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TRANSFORMATION

Energy Transformation Advisory Board Quarterly Meeting

June 11, 2026

Pre-Read Packet

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).

Updates on Outreach and Engagement

Leominster Community Meeting

Hosted a community meeting on April 2nd in Leominster. Provided an overview of the state's climate and clean energy policies and work of the Office of Energy Transformation. Received input and feedback from local community members for additional areas of focus and support.

City of Everett Presentation on Everett Development Plans

Monica Lamboy, Chief Development Officer for the City of Everett, presented an overview of development plans for the area around the Everett Marine Terminal to the FAWG, providing the city’s perspective on the opportunities and challenges that the site presents.

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.

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Remarks from the Secretary

Secretary Rebecca Tepper, Executive Office of Energy and Environmental Affairs

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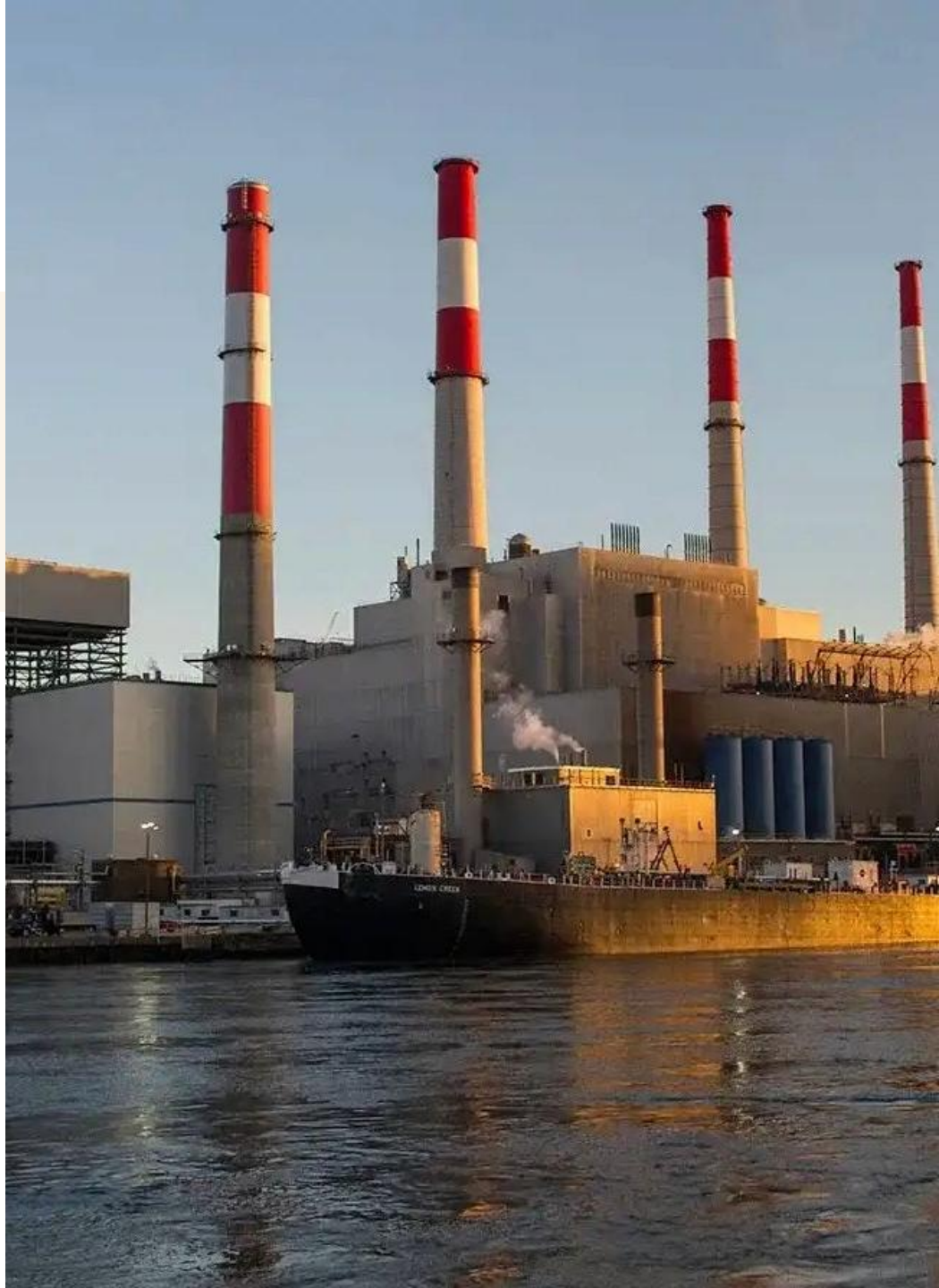
Presentation and Discussion on Decarbonizing the Peak (DTP) FAWG – Inform/Decide

