



**MASSACHUSETTS
OFFICE OF ENERGY
TRANSFORMATION**

Energy Transformation Advisory Board Quarterly Meeting

June 11, 2026



Welcome and Introductions



Melissa Lavinson

Executive Director,
Office of Energy Transformation
(OET)



Toby Berkman

Consensus Building Institute
(CBI)

Agenda for June 11th Advisory Board Meeting

Timing	Agenda Item	Presenter(s)
1:00 – 1:20	Welcome, Agenda Review, Ground Rules, and General Status Update	Melissa Lavinson, OET Toby Berkman, CBI
1:20 – 1:30	Remarks by Secretary Tepper	Secretary Rebecca Tepper, Executive Office of Energy and Environmental Affairs
1:30 – 2:00	Findings and Initial Recommendations of the DTP FAWG	Melissa Lavinson, OET
2:00 – 2:30	Final Recommendations and Next Steps of the EMT FAWG	Mike Walsh, Groundwork Data
2:30 – 2:40	10-MINUTE BREAK	
2:40 – 3:10	Final Recommendations and Next Steps of the FTT FAWG	Toby Berkman, CBI
3:10 – 3:55	Discussion of Proposed Peak Energy Demand Reduction FAWG	Melissa Lavinson, OET
3:55 – 4:00	Wrap Up and Adjourn	Toby Berkman, CBI



Reminder of Office of Energy Transformation Mission and Structure

Energy Transformation Advisory Board (Advisory Board or ETAB)

Provides guidance and recommendations on strategic direction to the OET and focus area work groups (FAWGs) to execute the energy transition, including gas-to-electric transition, electric grid readiness, and a just and equitable transition for workers, business, and communities.

Transitioning Away from Everett Marine Terminal (EMT)

To develop a coordinated strategy to reduce or ultimately eliminate the local gas distribution companies' reliance on the EMT Liquefied Natural Gas (LNG) facility aligned with DPU Order 20-80 and the state's climate and clean energy mandates, including as established in the *Global Warming Solutions Act*.

Decarbonizing the Peak (DTP)

To demonstrate pathways to reduce reliance on and expeditiously eliminate fossil fuels from peaking power plants and combined heat and power (CHP) facilities and deploy alternative demand and supply side options to meet peak load needs in Massachusetts, aligned with the electric sector sublimit and clean energy goals in the *2050 Clean Energy and Climate Plan*.

Financing the Transition (FTT)

To identify alternative mechanisms for financing/funding electricity distribution system infrastructure upgrades needed to achieve Massachusetts's clean energy and climate mandates that minimize impacts on consumers' electricity bills, while providing an affordable, sustainable, and timely source of revenue for investments.

Enabling Sustainable Economic Development (ESED)

To advance clean energy-ready economic development zones that enable key business sectors to grow in Massachusetts, in alignment with the state's interconnection, land use planning, environmental justice and equity, housing, and economic development initiatives.



Reminder of Governance, Responsibilities, and Expectations

Advisory Board

- Members are senior leaders in their organizations.
- Members will serve at least one 2-year term.
- Members will meet quarterly.
- Members will guide and approve FAWG development, missions, purview, and workplans.
- Members will seek consensus; where consensus is not possible, majority vote and recorded dissent.
- Members can volunteer and serve as “Executive Advisors” to and/or participate in the FAWGs.
- Meetings open to public for viewing/listening, with meeting minutes and materials posted to the OET website.
- Input from community meetings, which provide opportunity for direct public feedback, will be shared at each quarterly meeting.

FAWGs

- Participation is open to all stakeholders, with membership shared with and affirmed by the Advisory Board.
- Members are subject matter experts/have a command of the subject matter with a level of decision-making authority, if participating on behalf of an organization. (Organizations may have multiple participants on a FAWG but will have one "vote" on FAWG decisions.)
- FAWGs will meet at least bi-monthly, or more often depending on need.
- FAWGs will conduct work, as necessary, via individual workstreams, with workstreams meeting as necessary.
- FAWG members can self-select workstream participation.
- Workstream teams develop workplans and milestones and provide progress updates at full FAWG meetings.
- Workstream and full FAWG meetings are Chatham House Rules.
- Members will seek consensus; where consensus is not possible, options will be presented to the Advisory Board with stakeholder positions noted.
- All final recommendations and materials of the FAWGs will be provided to the Advisory Board and made public.



Reminder of Ground Rules and Remote Participation



Ground Rules

- Assume positive intent.
- Engage in constructive dialogue and actively seek agreement.
- Stay on topic and within time (3 min or less).
- Be respectful and forthright.
- Speak one at a time, when called on by the moderator.
- Raise concerns with the Chair or designee, who will act accordingly.
- Be able to substantiate assertions or claims in support of comments and positions.
- Provide any additional written materials to share with the Advisory Board to the Chair prior to a meeting and OET will circulate.



Remote Participation

- Raise your “hand” to be recognized by the Chair or designee.
- Identify yourself and affiliation prior to any comments.
- Refrain from side conversations in the room out of respect for remote participants.

OET will provide all meeting materials and agendas to Advisory Board Members at least seven days in advance of meetings. Meetings will have a virtual option. All Advisory Board meeting materials are posted to the OET website by the day-of-the meeting. Concurrent translation services will be made available at the request of a Member.



Advisory Board June 11th Meeting: What to Expect

Energy Transformation Advisory Board

Transitioning Away from EMT

Pre-Read: Includes final Findings & Recommendations and full EMT report.

Day of: Focus on final Findings and Recommendations.

Vote: The Advisory Board affirms the FAWG's Findings and Recommendations.

Decarbonizing the Peak

Pre-Read: Includes final Findings and summary of ISO-NE feedback.

Day of: Focus on final Findings and next steps.

Vote: The Advisory Board affirms the FAWG's Findings and moving to develop and finalize policy recommendations by next Advisory Board meeting.

Financing the Transition

Pre-Read: Includes final Findings & Recommendations and full FTT report.

Day of: Focus on final Findings and Recommendations.

Vote: The Advisory Board affirms the FAWG's Findings and Recommendations.

Enabling Sustainable Economic Development

Pre-Read: Includes final criteria for selecting a pilot site for a clean energy-ready zone, plus potential financing pathway for proactive build.

Day of: No presentation or discussion.

Next Steps for FTT, DTP, and EMT FAWGs and Vote on New FAWG: OET will discuss the “sunset” of FTT, DTP, and EMT FAWGs and establishing a new FAWG focused on peak energy demand reduction. The Advisory Board will vote on whether to approve creation of the new FAWG on peak energy demand reduction (Proposal, Mission, and Charter included in pre-read materials).



