September 28, 2022 Massachusetts Workshop: Opportunities to Improve How Regulatory Agencies Address Climate Change

Workshop Goals & Outcomes

Brown University engaged Synapse Energy Economics and Climable to host a series of workshops in New England states. The purpose of these workshops is to collaborate and crowdsource ideas from stakeholders on the opportunities and challenges for regulatory agencies implementing lasting and equitable climate and energy solutions.

The effort includes:

- <u>a background report</u> to summarize research about best practices, barriers, and opportunities across New England states.
- public workshops in each state to gather stakeholder input and facilitate collaboration on solutions.
- a final report to accumulate and enable action on lessons learned and next steps for all New England states.

WORKSHOP AGENDA

8:30-9:00	Sign-In, Coffee & Snacks
9:00-9:10	Welcome & Logistics
9:10-9:30	Briefing on Massachusetts
	Climate Goals, Progress, Best
	Practices, and Barriers
9:30-10:20	Breakout Session #1:
	Idea Brainstorming
10:20-10:30	Break
10:30-11:20	Breakout Session #2:
	Force Field Analysis &
	Idea Prioritization
11:20-11:50	Wrap Up & Next Steps







DISCUSSION QUESTIONS

- 1. In addition to what is already underway, what else can be done to meet Massachusetts' climate goals? How does equity fit in with these ideas?
- 2. What policies and programs need to be in place to support the development of equitable utility regulation and climate action in Massachusetts?

CLIMATE GOALS & PROGRESS

Massachusetts has the highest economy-wide, legally binding goals to reduce emissions of the New England states, with targets of 50 percent below the baseline by 2030 and 100 percent by 2050. The state also has stringent renewable portfolio standard, energy efficiency savings, and energy storage requirements. In 2018, Massachusetts was nearly halfway to its 2030 greenhouse gas emission reduction goal and had demonstrated more progress towards this goal than other New England states.

Climate Goal	S	СТ	ME	MA	NH	RI	VT
	Baseline	2001	1990	1990		1990	1990
Greenhouse Gas Emissions Reduction Goals	By 2030	45% (18%, 2018 act.)	45% (18%, 2017 act.)	50% (22%, 2018 act.)	None	45% (-2%, 2018 act.)	40% (0.51%, 2019 est.)
	By 2050	80%	80%	100%		100%	80%
Renewable Stanc		40% (by 2030)	80% (by 2030) 100% (by 2050)	40% (by 2030)	25% (by 2025)	100% (by 2033)	75% (by 2032)
Energy Efficio Targets (% of		1.1% (2019-2021)	2.3% (2020-2022)	2.7% (2019-2021)	0.6% (2022 est.)	2.5% (2018-2021)	2.4% (2018-2020)
Energy Storage Requirements		1,000 MW (by 2030)	300 MW (by 2025) 400 MW (by 2030)	1,000 MWh (by 2025)	None	None	None

Table 1: New	England State	Climate Goals	and Achievements
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Source: Synapse Energy Economics. (2022). A Better New England Regulatory Framework for Mitigating Climate Change. Available at: <u>https://www.synapse-energy.com/project/study-climate-action-and-public-utility-commissions-new-england-states</u>. Updated 8/31/2022.

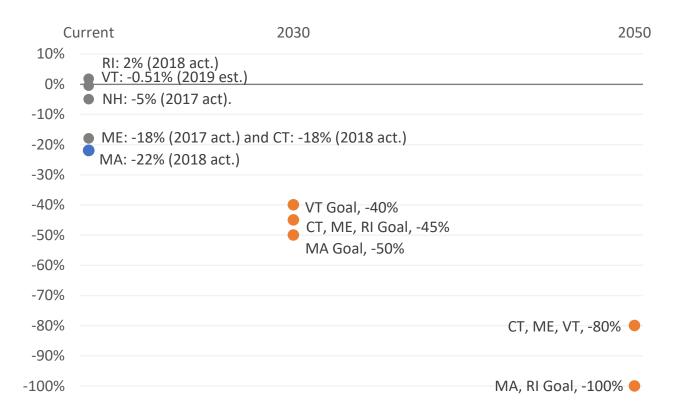


Figure 1: Massachusetts Greenhouse Gas Emission Reductions, Compared to Other States and Goals

Source: Massachusetts data from Commonwealth of Massachusetts. (2021). GHG Emissions and Mitigation Policies. Available at: <u>www.mass.gov/info-details/ghg-emissions-and-mitigation-policies</u>.