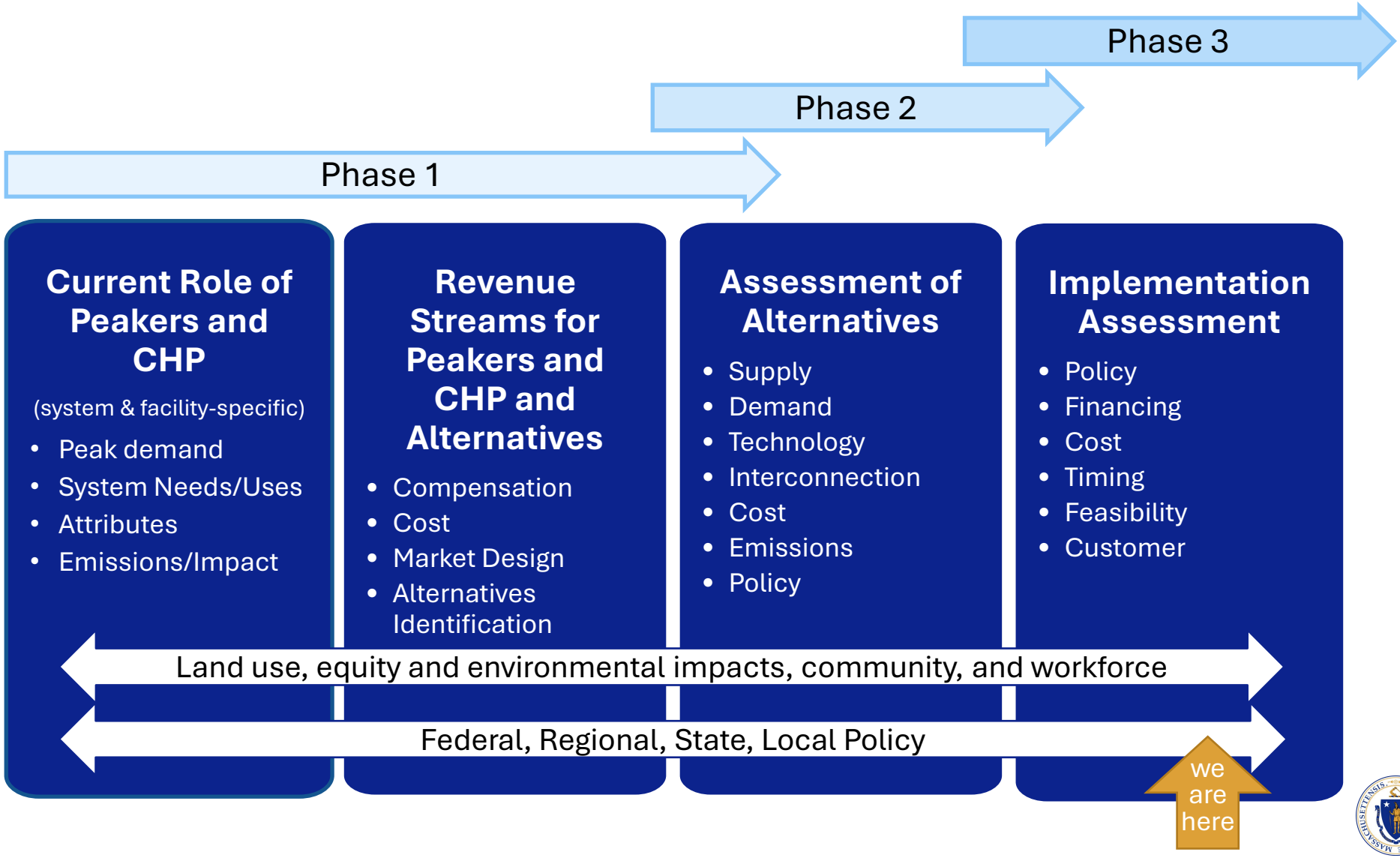


Decarbonizing the Peak FAWG: Topics to be Covered and Discussed

Topic	Advisory Board Request or Discussion Point
1. Progress Report (pre-read only)	Inform (pre-read only) • 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: Workplan Reminder and Status



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Decarbonizing the Peak FAWG: Drivers of DTP FAWG Mission and Purview

"Peaker plants" are generating units used for short-term needs, such as demand spikes. Combined Heat and Power (CHP) plants operate more regularly and typically ramp up during peak periods, helping to mitigate stress on the grid. CHP facilities also provide other services (e.g., steam, heating) to their owners/operators/users.

Peaker plants have an outsized impact on emissions due to their relative inefficiency, with some burning oil during the winter peak. While more efficient, as the grid decarbonizes CHP units will have a higher GHG profile and extend reliance on the gas system.

Increased reliance on intermittent renewable energy sources and shifts in the magnitude, timing, and seasonality of peak demand by 2040 will increase the need for peaking capacity on the system and could drive expanded CHP use without mitigative actions.

The **DTP FAWG** is exploring alternative options on the demand and supply side to meet/mitigate peak demand and create pathways for reducing CHP use.

What is Driving Consideration of Alternatives?

- *Affordability:* high cost of power from peakers and impact on gas system during peak periods.
- *Climate:* peaker plants are currently powered by fossil fuels, including oil, and have an outsized emissions impact; as the grid decarbonizes, CHP units will become a higher emitting alternative.
- *Increasing demand:* with increased electrification, growing demand, and shifting of peak period, peaker plant and CHP reliance could grow without mitigation.
- *Relationship to EMT:* reduction in gas usage from CHP units can help reduce/eliminate reliance on EMT.