Overall Status Update and Next Steps

- The FTT, DTP, and EMT FAWGs substantially completed their work and are providing findings and recommendations based on that work.
 - Fostered rigorous debate, analysis, and dialogue, with engagement from a broad range of stakeholders.
 - Outputs and findings of work have informed legislation, policy, and private sector activity.
- Clear takeaway from the three FAWGs: Mitigating peak electric and gas demand is a key strategy for affordably and reliably meeting future energy needs and decarbonization mandates.
 - Defers/avoids future electric infrastructure spend & enables increased utilization of existing infrastructure.
 - Reduces future natural gas and electric supply needs.
 - Provides direct energy cost saving options to customers.
 - Leverages private capital.
- Cross-cutting recommendation: Generally “sunset” these three FAWGs and establish a cross-cutting FAWG focused on accelerating peak energy demand reduction in Massachusetts, both systemwide and locationally-specific.
 - Aligns with targets and directives in Executive Order 654 regarding load management and EMT.
 - Informs ongoing work of the Department of Energy Resources (DOER) and Clean Energy and Climate Plan (CECP) teams.





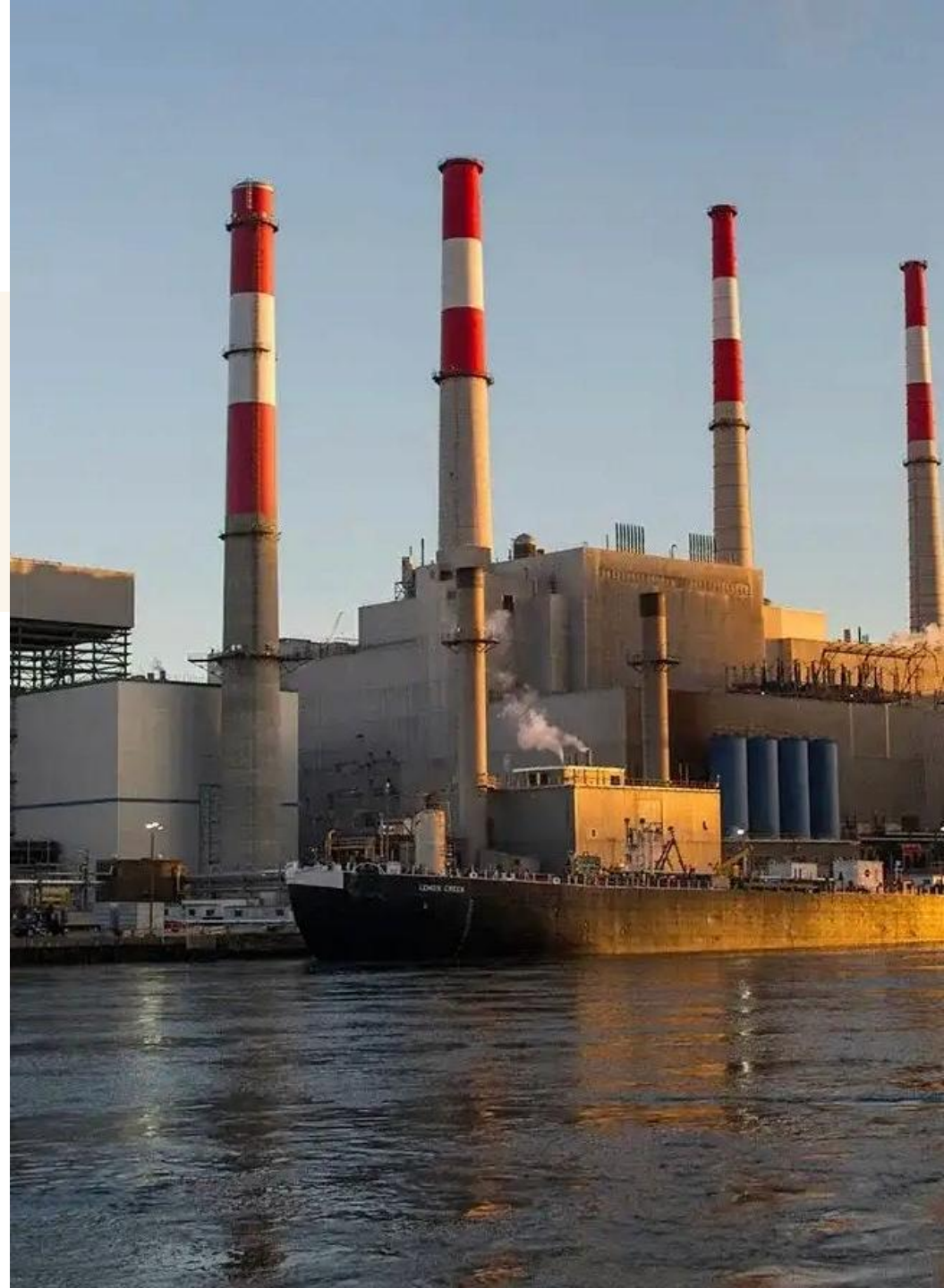
Remarks from the Secretary

Secretary Rebecca Tepper, Executive Office
of Energy and Environmental Affairs





Presentation and Discussion on Decarbonizing the Peak (DTP) FAWG – Inform/Decide



Decarbonizing the Peak FAWG: Topics to be Covered and Discussed

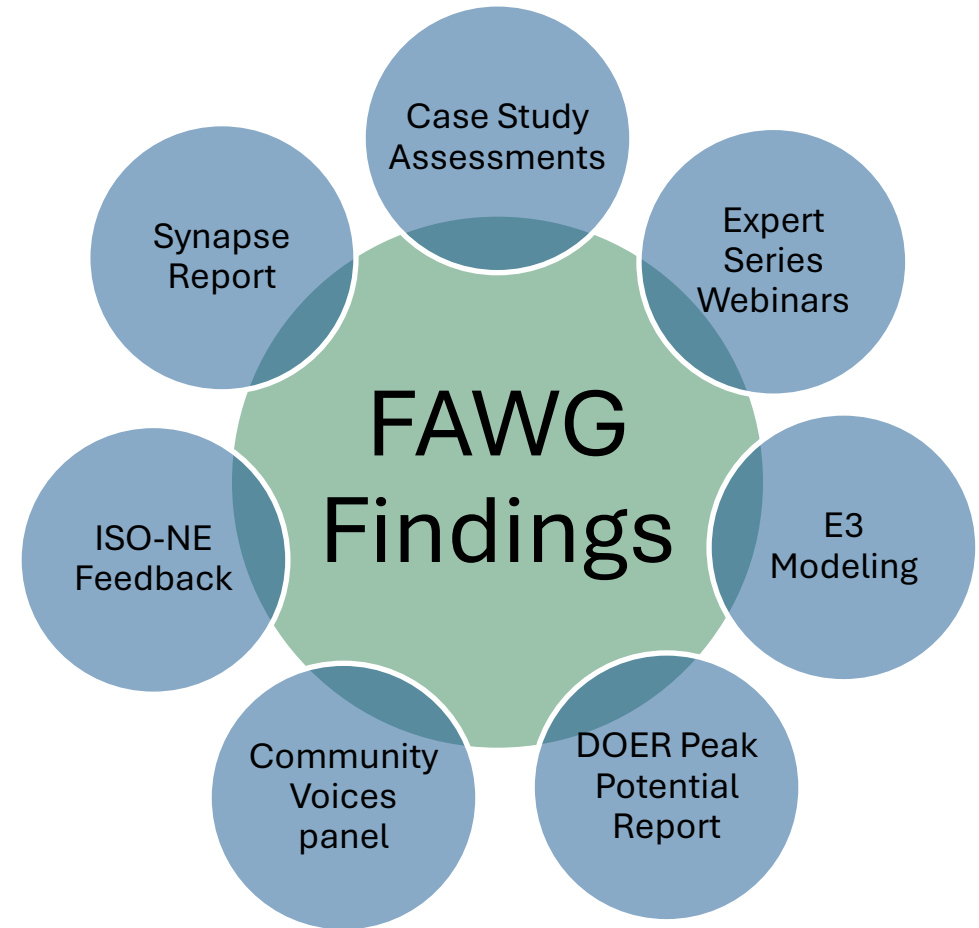
Topic	Advisory Board Request or Discussion Point
1. Progress Report (pre-read only)	Inform (pre-read only) <ul style="list-style-type: none"> • Workplan Review & Status • Mission & Purview • Phase 3 Activities Since Last Advisory Board Meeting • Phase 2/3 Objectives and Outcomes to Date
2. Presentation of FAWG Findings and Initial Recommendations*	Inform/Review
3. Vote	Decide: The Advisory Board affirms the DTP FAWG’s findings and moving to develop and finalize policy recommendations in advance of the next Advisory Board meeting.

*Full findings are included as a PDF attached to the June 4th email. Copies available in the room.



Decarbonizing the Peak FAWG: Process for Developing Findings

- The DTP FAWG findings synthesize outcomes of the FAWG's discussions and analysis conducted in Phases 1 and 2, including:
 - Individual facility case study assessments
 - Expert series webinars
 - E3's resource adequacy and abatement cost modeling
 - Findings from DOER's [Peak Potential Report](#)
 - The January 14th FAWG community voices panel
 - ISO-NE feedback
 - The Synapse [Decarbonizing the Peak Report](#)



Decarbonizing the Peak FAWG: ISO-NE Affirmed Findings from E3 Modeling

- ISO-NE's overall view is supportive of the E3 and FAWG analysis and consistent with the ISO's Economic Study & Environmental Outlook team's findings for 2030 and 2040. ISO-NE highlighted that:
 1. With existing technologies, there currently is not a cost-effective path to retire *all* peakers.
 2. Even if substantial amount of peaker capacity is replaced by renewables and battery storage, analysis shows that both long-duration storage and clean firm generation (i.e. SMRs) are needed to retire peakers.
 3. Emissions can be meaningfully reduced at a lower cost by minimizing peaker usage (e.g., lowering peak demand, increasing flexibility) while keeping some facilities online for capacity benefits.
