

HOUSE No. 3261

The Commonwealth of Massachusetts

PRESENTED BY:

Natalie M. Blais

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act promoting local energy investment and infrastructure modernization.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>2/10/2021</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>2/24/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>2/25/2021</i>
<i>Dylan A. Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>2/25/2021</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>	<i>2/26/2021</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>2/26/2021</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>2/26/2021</i>
<i>William J. Driscoll, Jr.</i>	<i>7th Norfolk</i>	<i>2/26/2021</i>
<i>Danillo A. Sena</i>	<i>37th Middlesex</i>	<i>3/8/2021</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>3/16/2021</i>

HOUSE No. 3261

By Ms. Blais of Sunderland, a petition (accompanied by bill, House, No. 3261) of Natalie M. Blais and others relative to grid modernization and the promotion of local energy investment. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act promoting local energy investment and infrastructure modernization.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1: The first sentence of subsection (b) of section 146 of chapter 164 of the
2 General Laws, as inserted by section 18 of chapter 227 of the acts of 2018, is hereby amended by
3 striking out the word “may” and inserting in place thereof the following words:- shall annually.

4 SECTION 2: Said section 146 of said chapter 164, as so inserted, is hereby further
5 amended by adding the following subsection:-

6 (d) Corporate affiliates of the electric distribution companies shall not be eligible for
7 competitive solicitations described in subsection (b).

8 SECTION 3. Chapter 164 of the General Laws is hereby amended by inserting after
9 section 147, inserted by section 19 of chapter 227 of the acts of 2018, the following section:-

10 Section 148. (a) As used in this section, the following words shall, unless the context
11 clearly requires otherwise, have the following meanings:

12 “Board”, the Grid Modernization Consumer Board.

13 “Distributed renewable generation facility”, a facility producing electrical energy from
14 any source that qualifies as a renewable energy generating source under section 11F of chapter
15 25A and is interconnected to a distribution company.

16 “Local energy resources”, distributed renewable generation facilities, energy efficiency,
17 energy storage, electric vehicles, active demand management, and load management
18 technologies.

19 (b) The department shall commence a proceeding by no later than April 30, 2021 that
20 establishes procedures for each distribution company of the commonwealth to create and file
21 with the department by October 1, 2021 its subsequent Grid Modernization Plan, as described in
22 subsection (c).

23 (1) This proceeding shall also establish specific metrics and related performance
24 incentives to evaluate the progress of the distribution companies toward establishing a grid
25 planning system to utilize and integrate local energy resources to meet customers’ energy needs.
26 Said metrics may include, but are not limited to: reducing the impact of outages, optimizing
27 system performance, interconnecting and integrating local energy resources, improving
28 workforce and asset management, and beneficial electrification;

29 (2) This proceeding shall also create protections for low-income consumers, including,
30 but not limited to, (i) remote shutoff protection, (ii) restrictions and conditions on pre-paid
31 service, service limiters, and similar technologies and programs, and (iii) exemption from special
32 grid modernization cost recovery mechanisms.

33 (c) Every 3 years, on or before July 1, each electric distribution company shall prepare a
34 Grid Modernization Plan. Each plan shall comply with the requirements set forth by the
35 department in the proceeding described in subsection (b), or as modified by the department, and
36 shall be prepared in coordination with the Grid Modernization Consumer Board established by
37 subsection (f). Each plan shall:

38 (1) Evaluate locational benefits and costs of local energy resources currently located on
39 the system and identify optimal locations for local energy resources over the next 10 years. This
40 evaluation shall be based on reductions or increases in local generation capacity and demand,
41 avoided or increased investments in transmission and distribution infrastructure, safety benefits,
42 reliability benefits, and any other savings the local energy resources provide to the electric grid
43 or avoided costs to ratepayers;

44 (2) Provide information about the interconnection of distributed renewable generation
45 facilities in publicly accessible hosting capacity maps that are updated on a continual basis;

46 (3) Include updated interconnection procedures for distributed renewable generation
47 facilities, including (i) measures to equitably allocate the costs of system upgrades that benefit
48 multiple generation facilities and all ratepayers and (ii) prompt disclosure of timelines and
49 reasonable interconnection fees;

50 (4) Propose or identify locational-based incentives and other mechanisms for the
51 deployment of cost-effective local energy resources that satisfy planning objectives;

52 (5) Propose a rollout of advanced metering functionality to be completed by December
53 31, 2026;

54 (6) Propose cost-effective methods of effectively coordinating existing programs,
55 incentives, and tariffs to maximize the locational benefits and minimize the incremental costs of
56 local energy resources;

57 (7) Identify any additional spending by the distribution company necessary to integrate
58 cost-effective local energy resources into distribution planning consistent with the goal of
59 yielding net benefits to ratepayers; and

60 (8) Identify any additional barriers to the deployment of local energy resources.

61 (d) Any distribution infrastructure necessary to accomplish the Grid Modernization Plan
62 is eligible for pre-authorization by the department, through a review of the company's proposed
63 investments and cost estimates, as supported by a business case that includes benefit-cost
64 analysis.

65 (e) Each Grid Modernization Plan prepared under subsection (c) shall be submitted for
66 approval and comment by the Grid Modernization Consumer Board every 3 years, on or before
67 July 1.