Decarbonizing the Peak FAWG:
Phase 3 Activities Since Last Advisory Board Meeting

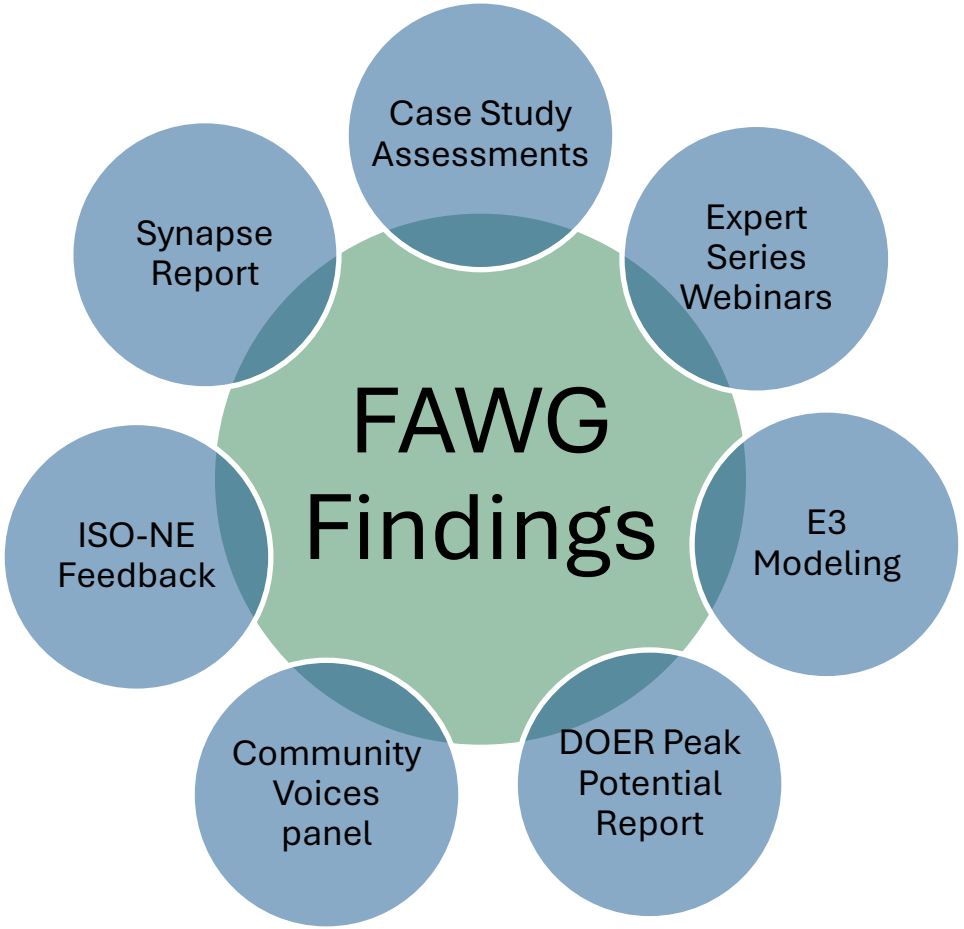
82 Participants Subject Matter Expertise Provided by E3, Harvard Environmental & Energy Law Program, and Georgetown Climate Center			
Meeting 14 March 4, 2026	Meeting w/ISO-NE April 1, 2026	Meeting 15 April 15, 2026	Meeting 16 May 28, 2026
E3 presented plans for high-level analysis on the costs of emissions reductions and peaker replacement. Reviewed initial list of key takeaways/findings from FAWG work for feedback.	OET and E3 met with ISO-NE to review results and key takeaways from E3 system modeling to confirm alignment. ISO-NE generally confirmed the findings from E3 and the FAWG and provided feedback.	E3 presented results from cost analysis, showing renewables are effective at reducing overall emissions, with emissions abatement costs for displacing peaker capacity varying depending on penetration and future cost of long-duration energy storage, in particular. FAWG provided feedback on updated version of findings, which were revised based on previous member feedback. Harvard presented on current MA policies targeting demand response and renewables & storage.	Georgetown presented on FERC 2222 and current MA policies targeting Grid Enhancing Technologies (GETs). Unanimous approval of final version of FAWG findings from participating members. Agreement to initiate discussion of recommendations. Initial ideas generated.

Decarbonizing the Peak FAWG: Phase 1-3 Objectives & Outcomes to Date

	Phase 2		Phase 3	
Goal	**Reliability Modeling of Replacement Alternatives**	**High-Level Analysis on Peaker Abatement Costs**	**Understand Current Policies Targeting Priority Technologies from Phase 2**	**Final Findings & Initial Recommendation Pathway**
FAWG Work	E3 performed reliability modeling to assess the ability of potential alternative resources to reduce reliance on peaker plants in Massachusetts. Draft results and findings were presented to the group and key findings were discussed.	E3 presented results of its abatement cost analysis, finding that renewables effectively reduce overall emissions. Abatement costs vary depending on renewable penetration levels, the future cost of long-duration energy storage, and the commercialization and cost of fusion energy and SMRs.	Harvard and Georgetown presented overviews of the current policy landscape on: renewables & storage, demand response, and GETs. FAWG members suggested additional policies to consider.	DTP consultant team drafts potential recommendations as a starting point for FAWG discussion based on work in Phases 1 & 2. FAWG members review in detail and suggest edits or additional recommendations.
Outcome	Modeling is complete and was discussed in small groups during the FAWG.	Modeling is complete and was discussed in small groups during the FAWG.	Formed the basis for recommendations discussion focused on accelerating renewables and storage.	Advisory Board review and decision in June 2026 on final findings and next steps on recommendations.
Additional Information Requested	Analysis on the costs of emissions reductions from peaker replacement.	None	Overview of FERC order 2222 and implementation efforts.	None
Status	Complete	Complete	Ongoing	Ongoing

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.