- ISO-NE provided constructive feedback on the modeling, including some intentional limitations that align with FAWG analysis. While addressing these limitations could affect certain modeling outputs, it is not expected to materially alter the overall results or the report's key conclusions.



Decarbonizing the Peak FAWG: Key Themes from Findings (1-5 of 11)

The findings were unanimously affirmed by the DTP FAWG. The full text version of the findings can be found in the pre-read attachment. The core point of each finding is stated here.

1. **Reliability risks shift from short summer peaks to sustained winter peaks by the 2040s**, requiring clean resources that can perform during long high-demand/low-renewable periods.
2. **Peaker plants will remain critical for grid reliability** until scalable, cost-effective alternatives can provide equivalent capacity.
3. **Demand response and load management** can reduce peak demand through 2050, mitigating costs and emissions, while meeting longer winter peaks will require additional demand-side innovations.
4. **The current regulatory framework relies heavily on ISO-NE capacity market payments** to keep peaker plants financially viable for reliability needs, while ongoing Capacity Auction Reforms (CAR) aim to better value all resources based on reliability contributions.
5. **In 2030, peaker replacement options include storage, renewables, demand-side solutions, grid-enhancing technologies, and potentially alternative fuels** if commercially available, cost competitive, safe, carbon neutral, and feasible at scale.








Decarbonizing the Peak FAWG: Key Themes from Findings (6-11 of 11)

6. **By 2040, expanded wind generation will need to be paired with more longer duration energy storage**, while emerging technologies like SMRs and fusion may play a future role if commercially viable.
7. **Full grid decarbonization by 2050 may be achievable with non-combustion resources**, storage, grid optimization, and firm clean power, though feasibility and costs of this pathway are debated among FAWG members.
8. **Decarbonizing institutional CHP systems will require phased strategies** combining fuel retrofits, efficient electrification, storage, active demand response, thermal energy solutions (e.g., campus-wide geothermal), and clean backup solutions.
9. **Equity and community engagement must guide the energy transition** to reduce cumulative harms, deliver local benefits, and support workforce transition.
10. **Interconnection delays to the regional grid are a major barrier to deploying new clean resources** and will require regional coordination to accelerate grid integration.
11. **Peaker plant decarbonization pathways will vary by site** based on community impacts, infrastructure, grid conditions, technology readiness, and financial factors.



Decarbonizing the Peak FAWG: High-Level Takeaways and Basis for Recommendations

-  Accelerate demand management and peak demand reduction strategies to mitigate peak electric needs – and subsequent reliance on peakers – and to support grid flexibility and reliability.
-  Boost deployment of more renewable energy, short- and long-duration energy storage, and grid enhancements to address constraints and reduce reliance on fossil peakers, in near-to mid-term.
-  Streamline interconnection and advance market reforms at ISO-NE that enable faster integration of clean resources and appropriately value capacity contributions.
-  Establish a clear, consistent emission accounting framework for alternative fuels.
-  Ensure equitable, site-specific transition planning that prioritizes community impacts, health benefits, and workforce considerations.



