**NPA Working Group: NPA Framework Comment Submission Due January 29**

**On behalf of:** National Consumer Law Center

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Reference ID (to be filled in by Apex):

## High Level Comments

#### Key proposal strengths: Summary statement of high-level (executive summary-type) strengths of proposal

* The Companies’ proposal acknowledges the affordability concerns faced by low-income consumers, and the need for education and outreach that addresses the needs of residential customers who are considering a transition to home electrification or networked thermal heating.
* The Companies also incorporate the need to coordinate with the development of the three-year energy efficiency plan and other state efforts to reduce emissions and improve energy affordability.

#### Key proposal challenges: Summary statement of high-level (executive summary-type) challenges of proposal, including cross-cutting concerns

* Bill affordability after the implementation of NPA projects will need to be considered and addressed, with measures in place to help households who may see increased energy costs.
* New gas customer additions should be paused at an earlier stage in the NPA project process, at the “Initial Viability Testing” phase or sooner.

## Project Identification

#### Key Point #1: Voluntary self-identification of residential customers

The existing project identification list does not appear to contain any category for voluntary requests from existing customers. This could be added, both for commercial customers, as well as residential customers. For residential customers, each gas utility could keep an opt-in list of customers who have signed up to express their interest in NPAs, with the hope of gathering enough addresses to help identify areas for targeted decommissioning. At the very least, utilities could engage in additional outreach to customers who may be interested in transitioning from gas, or have possibly already done so on their own with the installation of heat pumps and other measures.

#### Key Point #2: Other options for screening in GSEP projects

 Though GSEP is the first program to appear on the list of capital projects that are appropriate for NPA review, the additional slides from the Brattle Group indicate that about 85% of 2025 GSEP projects were screened out and not considered for NPAs. It appears that only a small number of these projects were screened out due to safety reasons. Are there steps that can be taken to allow more of the future GSEP projects to be screened in and considered for NPAs?

#### Key Point #3: Prioritize energy efficiency

#### On slide 8, the types of NPAs are listed, with a note that the Companies will evaluate combinations of measures. For residential customers, it will be essential to pair energy efficiency with electrification and the installation of heat pumps. Otherwise, customers could receive unnecessarily expensive electric bills if heat pumps are installed in poorly weatherized homes.

## Initial Viability Testing

n/a

## Gas System Feasibility Review and Electric System Feasibility Review

#### Key Point #1: Integrated gas and electric system planning

System Feasibility Reviews point to the need for integrated gas and electric system planning.

#### Key Point #2: Affordability of electric rates

Rate impacts, whether evaluated with the electric rate impact test (eRIM) or other methods, should address both the impacts on the customers who are being transitioned away from the gas system, and on non-participating ratepayers. Where rate impacts on residential customers would increase the household energy burden, the Companies should work with those households to find any untapped measures to reduce energy costs such as energy efficiency, discount rates or enrollment in the Low Income Home Energy Assistance Program (HEAP). Education for residential customers should include information about these and any other affordability programs, assistance for enrolling in heat pump rates if appropriate, and follow-up education and other support to assist low-income households who experienced bill increases after the NPA project implementation. Companies and stakeholders should continue to discuss follow-up responses to assist consumers who see increased bills or energy burdens.

## Benefit Cost Analysis

#### Key Point #1: Flexibility required for BCA

The Benefit Cost Analysis, and the Companies’ intent to apply the tests with some flexibility, seem an appropriate starting point. This will need to be revisited frequently as technology and energy prices change over time.

## Project Authorization and Prioritization

#### Key Point #1: EJC priority should be modified to prioritize low-income EJCs

On slide 16, there should be some additional refinement of the first priority. The highest priority is given to EJCs, or economic justice communities. However, the Massachusetts definition of EJCs is overly broad, and some higher-income communities are within the EJC definition. One possible solution would be giving highest priority to communities that are both EJC and are economically disadvantaged according to U.S. Census data or other geographic energy burden data that may be available.