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.

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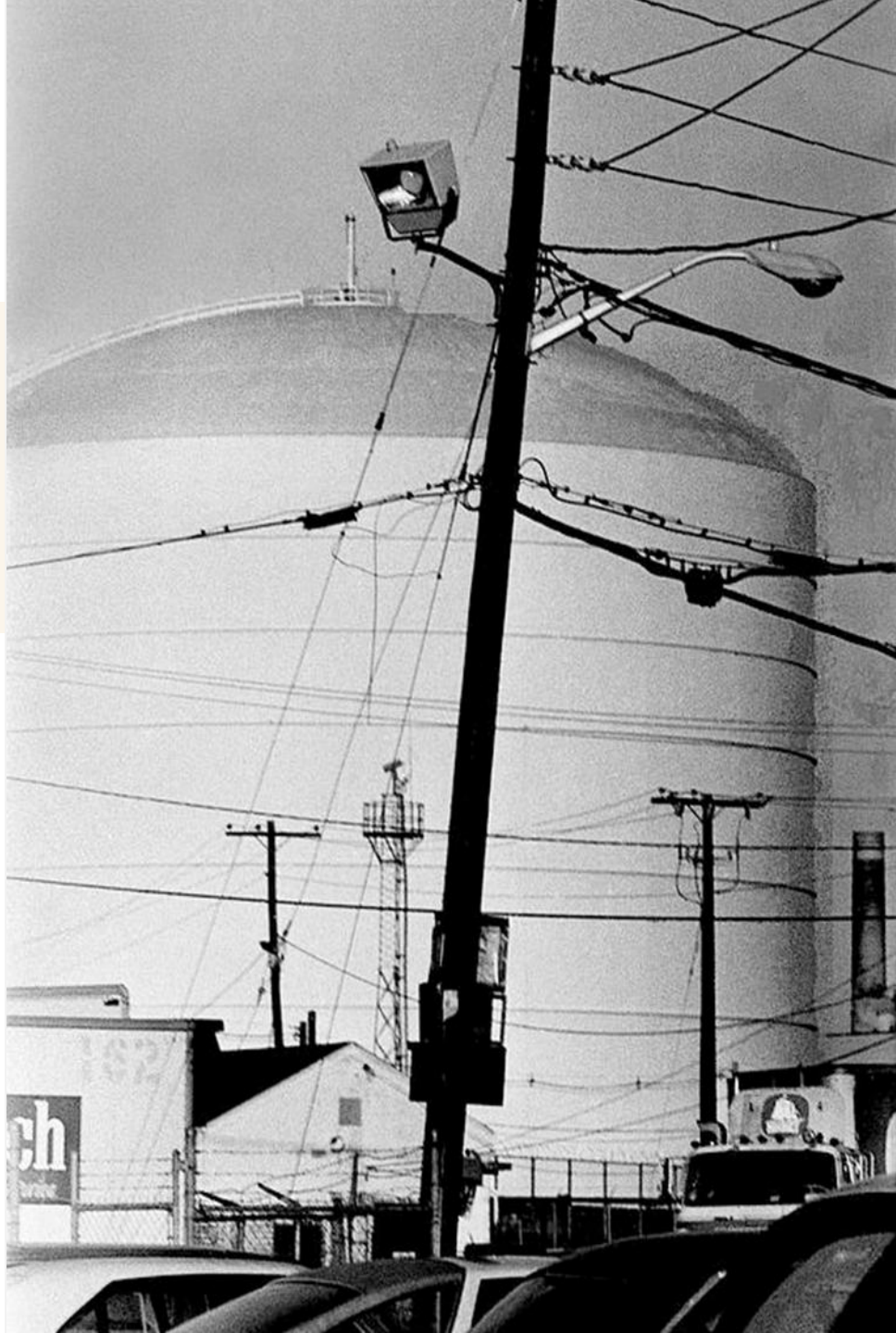
Presentation and Discussion on Everett Marine Terminal (EMT) FAWG – Inform/Decide



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) • 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: • Findings and Recommendations (Final Draft) • Assessment Report (Final Draft) • LDC Alternative Assessments and Supporting Materials (Final)
3. Presentation	• 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.

Everett Marine Terminal FAWG: Drivers of EMT FAWG Mission and Purview

EMT is a strategic state and regional resource but faced a decision point with the closure of its anchor customer (Mystic Generation Station).

Given the reliance of Massachusetts's **local distribution companies** (LDCs – **Unitil, National Grid & Eversource**) on EMT, each LDC contracted with EMT for six years to maintain resource reliability and system integrity.

The DPU, in recognition of transition risk, approved the contracts and directed each LDC "to fully investigate all possible alternatives…to reduce or eliminate their reliance on EMT" with a focus on cost, feasibility, timelines, and GHG emissions reductions.