Questions & Discussion



Decarbonizing the Peak FAWG: Vote: Affirm Findings and Initial Recommendations

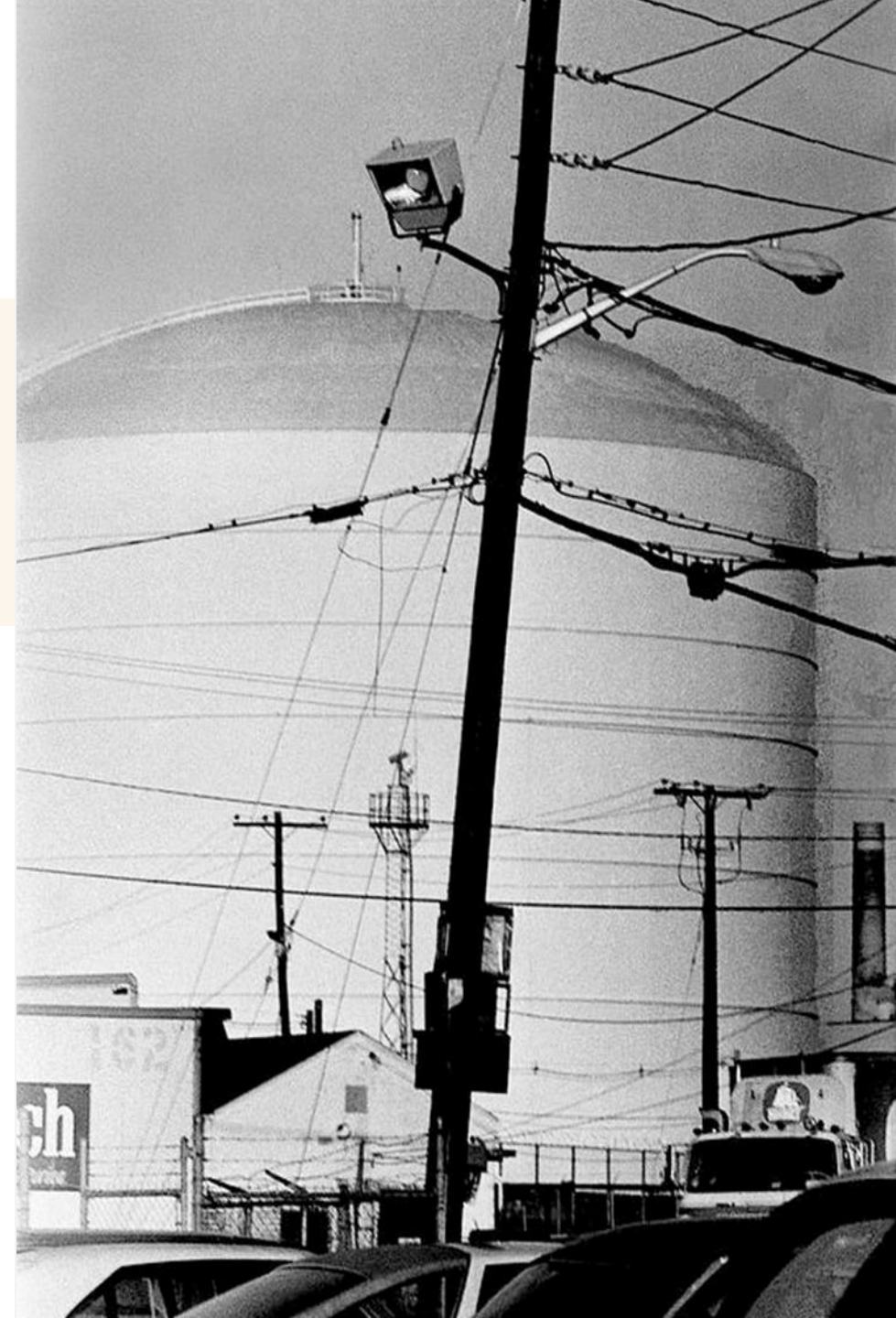
Vote

The Advisory Board affirms the DTP FAWG's Findings and moving to develop and finalize policy Recommendations in advance of the next Advisory Board meeting.





Presentation and Discussion on Everett Marine Terminal (EMT) FAWG – Inform/Decide



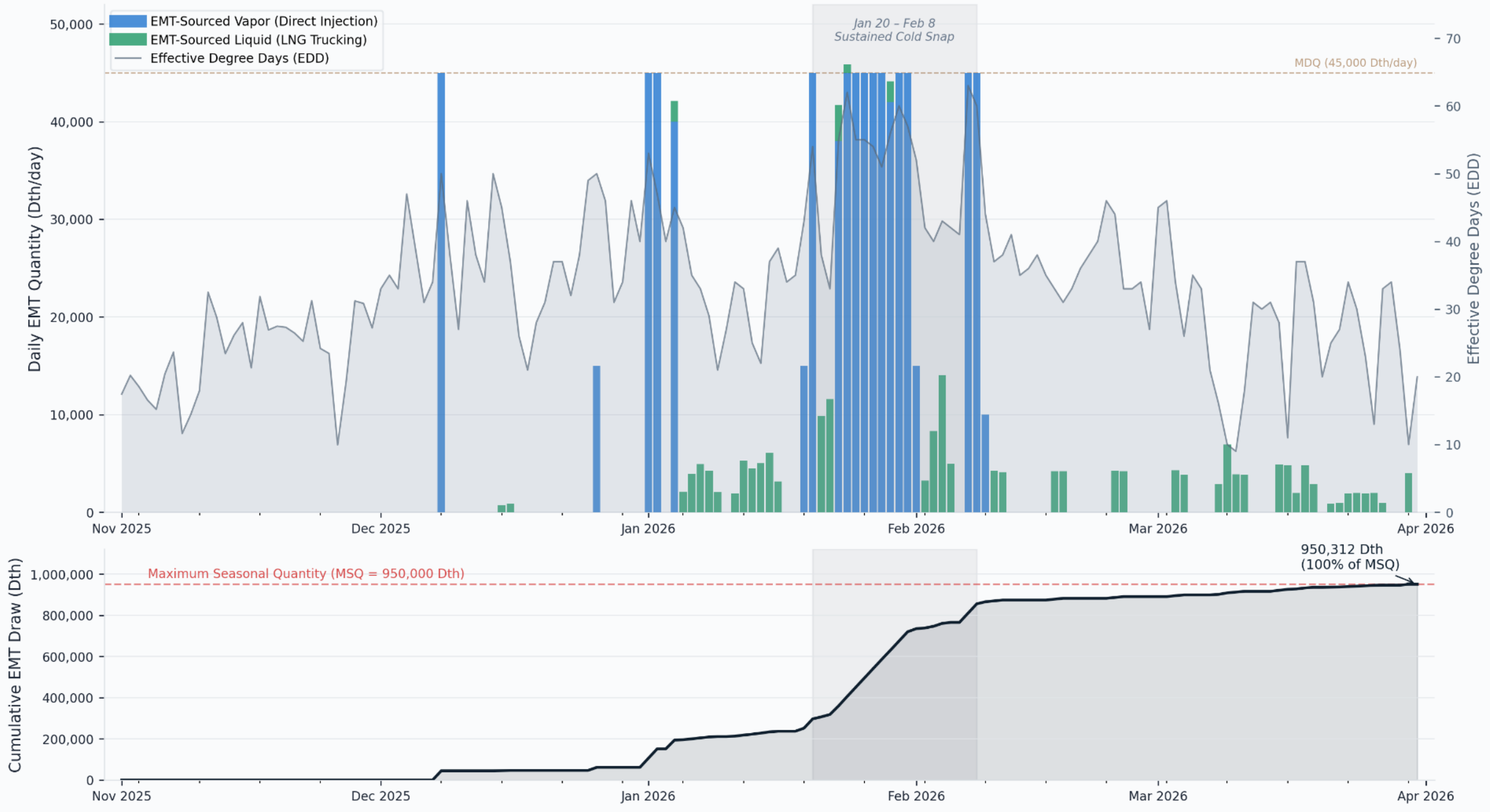
Everett Marine Terminal FAWG: Topics to be Covered and Discussed