MASSACHUSETTS BEST PRACTICES

In 2021, An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy:

- mandated the Department of Public Utilities (DPU) to consider climate change as part of its official mission.
- required the DPU to develop official state language on environmental justice and classify environmental burdens.
- established a new precedent specific to regulation of gas utilities that directs the DPU to expand its existing priorities of system safety, security, reliability, and affordability to include equity and reductions in greenhouse gas emissions.

Also, Massachusetts was the first state in New England to combine energy and environmental agencies under one cabinet secretary. This integration was an important step in improving coordination between environmental, energy, and economic regulators.

MASSACHUSETTS BARRIERS AND CHALLENGES

Despite adoption of ambitious climate and environmental justice legislation in Massachusetts, there are still impediments to meaningful action.

- Coalitions of utilities, fossil and chemical companies, real estate companies, and fossil fuel power generation companies frequently oppose climate and clean energy bills through legislative lobbying and active involvement in DPU regulatory proceedings. A Brown University Climate and Development Lab report titled *Who's Delaying Climate Action in Massachusetts? Twelve Findings* indicates that clean energy advocates are outspent by utilities on lobbying by a factor of more than 3.5 to 1. As a result, utility companies are often better positioned for success throughout the legislative process.
- Conflicts of interest and utility control over the identification and selection of solutions are barriers to creating a climate resilient Massachusetts.
- While the PUC must consider climate change in its decision-making, there is currently no accountability for the PUC if climate goals are not met.
- The absence of a climate council may result in gaps in coordination with and between state agencies.
- Massachusetts may also experience issues mentioned in other states such as a lack of technical support for decision-makers, lack of funding and staff capacity, and low public awareness and participation (especially by EJ communities) in PUC proceedings.

SOURCES AND ADDITIONAL RESOURCES

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- 12. The State of Connecticut. June 16, 2021. An Act Concerning Energy Storage. Available at: http://www.cga.ct.gov/2021/ACT/PA/PDF/2021PA-00053-R00SB-00952-PA.PDF
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GLOSSARY OF TERMS

Acronym	Name	Definition
DER	Distributed Energy Resource	Technology for generating and managing electricity at the place of consumption
DR	Demand Response	Reducing energy consumption on the consumer side during peak demand
DSM	Demand-Side Management	Managing demand for energy on the consumer side to reduce overall consumption
DSP	Distribution System Planning	Planning for the incorporation of DERs into the grid, oftentimes by improving grid flexibility
FERC	Federal Energy Regulatory Commission	An independent agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects.
FIT	Feed-In Tariff	A policy guaranteeing a price for each unit of renewable energy generated
ISO	Independent System Operator	An independent organization that coordinates, controls, and monitors the operation of the electrical power system. New England's system operator is ISO New England (ISO-NE)
PIM	Performance Incentive Mechanism	A policy that encourages utility performance in areas such as reliability, safety, customer service, and energy efficiency
РТС	Production Tax Credit	Federal tax credit that incentivizes renewable generation
REC	Renewable Energy Certificate	Certificate representing renewable energy generation that utilities must purchase to fulfill RPS requirements
RGGI	Regional Greenhouse Gas Initiative	A cooperative, market-based effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia to cap and reduce CO2 emissions from the power sector
RPS	Renewable Portfolio Standard	A regulation requiring increased production in renewable energy, usually involving a percentage goal by a specified year

Sources:

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