The **EMT FAWG** serves as the stakeholder process to inform the LDC's assessment of alternatives and provide feedback through the LDC's ongoing progress reporting to the DPU vis-à-vis EMT.

What is Being Considered?

- *Affordability:* cost of EMT contracts; are there cheaper alternatives or ways to mitigate ratepayer costs?
- *Climate:* understand and guide alignment with climate goals.
- *System integrity:* understanding implications of EMT shuttering prior to eliminating need and potential risks/mitigations.

The EMT FAWG is focused on impacts to Massachusetts and its gas ratepayers, not the broader future of EMT.

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Everett Marine Terminal FAWG: Phase 3 Activities Since Last Advisory Board Meeting

44 Participants Subject Matter Expertise Provided by Groundwork Data				
Meeting 14 February 24, 2026	Meeting 15 March 18, 2026	Meeting 16 April 28, 2026	Meeting 17 May 14, 2026	Meeting 18 June 1, 2026
Built consensus around Recommendations 1&2. Reviewed potential strategies for mitigating the fixed costs of EMT on MA LDC ratepayers and aligned on framework for comparing cost mitigation measures.	LDCs presented previews of EMT annual reports. Reviewed LDC Forecast & Supply data and identified that while annual gas demand is decreasing, peak day demand remains constant. Reviewed initial assessment of four possible cost mitigation strategies.	City of Everett presented on development of area surrounding EMT. GreenRoots presented on EJ issues in Everett. Discussed and gained alignment on revisions to Findings and Recommendations 1&2.	Berkshire Gas presented on EMT contract. OET presented on history of EMT site. Discussed process for seeking approval of FAWG reports and discussed feedback on Findings and Recommendations, including feedback received during office-hours for members interested in additional discussion.	OET presented on new study affirming EMT's energy system role. FAWG members reviewed and voted to approve the EMT report. Of the FAWG members in attendance, 6 abstained from the vote and the remaining members approved; no members opposed.

Everett Marine Terminal FAWG: Phase 3 Objectives & Outcomes

Goal	3.1 Further Understand LDC Alternative Assessments	3.2 Draft Findings and Recommendation Pathway	3.3 Final Findings & Recommendation Pathway
FAWG Work	Following the LDC's alternative assessments (Phase 2) the FAWG: • Reviewed proposed Eversource G Lateral contracts. • Considered the transition tensions facing EMT. • Explored how different customer classes drive demand for EMT.	Across two meetings, the FAWG reviewed, discussed, and revised: • Summaries of LDC alternative assessments. • Draft Findings regarding the nature of the LDC's utilization of EMT and avenues to reduce or eliminate reliance on EMT. • Draft Recommendation Pathway on how to address EMT dependencies and costs.	Final deliberations on the Findings and Recommendations incorporating: • Alignment with EO 654. • Deep dive into cost management strategies. • Discussion of community perspectives. • Clarification of future information needs on the topic of gas supply in the region.
Outcome	Additional understanding of potential alternatives and customers influencing EMT use.	Produced *Draft Findings and Recommendations Pathway* for Advisory Board review on February 4, 2026.	Reviewed and affirmed by FAWG as part of final EMT report. Advisory Board review and decision in June 2026.
Additional Information Requested	None	None	None
Status	Complete	Complete	Complete

Everett Marine Terminal FAWG: EMT Report Outlines

Assessment Report

- Findings
- Recommendations
- Concise Overview of EMT
- The Role of the EMT FAWG
- The LDC Contracts with EMT
- LDC Alternative Assessments
  - EGMA/NSTAR Lateral Issues
  - National Grid Rate Cate
- Review of FAWG's Cost Allocation Assessment
- Alignment with other State Policy
- Next Steps
- Appendices: Membership, Agendas, Assessment Framework, LDC Assessment Presentations

Research Compendium

(Shared factual reference of background on EMT, to be uploaded to OET website at a later date)

- History of the Everett Site
- Gas Supply in MA Today
- EMT's Operations Today
- EMT's Situational Context
- GHG Emissions Associated with EMT
- The Role of EMT in Grid Operations and the Energy Transition
- Appendices: Non-FERC Regulations Applicable to EMT, Correspondence with ISO-NE

Everett Marine Terminal FAWG:
Today's Ask: Affirm EMT FAWG Findings & Recommendations

During the presentation, we will:

- Update on EMT progress since the February 4, 2026, Advisory Board meeting:
  - Winter Recap: How EMT was used in '25/'26
  - Evolution of the EMT site
  - Review and evaluation of cost management options
  - Surface community considerations
- Present the Findings and Recommendations of the FAWG

ETAB will then discuss, ask questions, and vote on affirming the Findings and Recommendations.