Topic	Advisory Board Request or Discussion Point
1. Progress Update (pre-read only)	Inform (pre-read only) <ul style="list-style-type: none"> • Mission & Purview • Phase 3 Activities Since Last Advisory Board Meeting • Phase 3 Objectives and Outcomes to Date
2. Phase 3 Progress Materials (pre-read only, attached for review)*	Inform/Review: <ul style="list-style-type: none"> • Findings and Recommendations (Final Draft) • Assessment Report (Final Draft) • LDC Alternative Assessments and Supporting Materials (Final)
3. Presentation	<ul style="list-style-type: none"> • EMT Utilization • Cost Mitigation Review • Community Considerations • Summary of Findings and Recommendations • Next Steps
4. Vote	Decide: The Advisory Board affirms the EMT FAWG’s Findings and Recommendations.

*Full findings and recommendations are included as a PDF attached to the June 4th email. Copies available in the room.



National Grid (Boston Gas) EMT Utilization — 2025/26 Heating Season



Everett Marine Terminal FAWG: Review of Cost Management Options (Feb and Mar Meetings)

Are there mechanisms for lowering the burden of EMT fixed costs to LDC ratepayers?

Criterion	ISO-NE Capacity Auction Reform	Expand the Contracting Parties	Pipeline Peaking Tariff	State Ownership of EMT
Cost Impact	Mixed	To Be Determined	Mixed	Mixed
Timeline	Mixed	Challenging	Mixed	Challenging
Legal / Regulatory	Favorable	Challenging	Challenging	Mixed
Stakeholder	Uncertain	Challenging	Challenging	Mixed
Equity	Favorable	Favorable	Favorable	Favorable
Climate Goals	Favorable	Mixed	Mixed	Mixed

Issues At Play:

- FERC Natural Gas Act Regulation: EMT is regulated under Section 3, leaving little control and oversight over pricing compared to Section 7.
- Potential additional customers have options available at a lower cost (e.g., oil, Repsol St. John, various local and regional LNG producers, etc.).

Key Findings

- ISO-NE's Capacity Auction Reform is progressing but will not be implemented until 2028 at the earliest, leaving little to no time to assess the impacts prior to new contracts being negotiated.
- Other options face either limited potential or significant barriers to implementation.

The FAWG conducted a qualitative research and evaluation exercise of options that could reduce costs to ratepayers.



Everett Marine Terminal FAWG: Community Considerations (April Meeting)

The City of Everett and GreenRoots framed local priorities that apply whether EMT continues or retires.

Monica Lamboy

Chief Development Officer

City of Everett



John Walkey

Director of Climate Justice & Waterfront Initiatives

GreenRoots



SHARED PRIORITIES FOR THE MYSTIC WATERFRONT

- Public access and a waterfront park network.
 - Transit investment as a precondition for functional redevelopment.
 - Climate resilience — particularly the delayed Island End River flood-protection project.
 - Economic benefits that reach existing residents.
 - Meaningful community-driven engagement (mirroring the approach of Trimount BESS).
- Neither took a position on EMT's future.
 - Their priorities remain relevant regardless of facility operational status.
 - The City of Everett acknowledged that other energy infrastructure and industrial uses are expected to remain for decades, and they are not currently seeking additional changes to the Designated Port Area, which impacts future development and uses.



Everett Marine Terminal FAWG: Final Findings

EMT's role and Contracts

1. **EMT's role:** supply, pressure support, redundancy, regional storage.
2. **LDC contracts:** run through 2030; large fixed costs; limited ability to regulate costs.
3. **Regional role in supporting the gas and electric systems:** Other regional parties (pipeline operators and customers) also benefit from hard-to-quantify reliability and supply option value but contribute little to fixed-cost recovery.

Costs

4. **Gas ratepayers now bear the fixed costs of EMT:** Prior to Mystic Generating Station's closure in 2024, EMT's fixed costs were absorbed by the regional electricity market. Following the closure, the costs have become concentrated on Massachusetts gas ratepayers.
11. **Several assessed cost mitigation strategies could partially offset costs to gas ratepayers:** (1) ISO-NE's Capacity Auction Reform (in development); (2) Expansion of EMT's commercial customer base; (3) FERC-approved pipeline peaking tariff; (4) state or public-entity ownership of the terminal.*

Emissions and Risks

5. **Emissions associated with EMT gas use and operations are a very small portion of overall Massachusetts emissions** including emissions from use of EMT supply, liquefaction, and fugitive emissions. Continued use of EMT as a peaking resource could be consistent with statutory emissions limits.
6. **Aggregate gas use that underpins LDC forecasts is inconsistent with the state's emissions limits (not EMT utilization, *per se*).**
7. **Emerging risks include:** changing demand patterns, concentration of costs, regulatory pressure, reliability, situational risks, and the global LNG market.