68 (1) The electric distribution companies shall provide any additional information requested
69 by the board that is relevant to the consideration of the plan. The board shall review the plan and
70 any additional information and submit its approval or comments to the electric distribution
71 companies not later than 3 months after the submission of the plan. The electric distribution
72 companies may make any changes or revisions to reflect the input of the board.

73 (2) The electric distribution companies shall submit their plans, together with the board's
74 approval or comments and a statement of any unresolved issues, to the Department every 3

75 years, on or before October 1. The department shall consider the plans and shall provide an
76 opportunity for interested parties to be heard in a public hearing.

77 (3) Not later than 120 days after submission of a plan, the department shall issue a
78 decision on the plan which ensures that the electric distribution companies have satisfied the
79 criteria set forth by the department and shall approve, modify and approve, or reject and require
80 the resubmission of the plan accordingly.

81 (4) Each Grid Modernization Plan shall be in effect for 3 years.

82 (f) Each local gas distribution company in the Commonwealth shall create and file a
83 Fossil Fuel Phase-out and Electrification Plan, as described in subsection 1, by no later than
84 March 1, 2022. Each plan shall:

85 (1) Evaluate how each gas distribution company will phase out natural gas service in
86 order to enable the commonwealth to move into its net-zero greenhouse gas emissions energy
87 future and to achieve its mandated 2050 climate goals;

88 (2) Determine what near- and long-term adjustments are necessary to maintain a safe and
89 reliable gas distribution system and protect consumer interests as the commonwealth transitions
90 from fossil fuels to a clean, increasingly electrified, and decarbonized energy future by 2050.

91 (g) Each Fossil Fuel Phase-out and Electrification Plan shall be prepared in coordination
92 with the Grid Modernization Consumer Board. Each Plan shall be submitted for approval and
93 comment by the Grid Modernization Consumer Board by October 1, 2021.

94 (h) There shall be a Grid Modernization Consumer Board to consist of the commissioner
95 of the department of energy resources, or a designee, who shall serve as chair, and 8 members

96 including the attorney general, or a designee, the commissioner of the department of
97 environmental protection, or a designee, and additional members appointed by the Governor: 1
98 shall be a representative of residential consumers, 1 shall be a representative of the low-income
99 weatherization and fuel assistance program network, 1 shall be a representative of the
100 environmental community, 1 shall be a representative of the clean energy technology industry, 1
101 shall be a representative of municipal interests or a regional public entity, and 1 shall be a
102 representative of businesses, including large commercial and industrial end users. Interested
103 parties shall apply to the governor for designation. Members shall serve for terms of 6 years and
104 may be reappointed. There shall be 1 non-voting ex-officio member from each of the electric
105 distribution companies.

106 (1) The board shall, as part of the approval process by the department under subsection
107 (e), seek to maximize net benefits through use of distributed energy resources and achieve
108 transmission, reliability, climate and environmental goals. The board shall review and approve
109 Grid Modernization Plans and budgets, and work with electric distribution companies in
110 preparing resource assessments. Approval of Grid Modernization Plans and budgets shall require
111 a two-thirds majority vote.

112 (2) The board may retain expert consultants, provided, however that such consultants
113 shall not have any contractual relationship with an electric distribution company doing business
114 in the commonwealth or any affiliate of such company. The board shall annually submit to the
115 department a proposal regarding the level of funding required for the retention of expert
116 consultants and reasonable administrative costs. The proposal shall be approved by the
117 department either as submitted or as modified by the department. The department shall allocate
118 funds sufficient for these purposes from the Grid Modernization Plan budgets.

119 (3) The electric distribution companies shall provide quarterly reports to the board on the
120 implementation of their respective plans. The reports shall include a description of progress in
121 implementing the plan, an evaluation of the metrics identified by the department in the
122 proceeding described in subsection (c), and such other information or data as the board shall
123 determine. The board shall provide an annual report to the department and the committee on
124 telecommunications, utilities and energy on the implementation of the plan which includes
125 descriptions of the programs, investments, cost-effectiveness, and savings and benefits during the
126 previous year.

127 (4) The annual report shall include an assessment of the impacts and opportunities in the
128 respective plans on the regional electricity market and transmission planning processes
129 administered by ISO-New England to facilitate widespread adoption of distributed energy
130 resources, energy efficiency, flexible load, non-wires alternatives and other resources relevant to
131 grid modernization. This assessment will include, but will not be limited to, an evaluation of the
132 effectiveness and efficiency of: (i) integration of distribution-level resources into the regional
133 electricity, ancillary services, and capacity markets; and (ii) inclusion of distributed energy
134 resources, energy efficiency, non-wires alternatives in transmission planning and procurement
135 processes conducted by ISO-New England.

136 (5) The Grid Modernization Consumer Board shall provide opportunities for public
137 education and comment as part of its review of the Grid Modernization and Fossil Fuel Phase-
138 out and Electrification Plans.

139 (6) The Grid Modernization Consumer Board shall participate in any regional stakeholder
140 discussions on the potential use of the transmission system to integrate all of the necessary

141 energy resources at the lowest cost possible as part of a comprehensive long-term regional
142 transmission planning process by providing input into the development and implementation of
143 that process.