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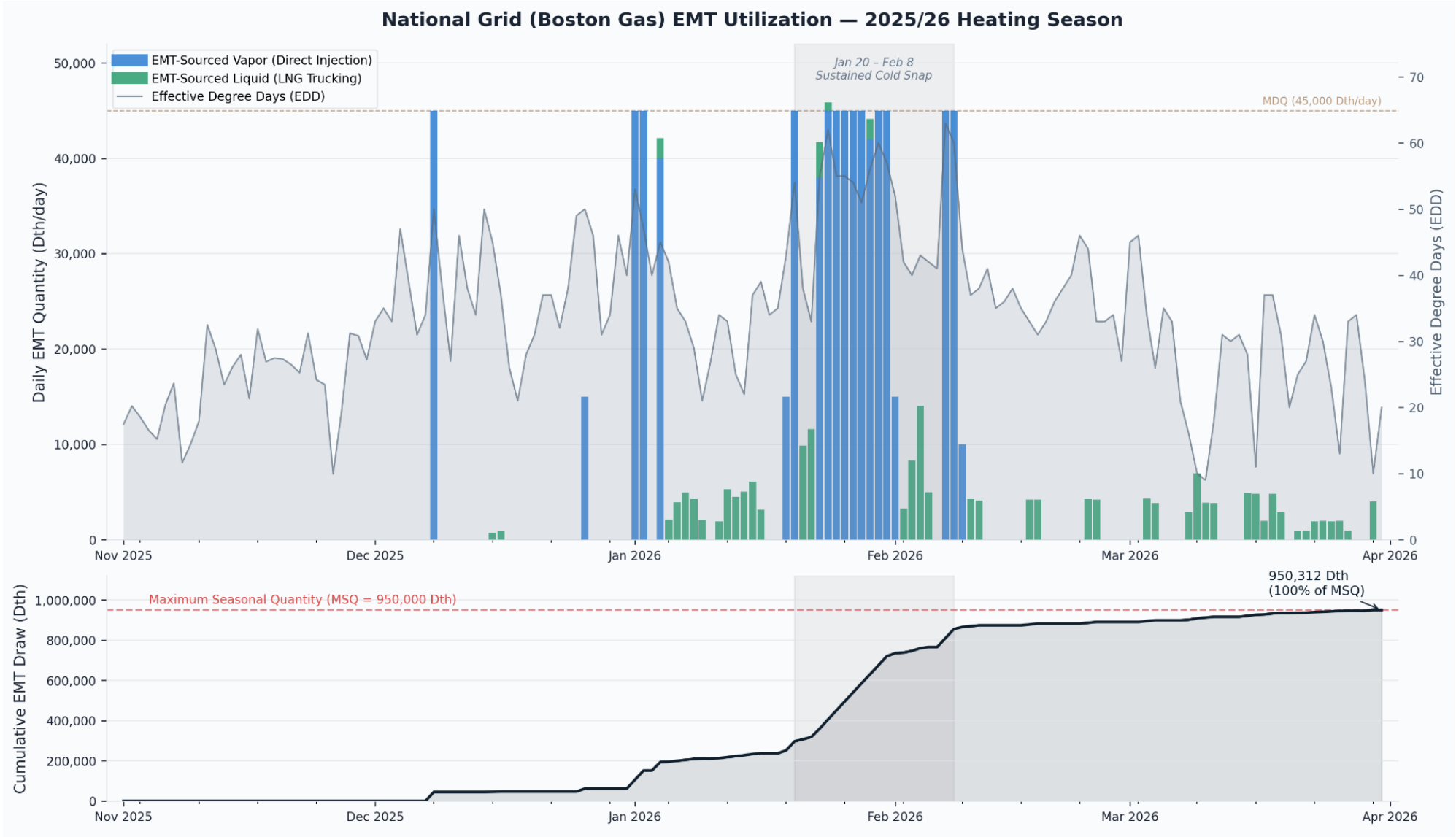
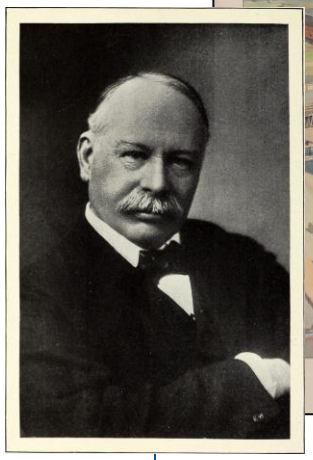
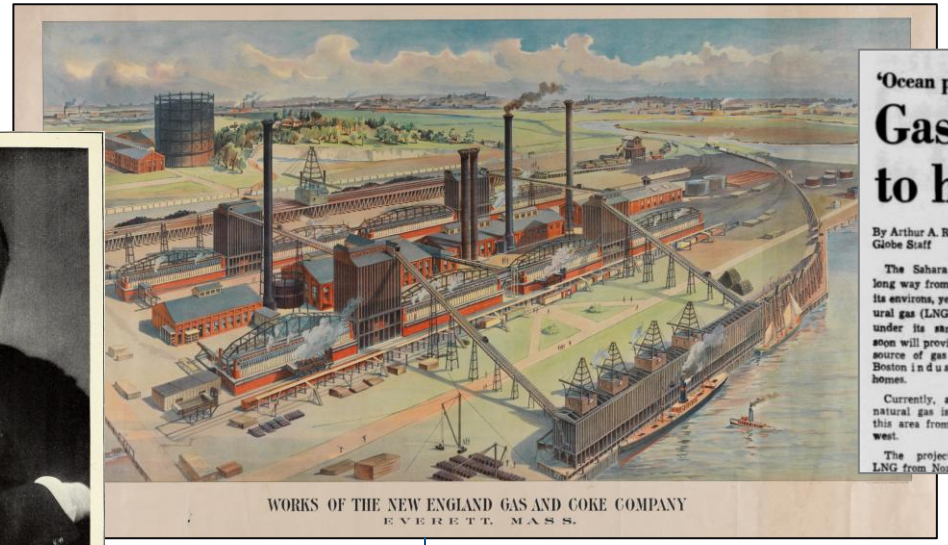
Everett Marine Terminal FAWG:
2025-2026 National Grid Utilization of EMT