Pathways and Constraints

8. **Eliminating reliance requires both overall and peak gas demand reduction and targeted system investment**, prioritizing reduction on commercial and institutional peak gas demand.
9. **Complete elimination of LDC reliance by 2030 is infeasible, currently.**
10. **Reducing EMT dependency in dense load pockets requires coordinated demand-side planning at a scale that does not yet exist.***
12. **Future decisions about LDC contracts with EMT cannot be made in isolation from other active state workstreams that share the same load pockets, ratepayers, and 2028–2030 decision window.***

*New or revised finding since February ETAB affirmation of draft findings



Everett Marine Terminal FAWG:

Rec #1: Reduce EMT Dependency Through Demand Reduction

The FAWG recommends **cultivating options to accelerate strategic gas demand reduction**, consistent with Executive Order No. 654, and developing a clear pathway away from LDC reliance on EMT, recognizing that this may need to be accompanied by location-specific gas distribution system-related and demand reduction investments, including those that focus on peak gas demand.

Efforts to reduce reliance on EMT should focus initially on the **commercial and institutional customer segment** by developing strategies that meet its large and distinct energy transition needs.

Sub-Recommendations

- **Gas demand reduction** should be the primary strategy for reducing EMT dependency.
- **Supply-side or system interventions** should be considered within acceptable timelines and costs.
- **Advance non-fossil thermal resources directed under EO 654 with the goal of displacing peak gas demand.**
- **Enact the regulatory framework proposed in H.4144/H.5175** to accelerate non-fossil thermal energy system deployment for large end-use customers.
- **Use the Boston-Area Thermal Energy Network (BosTEN) Feasibility Assessment** to inform the potential scale and timeline for reducing peak and aggregate gas demand.
- LDCs should **report on annual usage patterns and changes to EMT/LNG-related system infrastructure** in their EMT Annual Reports to the DPU.
- **Identify targeted electrification opportunities for Everett residents and businesses.**

*The preliminary recommendation presented to the ETAB in February 2026 has been revised for clarity and to align its aims with other state policy activities such as EO 654.



Everett Marine Terminal FAWG:

Rec #2: Mitigate and Fairly Allocate Costs of EMT Expenses

The FAWG evaluated four strategies for broadening EMT's cost-recovery base. No single strategy would fully resolve the cost allocation challenge.

However, even partial offsets to the current cost burden would produce meaningful savings for Massachusetts ratepayers relative to the *status quo*. The FAWG recommends pursuing multiple strategies in parallel.

Sub-recommendations

- A. Continue the Office of Federal and Regional Energy Affairs (FREAA) Engagement with **ISO-NE Capacity Auction Reform implementation**.
- B. Monitor, and where appropriate, enable the potential for **expanded contracting and alternative commercial uses** in conjunction with LDC contract renewal negotiations.
- C. Explore the viability of a **pipeline peaking tariff**.
- D. Explore **state purchase of EMT**, but do not prioritize in the near-term.

The preliminary recommendation presented to the ETAB in February 2026 has been materially revised to reflect the FAWG's investigation and deliberation on the topic of managing the cost burden of EMT.



Everett Marine Terminal FAWG:

Rec #3: Investigate Long-Term Role of Gas Supply and Storage

Investigate the long-term role of gas supply, pipeline capacity, and interstate transportation in the regional energy system. The EMT FAWG's mandate focused on LDC reliance on EMT. However, the nature of the LDCs' dependency is shaped by the current and potential future roles of EMT in providing its services and remaining in operation.

The study should be completed no later than 2028 to inform both Massachusetts decision-making and broader regional planning by ISO-NE and the New England states.

Consistent with Executive Order 654, OET, DOER, and FREA should **commission an independent study of how regional pipeline capacity, transportation contracting, LNG storage, supply portfolios, and procurement practices may evolve during the energy transition.** The study should examine:

- design-day deliverability;
- the allocation of firm capacity among LDCs and generators;
- addition and/or expansion of regional cross-seasonal liquefaction capacity;
- the potential role of a pipeline peaking tariff;
- the implications of declining aggregate demand for fixed-cost recovery of EMT and similar-positioned infrastructure, and associated regulatory implications;
- the role of other regional gas storage assets;
- alignment with state and regional decarbonization pathways; and,
- potential changes to federal regulatory oversight as it pertains to evolving utilization of gas supply assets.

To inform the study, OET, DOER, and FREA should **issue a request for information on strategies to meet peak demand cost-effectively**, with a focus on reducing reliance on expensive peaking resources.

*The preliminary recommendation presented to the ETAB in February 2026 has been revised for clarity, provide a timeline, and to align its aims with other state policy activities such as EO 654.



Everett Marine Terminal FAWG: Perspectives of Abstaining FAWG Members

- **The FAWG affirmed the Findings and Recommendations**, with some members abstaining.
- Of the members who abstained and provided perspectives, they included:
 - Concern over Recommendation #1's focus on gas demand reduction in EMT dependent regions as opposed to broader system-wide gas demand reduction.
 - Preference for broad-based demand reduction efforts across the gas system.
 - Concern that additional discussion and formal analysis of EMT's unique market position is needed to protect consumers (discussed in Finding #4).
 - The LDC's reliance and demonstrated lack of feasible alternatives to EMT are perceived as providing a *de facto* advantage that limits the ability of the LDCs to negotiate beneficial outcomes for ratepayers.
 - Neither state nor federal regulators have authority over EMT's costs.
 - Flagged as an area warranting further formal exploration.

The *National Gas Act* differentiates between facilities that offer interstate services at the “public convenience and necessity” (§7) and are subject to cost-of-service regulation, and those such as EMT that simply import LNG (§3) and are not subject to cost scrutiny.



Everett Marine Terminal FAWG: What Affirmation Today Enables

Next Steps:

Entity	Action
LDCs Annual EMT Reports	Annually report on utilization patterns and LNG-related changes.
OET	Convene key stakeholders to share EMT updates and identify ways in which to incorporate/advance BosTEN Feasibility Assessment findings to reduce peak gas demand.
OET/ DOER/FREA	Oversee gas supply study and issue RFI for alternatives to meeting peak gas demand with a focus on demand reduction.
FREA	Engage in ISO-NE's Capacity Auction Reform activities.
EEA	Integrate EMT-related findings into the 2035 Clean Energy and Climate Plan.
MassCEC	Monitor and, where appropriate, support opportunities to work with Constellation on alternative commercial uses of EMT.
DPU	Provide an overview of its policies, procedures, and approach to confidential pricing information and related order directives in advance of future EMT supply contract proceedings.

