Ashley Stolba (EOED) affirmed Brooke's comments and thanked the ETAB for holding the meeting and advancing this new FAWG.

John Walkey (GreenRoots) expressed affirmation for this FAWG and the way it is poised to address problems being experienced across the state. He flagged the importance of centering

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equity in this effort, making clear that investments will benefit more than just out of state businesses, but will also address concerns in communities that have had deficient infrastructure for a long time. **Assistant Secretary Ryor** responded that this is an important concern, and that a key part of the FAWG would be to ensure that communities benefit from investments, infrastructure, and job creation.

Mary Wambui (Planning Office for Urban Affairs) commented that we can't have economic development without equity.

Assistant Secretary Ryor called for a vote on:

- Addition of the proposed new Members

VOTED to approve the new Members

- Addition of a FAWG to explore clean energy ready economic development zones

VOTED to approve adding a FAWG on Enabling Sustainable Economic Development (ESED)

Wrap up and Next Steps

The next meeting will likely be in late March 2025 or early April 2025. The focus of the next meeting will be on review and discussion of proposed Phase 2 – assessment – work for both the FTT and DTP FAWGs. An update will be provided on the status of the EMT FAWG, ESED FAWG development, and regional outreach and engagement activities.

ED Lavinson closed the meeting by thanking the ETAB for its work and time.

Meeting adjourned at 4:00 pm