Everett Marine Terminal FAWG:
EMT Site Chronicles 125 Years of Energy Transformations





'Ocean pipeline' in works

Gas from beneath Sahara to help heat Boston homes

By Arthur A. Riley
Globe Staff

The Sahara is a long, long way from Boston and its environs, yet liquid natural gas (LNG) from deep under its sandy reaches soon will provide an added source of gas energy for Boston industries and homes.

Currently, a supply of natural gas is piped into this area from the southwest.

The projected use of LNG from North Africa is

Experts point out that LNG has great potential value in water desalination through vacuum freezing and that it can eliminate mechanical refrigeration equipment in the frozen food industry — with spent gas still available for fuel.

Key factor of LNG is that it is a natural gas that has been compressed through a cryogenic process to occupy one-sixth of its normal volume. Temperature of the liquid: Minus 260 degrees Fahrenheit.

two trillion of this total being delivered to the East Coast via high pressure pipelines originating in Texas and Louisiana. More than one trillion cubic feet are used for residential heating resulting in a highly seasonal consumption pattern for the East Coast marketing area. The total gas supply for this market is entering a period of critical shortage.

It has been pointed out that natural gas transmission lines are not ideally suited to serve this varying seasonal demand pattern

ton, a subsidiary of the Cabot Corp., has moved into the field with plans to import LNG from Sonotrach, the Algerian national oil company.

As a transocean "pipeline", a contract for two methane carriers for transporting liquefied natural gas from Algeria to the United States has been awarded to a French shipyard.

The vessels will be the biggest methane carriers in the world, each with a capacity of 120,000 cubic meters. The craft will be op-

1880s-1890s: Henry Whitney purchases filled-in Island End River in Everett, builds industrial facility to import and process Canadian coal to serve street cars, town gas, chemicals, and steel.

1900s-1950s: Political actions result in emergence of New England Gas & Coke Co. at the site, and a new regulatory structure for gas sales that served as the basis for current state regulatory system.

1960s-1970s: At the end of the industrial era, the site — with its marine berth, industrial zoning, and connections to the gas system — transitioned into the U.S.'s first LNG import terminal to support growing gas demand across the region. At the time, LNG was cost-competitive with pipelines.

1980s-2020s: EMT's role in the energy system evolves with changing market conditions: price spikes causing a bankruptcy and temporary curtailment of sales; direct support to Mystic 8 & 9; domestic gas prices dropping due to fracking; Mystic 8 & 9 closure; and LDCs subsuming EMT's fixed costs.

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

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

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.

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: 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: 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 (FREA) 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: 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.