On the Horizon

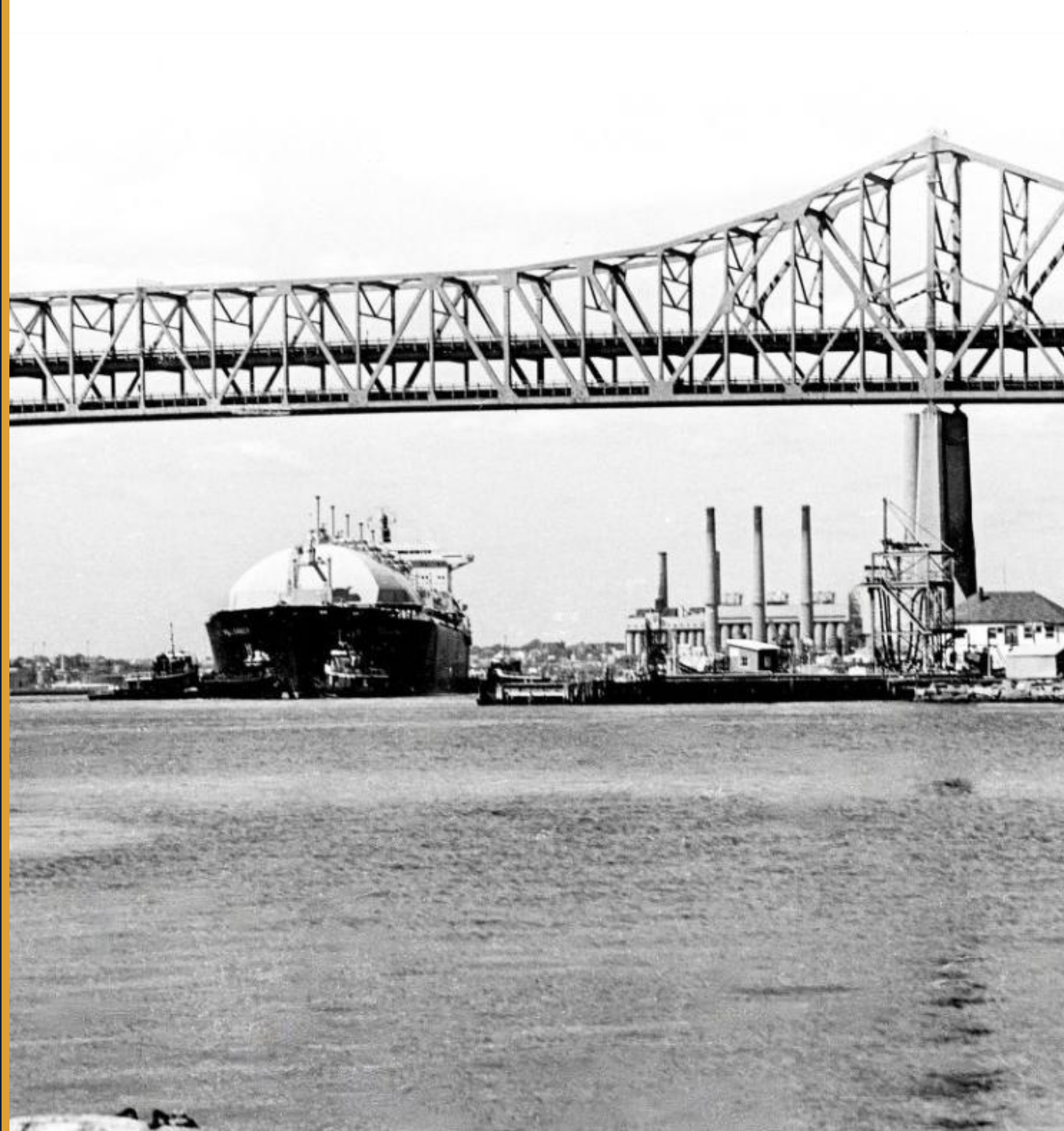
- May '26** ● *Project Beacon open season on Algonquin indicates a new regional capacity resource.*
- Summer '27** ● *BosTEN study identifies potential and timeline for large commercial loads to reduce gas demand.*
- '27-'28** ● *Gas Supply Study (Recommendation 3) LDCs commence contract negotiations.*
- '28-'29** ● *ISO-NE capacity auction reforms expected to start.*
- '29-'30** ● *End of current LDC contracts with EMT.*

High-Level FAWG Outcomes

- Convened 40+ organizations to understand and address issues, costs, and drivers to a deeper degree than possible in a DPU proceeding.
- Better informed stakeholders and intervenors in advance of future DPU proceedings and broader policymaking.
- Identified peak demand reduction as the priority pathway to reduce and ultimately eliminate reliance on EMT; engaged key C&I customers needed to achieve reduction.
- Identified options to mitigate cost impacts while reliance remains.
- Laid the groundwork for making more informed, transparent, and deliberate decisions around the future relationship of EMT with the LDCs and broader energy system.



Questions & Discussion



Everett Marine Terminal FAWG: Vote: Affirm Findings and Recommendations

Vote

The Advisory Board affirms the EMT FAWG's Findings and Recommendations.





10-Minute Break

We will return at 2:40 PM





Presentation and Discussion on Financing the Transition (FTT) FAWG – Inform/Decide



Financing the Transition FAWG: Topics to be Covered and Discussed

Topic	Advisory Board Request or Discussion Point
1. Progress Report (pre-read only)	Inform (pre-read only) <ul style="list-style-type: none">• Phase 3 Activities Since Last Advisory Board Meeting• Phase 2/3 Objectives and Outcomes to Date
2. Presentation of FAWG Findings and Initial Recommendations*	Inform/Review
3. Vote	Decide: The Advisory Board affirms the FTT FAWG's Findings & Recommendations.

*Full findings and recommendations are included as a PDF attached to the June 4th email. Copies available in the room.



Financing the Transition FAWG: Key Themes from Core Strategic Findings (1-3 of 6)

The findings were affirmed by the FTT FAWG. The full text version of the findings can be found in the pre-read attachment. The core point of each finding is stated here.

