About SEPA

SEPA’s mission is to facilitate the utility industry’s smart transition to a clean energy future through education, research, and collaboration.

COMMUNITY
Members, Events, USC, Fact Finding Missions, Partnership Opportunities, Power Player Awards

DATA
USD, Solar Calculators, Mapping Tools, Research Reports, Project and RFP News, Custom Research Solutions

INSIGHTS
Advisory Services, Webinars, Workshops, Case Studies, SEPA Publications, Blog, Expert Commentary
The 51st State

A community for exploring, discussing, learning, and developing solutions addressing the transition taking place in the electric industry.
Transactive Energy and Massachusetts

Three Stages of Complexity in a “Participatory” Grid

**Stage 1:**
Time-of-Use or Real-Time Pricing

**Stage 2:**
Locational-Based Pricing

**Stage 3:**
Peer-to-Peer Transactions

Getting to a Participatory Grid in Three Stages (Source: John Caldwell, Edison Electric Institute.)
Overview of Massachusetts’ Electricity Market

- Restructuring Act (1997)
  - Retail deregulation
  - Retail choice (and CCA)
  - First RPS

- Decoupling (2008)

  - DER participation
Progress to Date

• **Key policies:**
  - GCA (2008)
  - SMART
  - Clean Peak Standard
  - PBR

• **Clean Energy Achievements:**
  - Energy efficiency
  - Solar
  - Electric Vehicles
  - Energy Storage
Areas for Improvement

• Retail Choice

• Grid Modernization Initiatives
  o 2014: Grid Modernization Order
  o May 2018: DPU issued final decision revising 2014 grid modernization objectives
    ▪ Approves $220 million in “grid facing” grid modernization investments
    ▪ Distribution automation and supporting systems like SCADA and ADMS
    ▪ Delays decision on deployment of smart meters
Overall Assessment

• Leader in clean energy solutions
• Delayed approval of customer-facing investments
• $220 million authorized for grid-facing investments is insufficient
Other States Across U.S.

- California
- New York
Questions?

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### Appendix: Massachusetts

<table>
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<tr>
<th>DOCTRINE 3: PRINCIPLES OF RATEMAKING</th>
<th>CURRENT SOLUTIONS</th>
<th>INCREMENTAL CHANGES</th>
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<tr>
<td><strong>PRINCIPLES OF RATEMAKING</strong></td>
<td></td>
<td>TRANSFORMATIVE</td>
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<td></td>
<td>▪ Traditional cost of service ratemaking remains in place with cost recovery mechanisms for energy efficiency, renewable energy, incremental cap investments, and transmission expenses</td>
<td>▪ Recent reauthorization of PBR ▪ Earn return on energy efficiency investments</td>
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<td><strong>DETERMINATION OF PRINCIPLES OF RATEMAKING</strong></td>
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<td>▪ Net metering has been in place since 1982, with increasing caps over the years</td>
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<td><strong>ENHANCED ASSURANCE OF COST RECOVERY</strong></td>
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<td>▪ Cost allocation methodology has been sufficient for utilities to recover costs through rates</td>
<td>▪ Approval of MMRC in Eversource case ▪ Decoupling began in 2008 to promote energy efficiency investments</td>
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## Appendix: Massachusetts

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<thead>
<tr>
<th>TABLE 2. DOCTRINE 4: FOSTER CUSTOMER CHOICE</th>
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<tr>
<td><strong>CURRENT SOLUTIONS</strong></td>
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<td>RATE ALTERNATIVES OFFERED TO CUSTOMERS</td>
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<td>MULTIPLE ENERGY PROGRAMS OFFERED TO CUSTOMERS</td>
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<td>INCREASED TRANSPARENCY FOR CONSUMERS</td>
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