## Project Execution

n/a

## Customer Education, Engagement and Commitment

#### Key Point #1: Proactive customer education

Education for households in EJCs should begin as soon as possible, rather than waiting until a neighborhood is under consideration for targeted electrification or networked thermal heating.

#### Key Point #2: Education should include projected gas price increases

Information provided to new customers should include a summary of the projected increases in the price of gas utility service over the next 20 or more years. For instance, educational documents could summarize projects such as those in the “Customer Affordability” section of the E3 report, *The Role of Gas Companies in Achieving the Commonwealth’s Climate Goals* (pgs. 100-106) (March 18, 2022), which was filed in the Future of Gas stakeholder proceedings. Any new residential customers who intend to sign up for gas utility service, particularly those who have low incomes, should be made aware that gas service is unlikely to save money for their households over the long term.

#### Key Point #3: Customer Acknowledgement form should not create barriers for customers

There should be more discussion of the entire education process, and the content and role of the “Customer Acknowledgement.” Such a form should not be construed as a waiver of any customer rights, or a barrier to a customer who seeks to reconsider their original decision to obtain gas utility service.

#### Key Point #4: Language access

Educational materials and forms should be provided in the preferred language of the customer of record.

#### Key Point #5: Hands-on referral to services for low-income customers

In addition to providing links to MassSave or a Company website, Customer Education should include additional support and information for low-income customers. If the customer has already been identified as low-income by any of the Companies, then that customer should be referred to the Low-Income Energy Affordability Network (LEAN) program. The LEAN program could then determine whether the household is eligible for income-qualified energy efficiency and electrification services, and whether there are appropriate measures to install in the home.

#### Key Point #6: Additional outreach for landlords where needed

Additional outreach and education may be required to inform residential landlords. Information about available incentives and programs to support energy efficiency and electrification in multi-family residences should be provided. Some landlords of multifamily buildings where low-income renters reside may also need outreach in non-English languages.

## Impacts to Project Implementation

#### Key Point #1: Do not fully exclude any categories of residential customers

The Companies state that the project spending in an NPA Project area will be focused on customers with gas utility service, and not on those customers within the project area who are not using gas utility service. It is certainly reasonable to prioritize spending on projects that directly remove gas customers from the gas system. However, there could be unintended consequences of excluding other customers, particularly residential customers. If the NPA that is being deployed is networked thermal heat, the Companies should consider leaving open the option for these non-gas households to connect to the thermal network as well. Otherwise, Companies would be missing an opportunity to further reduce emissions, and homeowners who have delivered fuels would continue to pay the higher costs associated with oil and propane heating which are often financially burdensome for low-income or moderate-income households.

Further, homeowners who already transitioned to heat pumps and electric appliances should not be completely shut out of networked thermal heating if it becomes available in their neighborhoods. These homeowners otherwise might conclude that their efforts to electrify caused them to be excluded from a potentially lower-cost and lower-emission heat source, causing confusion and possible resistance to concurrent efforts to electrify homes.

At a minimum, Companies should refer to MassSave any residential non-gas customers who would be eligible for energy efficiency assistance.

#### Key Point #2: Pause on new gas customers in possible NPA project areas

NCLC supports the Companies’ proposal to stop accepting new gas connections in the NPA Project Area. In addition, the Companies should stop accepting new gas connections in areas that have been identified as possible sites for NPA projects. For example, the Companies should also pause new gas service in areas with potential NPA projects that have passed the “Initial Viability Testing” stage of NPA project identification.

## Framework Updating

n/a

## Other (please specify)

#### Key Point #1: Coordination with availability of heat pump rates

Targeted electrification in residential neighborhoods could be coordinated with the implementation of new heat pump electric rates, that keep customer bills more affordable during the winter heating season. Prioritizing areas where a heat pump rate is available should help to make these projects more viable for households and build support from consumers.

#### Key Point #2: Lowering electricity costs for homes transitioning to electric heat

To help maintain affordable electric rates for homes that convert to electric heating and appliances, the Commonwealth should broadly consider protecting these and other households from predatory sales of competitive electric supply and resulting high prices that would exacerbate home energy insecurity for low-income families.