NPA Working Group Meeting #3 December 4, 2024 75 State Street, Boston, MA

Meeting Materials:

NPA Working Group Meeting #3 Welcome.pdf

- 12 4 24 NPA WG Presentation DOER.pdf
- 12 4 2024 NPA WG Stakeholder Presentation Groundwork Data.pdf
- 12 4 2024 NPA WG Presentation CEG CLF EDF Sierra Club.pdf
- 12 4 2024 NPA WG Presentation HEET.pdf

Agenda:

Time	Topic
10-10:15	Welcome and Logistics Updates
10:15-10:45	Jenny Goldberg, DOER and Sol DeLeon, Synapse (presentation + discussion)
10:50-11:30	Mike Walsh, GroundWorks Data on behalf of MassCEC (presentation + discussion)
11:30-12:15	Lunch
12:20-1:00	Brad Cebulko, Current Energy Group on behalf of Sierra Club, EDF, and CLF (presentation + discussion)
1:10-1:50	Zeyneb Magavi, HEET (presentation + discussion)
1:50-2	Wrap Up, Next Steps

Welcome and Logistics Update:

Summary: Next Working Group meeting is being pushed back by one week, to January 15, 2025. LDCs will be presenting the NPA framework to stakeholders. The goal is to distribute the framework ahead of the meeting. Stakeholders will be asked to provide written feedback by January 29. The February 5th meeting will discuss the feedback to inform the next iteration of the NPA framework. Next Technical Subcommittee meeting is December 17, 2024.

Jenny Goldberg, DOER and Sol DeLeon, Synapse

Summary: The presentation outlined the Massachusetts Department of Energy Resources (DOER) strategic priorities and considerations for developing a Non-Pipeline Alternative (NPA) framework to achieve the state's clean energy and climate goals. It highlighted the need for extended planning horizons, proactive customer engagement, and geographic targeting to have a more proactive planning approach, and a focus on environmental justice community impact to ensure those communities are

treated equitably in the transition. The presentation examined lessons from other jurisdictions, emphasizing the importance of robust NPA evaluation methodologies, adequate lead times for implementation, and transparent stakeholder engagement.

Key Points from Stakeholders:

- The planning and implementation timelines for NPAs are longer than the current gas planning horizon timelines. There was general consensus that there needs to be time to implement an NPA within the gas capital planning horizon.
 - Also discussed was avoiding wasting time and effort on projects that were not likely to develop into an NPA.
 - There is a push/pull around the order's alignment with the capital plan (near term spend) and the long-term targeting like electrification pilots and IEP (integrated energy planning).
- DOER and others want to see an analysis framework for projects proposed that would be beneficial to environmental justice (EJ) communities. Considering EJ communities in this framework is important in order to ensure they don't bear the financial burden of transition.
 - o Questions were raised on how to account for or balance this in the framework.
 - There was also a desire to have a feedback mechanism to evaluate NPAs and improve them over time.
- Cost analysis should include social costs of carbon for natural gas (i.e. methane).
- There were cost concerns raised around fewer users on the system raising the gas costs as well as the costs for infrastructure on electric system like transformers.
 - Several commentors asked questions regarding the interface between natural gas
 planning and electric grid planning. The group discussed IEP, as well as challenges and
 support that towns and municipal electricity providers may have.
 - The Attorney General's consultant indicated that we have headroom for capacity on the electric grid because we are summer peaking.

Mike Walsh, GroundWorks Data on behalf of MassCEC

Summary: The presentation discussed strategies for integrating NPAs into Massachusetts' gas transition planning. It emphasizes the growing costs of gas infrastructure, the challenges posed by climate action and new competition, and the importance of equitable energy transition. The presentation covered targeted electrification and infrastructure strategies to reduce emissions, minimize stranded gas assets, and enhance affordability for environmental justice communities. Points were also raised about taking advantage of opportunities like major renovations and construction, as well as repairing pipe over replacing pipe where feasible.