- 1. A Portfolio Approach is Needed:** Policymakers should match financing strategies to specific goals and timelines, distinguishing between near-term bill relief and long-term structural changes that reduce lifetime system costs and future investment growth rate.
- 2. Non-Traditional Financing Alternatives Can Mitigate Bill Impacts, But the Impact of Financing Techniques Alone is Limited:** Alternative financing approaches can reduce customer costs by replacing higher-cost utility equity with lower-cost debt. Savings are likely to be incremental and depend on market conditions, investment scale, and careful implementation.
- 3. New Revenue Sources Have Larger Bill Impacts, But Face Hurdles to Implementation:** Measures that deploy new sources of capital to directly fund distribution infrastructure investments, like public-private partnerships, a carbon or fossil fuel fee, or climate superfund, could reduce customer bills more than financing mechanisms alone.



Financing the Transition FAWG: Key Themes from Core Strategic Findings (4-6 of 6)

- 4. Measures to Support Demand Reduction (Non-Wires Alternatives) Can Avoid Traditional Utility Distribution Investment, and Need Additional Analysis:** Demand-side investments and distributed energy resources could lower ratepayer costs by leveraging private capital to reduce energy demand and defer or avoid infrastructure upgrades and associated investments. Analyses suggest these approaches can deliver near- and mid-term economic value while advancing equity, if designed effectively.
- 5. Policymakers Must Understand and Prevent Unintended Consequences of Alternative Financing Mechanisms on Utility Business Practices, Where Demonstrated:** FAWG members are not aligned on the ability of securitization to reduce overall costs for customers for distribution system investments. Some see it as a scalable way to lower financing costs and smooth rate increases, while others caution it could increase financing costs for a utility's remaining distribution system investment needs, potentially negating initial savings.
- 6. Social Equity Must Be Engineered In:** Alternative financing measures could provide meaningful bill relief for ratepayers, especially low- and moderate-income households and environmental justice communities. The FAWG recommends designing equity into financing approaches from the outset rather than relying on after-the-fact adjustments.



Financing the Transition FAWG: High-Level Recommendations

	Rate smoothing	Reduces asset financing costs	Leverages public financing	New private sources of capital	Assigns costs to beneficiaries	Dedicated equity component	Reduces overall system costs
Clean Energy Distribution Tariffs	○	○	○	◐	●	○	○
Securitization	●	●	○	○	○	○	○
Non-Utility Distribution Entitlement Lease	○	○	○	●	○	●	○
Public-Private Partnerships	◐	◐	◐	○	○	○	○
Environmental/ Energy Transition Bonds	●	●	●	○	○	○	○
State Revolving Fund	●	●	●	○	○	○	○
Climate Superfund	○	○	○	●	○	○	○
Carbon or Fossil Fuel Fee	○	○	○	●	○	○	○
DER Aggregation	○	○	○	●	◐	◐	●



Financing the Transition FAWG: Perspectives of Abstaining FAWG Members

- **The FAWG affirmed the Findings and Recommendations report** provided, with some members abstaining.
- Of the members who abstained, perspectives that informed their decisions included:
 - Whether there is enough evidence that the tools and how they are implemented will reliably reduce energy burden.
 - Need deeper modeling, clearer equity protections, and more evaluation of demand-side alternatives.
 - Risk of unintended consequences from use of securitization.
 - Impact on financing costs for non-securitized assets.
 - Lack of history/experience of using securitization in the context of ongoing operations.
 - Upfront effort and cost to complete a securitization vs. utilities' ability to meet flexible/immediate financing needs.



Questions & Discussion



Financing the Transition FAWG: Vote: Affirm Findings and Recommendations

Vote

The Advisory Board affirms the FTT FAWG's Findings & Recommendations.





Next Steps for Advisory Board and FAWGs



Next Steps for FTT and EMT FAWGs

- Final reports will be posted to the OET website and OET will share with broader Healey-Driscoll Administration.
- OET will hold informational webinars to review and provide detail on the findings and recommendations of each FAWG, including the process by which findings and recommendations were developed. These webinars will be recorded and posted to the OET website.
- **Question for ETAB:** Do you have additional suggestions for helping publicize these findings and recommendations?



Proposal for a New FAWG on Peak Energy Demand Reduction

- **Context:** A common finding and recommendation from each FAWG is that reducing both peak electric and gas demand will drive affordability, enable emission reductions, avoid future infrastructure investment, and result in greater utilization of the existing energy system.
- **Proposal:** As the FTT, DTP, and EMT FAWGs complete their respective work, “sunset” each FAWG’s individual effort and launch a new FAWG focused on **peak energy demand reduction**.
 - The proposed Peak Energy Demand Reduction (PEDR) FAWG would focus on coordinated strategies to reduce both electric and gas peak demand that:
 - Avoid future infrastructure and supply costs (gas and electric),
 - Reduce customer bills,
 - Enable emissions reductions aligned with the CECP, and
 - Support Executive Order 654's 3.5 GW of demand reduction by 2035 target and EMT directive.
 - The DTP FAWG will continue its work and focus on developing recommendations for supply-side resources. Where overlap is identified, the DTP FAWG will support the PEDR FAWG’s efforts.



Peak Energy Demand Reduction (PEDR) FAWG: Focus and Scope*

- **Focus of New FAWG:** The work group will focus on identifying and prioritizing the most impactful strategies for:
 - reducing system-wide peak gas and electric demand, and
 - reducing locationally specific peak energy demand growth that would otherwise require electric infrastructure buildout and/or the need to maintain LDC contracting with EMT.
- **Scope:** The PEDR FAWG will:
 1. Identify current Massachusetts strategies to reduce peak gas and electric demand and barriers to achieving benefits using the [DOER Peak Potential Report](#) as a starting point.
 2. Develop potential policy and program additions or improvements to existing policies and programs to lower peak energy demand, with a focus on equitable processes, access, and outcomes.
 3. Prioritize the highest-impact strategies.
 4. Develop recommendations to the Advisory Board.

*Proposed charter for PEDR FAWG and a timeline for completing its work is included as a PDF attached to the June 4th email. Copies available in the room.



Small Group Discussions Focused on New FAWG Proposal

Advisory Board will split into table groups to discuss the proposed PEDR FAWG including:

- Is the scope and focus generally aligned with the findings and recommendations from the other FAWGs?
- What would you add or amend?
- Do you have changes to the proposed charter, scope, outcomes, and/or timeline?



Vote: Approve Creation of New Peak Energy Demand Reduction FAWG and Sunset FTT and EMT FAWGs

Vote

The Advisory Board agrees to sunset the Financing the Transition FAWG.

The Advisory Board agrees to sunset the Everett Marine Terminal FAWG.

The Advisory Board affirms that OET can establish the Peak Energy Demand Reduction FAWG and approves the Charter, Mission and Scope.





**MASSACHUSETTS
OFFICE OF ENERGY
TRANSFORMATION**

Thank You!