Summary of Non-Pipeline Alternatives (NPAs) Technical Subcommittee Meeting #1
Nov 18, 2024

Agenda:

Time	Topic
11-11:20	Introductions & Logistics (E3)
11:20-11:30	Ground Rules and Subcommittee Purpose (E3)
11:30-11:50	Discussion Questions from Working Group 1 & 2 (E3)
11:50-12:50	Discussion on NPA Project Identification in MA (E3 & LDC)
12:50-1:00	Wrap Up

Presentation Introducing the Technical Subcommittee and Discussing NPA Project Identification

Summary: E3 provided background on the members, purpose, role and scope of the Technical Subcommittee. Eversource presented on NPA project identification, including how NPAs fit into the capital planning process, a sample NPA framework process flow, and drivers of project need. E3 presented on NPA project thresholds, such as cost and timing. Discussion across stakeholders included the following points.

Key Discussion Topics:

1. **Cost Recovery and Project Definition**:
    a. Members voiced concern about not discussing cost recovery of NPAs, especially in NPA project Benefit-Cost Analysis (BCA), since questions surrounding financing of NPAs and cost allocation across sectors may be pertinent to determining cost-effectiveness of projects. This topic will be brought up for consideration at the next Working Group.
    b. Stakeholders shared an interest in clear definition of local distribution company (LDC) gas infrastructure "projects", to better understand applicability of different NPAs to all or parts of a planned gas infrastructure project.
2. **Proactive vs. Reactive NPA Identification and Prioritization**
    a. Members voiced concern over Gas System Enhancement Program (GSEP) projects in 5-year gas capital plans not being conducive to NPAs due to high risk and short timeline of projects
    b. Stakeholders recommended establishing "proactive" NPA identification with expanded planning horizon and prioritization process (potentially at a program level) rather than "reactive" analysis of NPA applicability for each upcoming gas infrastructure project

i. Suggestions to focus on lower-priority GSEP projects further out in LDC planning horizon due to the expanded timeline available to apply NPA solutions.
    1. LDCs representatives noted that their capital plans extend 5 to 10 years into the future
ii. Calls for systematic frameworks to identify and prioritize high-potential NPA projects within 10-year and 5-year capital plans.
iii. Suggestions to make geospatial GSEP inventory and existing capacity utilization data publicly available to enable stakeholder input on project prioritization.
iv. LDCs described how they are currently proactively looking for NPAs for potential pilot projects.
v. LDCs highlighted the need for project flexibility and responsiveness to external factors like city permitting and opportunities to align project timelines with other infrastructure upgrades (e.g., water pipes).

c. Stakeholders voiced support for establishing cost, timing and other thresholds as a part of the NPA process and flagged the need for nuance in establishing thresholds for different NPA projects, given differing timelines of applicable NPAs across gas infrastructure project categories (e.g., capacity expansion vs. pipeline replacement).

3. **Electrification Barriers**:
    a. Members reemphasized concerns about addressing customer cost barriers of electrification, especially for those with newly purchased gas appliances.
    b. Stakeholders discussed the opportunity to use alternative fuels (LPG/CNG) for bridging reliability gaps and allowing customers to continue using existing boilers and furnaces without relying on LDC distribution system infrastructure.
        i. LDCs discussed potential operational limitations of such approaches
        ii. Challenges with customer consent and other barriers to implementation of these solutions were also discussed.
4. **Policy and Planning Integration**:
    a. Stakeholders posited that recent climate legislation would impact LDC obligation to serve.
    b. Stakeholders expressed a potential need for integrated energy planning to ensure that NPA electric system peak reduction benefits are adequately assessed. An interest in networked geothermal as a technology that could reduce system peak impacts was raised.
    c. LDCs flagged differences in project definitions and planning approaches across utilities, given diversity of customer base and city/town permitting processes in rural and urban settings.