Key Points from Stakeholders:

- NPAs are one arm of a large body of work aimed at addressing decarbonization and electrification in Massachusetts. It is important to consider the other efforts at work (ex. ESMP, EE) and how they can all tie together with NPAs to move the whole forward.
 - There was also a discussion around customers' barriers to fully electrify non-heating measures. (i.e. cooking, hot water). Some stakeholders suggested using back up tanked fuel for reluctant customers.
- Discussed the challenges and strategies for getting customer buy-in and balancing a utility's duty
 to serve. Customer engagement and education will be essential to the success of NPA projects.
 As part of the framework, stakeholders want to see the approach for the different customerrelated scenarios that will come up.
 - What is the protocol if a few customers decline to participate therefore preventing the NPA from moving forward?
 - O What is the protocol if a customer is adamant about keeping just their gas stove?
 - How would customers be approached to participate, and what would be the timing?

Brad Cebulko, Current Energy Group on behalf of Sierra Club, EDF, and CLF

Summary: The presentation outlined the role of NPAs in transitioning from natural gas to electrified systems, aligned with Massachusetts' climate goals. It highlights the risks and costs of traditional gas investments, emphasizing the potential for NPAs to reduce capital expenditures, operational costs, and emissions while improving customer benefits and addressing equity issues. Key topics included identifying NPA opportunities, learning from case studies such as targeted electrification and hybrid approaches, and integrating demand- and supply-side¹ solutions such as:

- Demand-side: Demand response, energy efficiency, electrification, behavioral programs, networked geothermal, and district heat.
- Supply side: On-system liquified natural gas, compressed and liquified natural gas trucking, propane air peak shaving, customer-sited propane, and on-system gas storage.

The presentation also raised questions about how to take a proactive approach to NPA analysis, addressing impacts in Environmental Justice communities, what to include in a cost benefit analysis, and how the framework should incorporate impacts to the electric system.

Key Points from Stakeholders:

 The group discussed the idea of a minimum threshold to select which NPA projects move forward (i.e. avoiding spending money and effort on projects unlikely to result in an NPA). Some states have cost thresholds for projects, and some utilities have a customer threshold since the

¹ Note that supply-side solutions, while important, are not a part of this NPA Working Group's charter.

- larger number of customers means increased difficulty to get consensus. If we keep projects smaller at least to start, there's a higher chance more can get prioritized and completed.
- There were several questions about the case studies and lessons learned from other jurisdictions. One key question was understanding how other jurisdictions made decisions around what benefits were considered and which projects moved forward.

Action item:

 Brad to follow up with the group on which non-energy benefits were included in the Monterey Bay project discussed.

Zeyneb Magavi, HEET

Summary: The presentation used the preliminary framework design the LDCs presented during the initial NPA Working Group meeting to offer suggestions and considerations for framework development. It emphasized the need for transparent values, integrated data layers, and consideration of system interactions to facilitate a thermal energy transition that addresses equity, environmental justice, and generational justice. Key issues discussed included time, scale, and risk considerations. Additionally, the presentation proposed interim solutions:

• Time considerations:

- Move to multi-year planning cycles that include annual adjustment/approval mechanisms.
- Allow repair/risk reduction to open time window.
- Add weighting for energy burden reduction for monthly energy costs now and in multidecade window.

Scale considerations:

- Add dependency rankings for gas pipe segments to help visualize the larger system to better scale projects.
- Add weighting for system scale cost impacts (substations, regulator stations, etc).
- Add social scale weighting for cost of carbon and health impacts.

Risk considerations

- Quantify and incorporate time tolerance for current safety and risk ratings for gas pipe.
- Address building owner costs for the particularly old building stock within Massachusetts
 '100 years of delayed maintenance.'
- Use financing mechanisms to help mitigate the costs of building transitions.

Key Points from Stakeholders:

- The group had consensus that timing considerations are a key part of the NPA planning process. Allowing time for customers participating was a key consideration.
- There was an in-depth discussion related to scaling considerations. The group discussed how transition planning should consider neighborhood or regional scales, not just isolated pipe

segments, however large-scale projects need contingencies for issues like leaks, seasonal peaks, and infrastructure failures.

There was a discussion on how scaling projects will take time, because the most likely
 NPAs would likely be smaller segments at the current juncture.