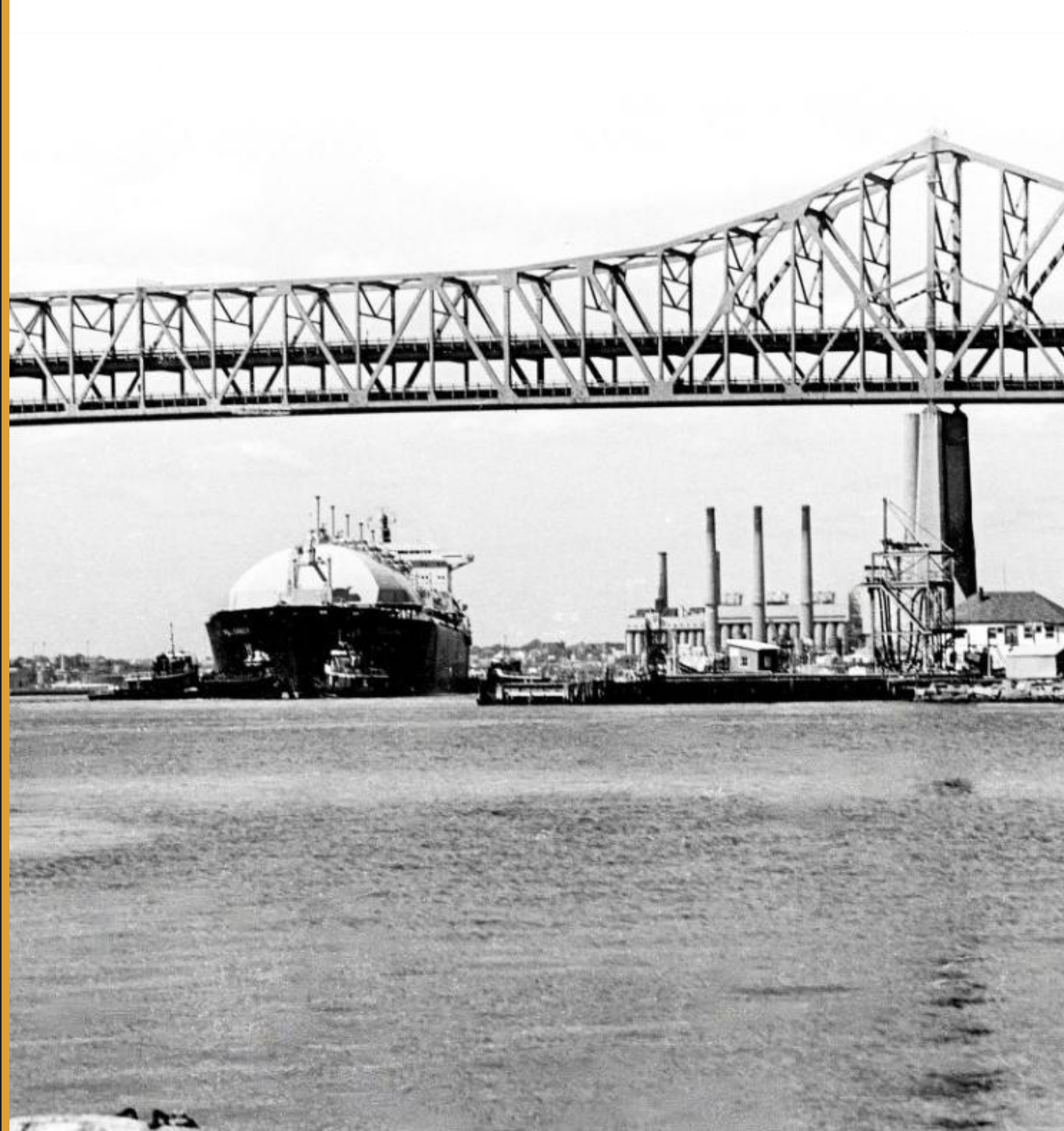
On the Horizon

- ***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.

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10-Minute Break

We will return at 2:40 PM

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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) • 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:
Phase 3 Activities Since Last Advisory Board Meeting

59 Participants Subject Matter and Technical Expertise Provided by Analysis Group			
Meeting 15 March 2, 2026	Meeting 16 March 31, 2026	Office Hours April – May 2026	Meeting 17 May 26, 2026
FAWG member presented quantitative analysis of their proposed carbon fee structure and estimated revenues. Discussed draft Findings and Recommendations; FAWG members provided comment and suggested edits.	Detailed review of how the analysis done on the financing alternatives was depicted in the report. FAWG members asked clarifying questions and provided feedback.	The draft Findings and Recommendations report was shared with the FAWG for review and feedback over several rounds, with office hours held between rounds to resolve outstanding comments.	FAWG resolved final issues and voted on the final draft Findings and Recommendations report. Of the FAWG members in attendance, 4 abstained from the vote and the remaining members approved. No members opposed.

Financing the Transition FAWG: Phase 2/3 Objectives & Outcomes to Date

	Phase 2		Phase 3
Goal	**Assess Feasibility and Impact of Financing Alternatives**	**Analyze Relative Ratepayer Impacts of Financing Alternatives**	**Final Findings & Recommendation Pathway**
FAWG Work	Reviewed and revised straw proposal assessments for alternative financing mechanisms against agreed criteria, including cost recovery impacts, implementation pathways, and other intangible impacts.	Analysis Group presented an analysis comparing the revenue requirement of a $1 billion investment in distribution assets over 40 years for traditional financing compared to the seven financing alternatives.	FTT consultant team drafted report including core strategic findings, analysis of alternatives, and recommended pathways. FAWG reviewed over several iterations and provided feedback incorporated into final version.
Outcome	FAWG suggested revisions to the seven alternatives' assessments.	Charts/graphs with annual revenue requirements for the seven financing alternatives, added to report appendix.	Advisory Board review and decision in June 2026.
Additional Information Requested	Detailed analyses of each alternative's customer and cost impacts.	Additional clarification was provided on assumptions, also in the report appendix.	None
Status	Complete	Complete	Pending

Financing the Transition FAWG: Drivers of FTT FAWG Mission and Purview

Future costs of the distribution system are likely to rise faster than in the past.

Build-out of the local grid is needed to support growing demand, increasing electrification, and deployment of more energy resources.

Even with energy efficiency and flexible demand, near-term grid investments will likely be needed to support new DERs, accommodate electrification, and improve resilience.

The **goal of the FTT FAWG** is to identify and consider innovative financing and cost recovery mechanisms for grid investment.

What is Driving Consideration of Alternatives?

- *Affordability:* finding lower cost ways of financing grid investments to mitigate customer bill impacts.
- *Climate:* supporting grid investment to accommodate electrification of vehicles, buildings, heating, and deployment of clean energy and smart technologies.
- *Timing*: given the complexity of some innovative financing mechanisms, finding alternatives that could be deployed sooner to mitigate rate impacts is a priority, then identifying long-term solutions for continued mitigation.

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Financing the Transition FAWG: Report Outline

I. The FAWG's Assessment Process

II. Primer on Current Utility Ratemaking and Alternative Approaches

III. Shared Goals and Understanding

IV. Core Strategic Findings

V. Analysis of Specific Alternatives

VI. Summary of Benefits and Risks/Challenges

VII. Recommended Pathways

VIII. Conclusion

Appendix

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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.

Financing the Transition FAWG:
Vote: Affirm Findings and Recommendations

Vote

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

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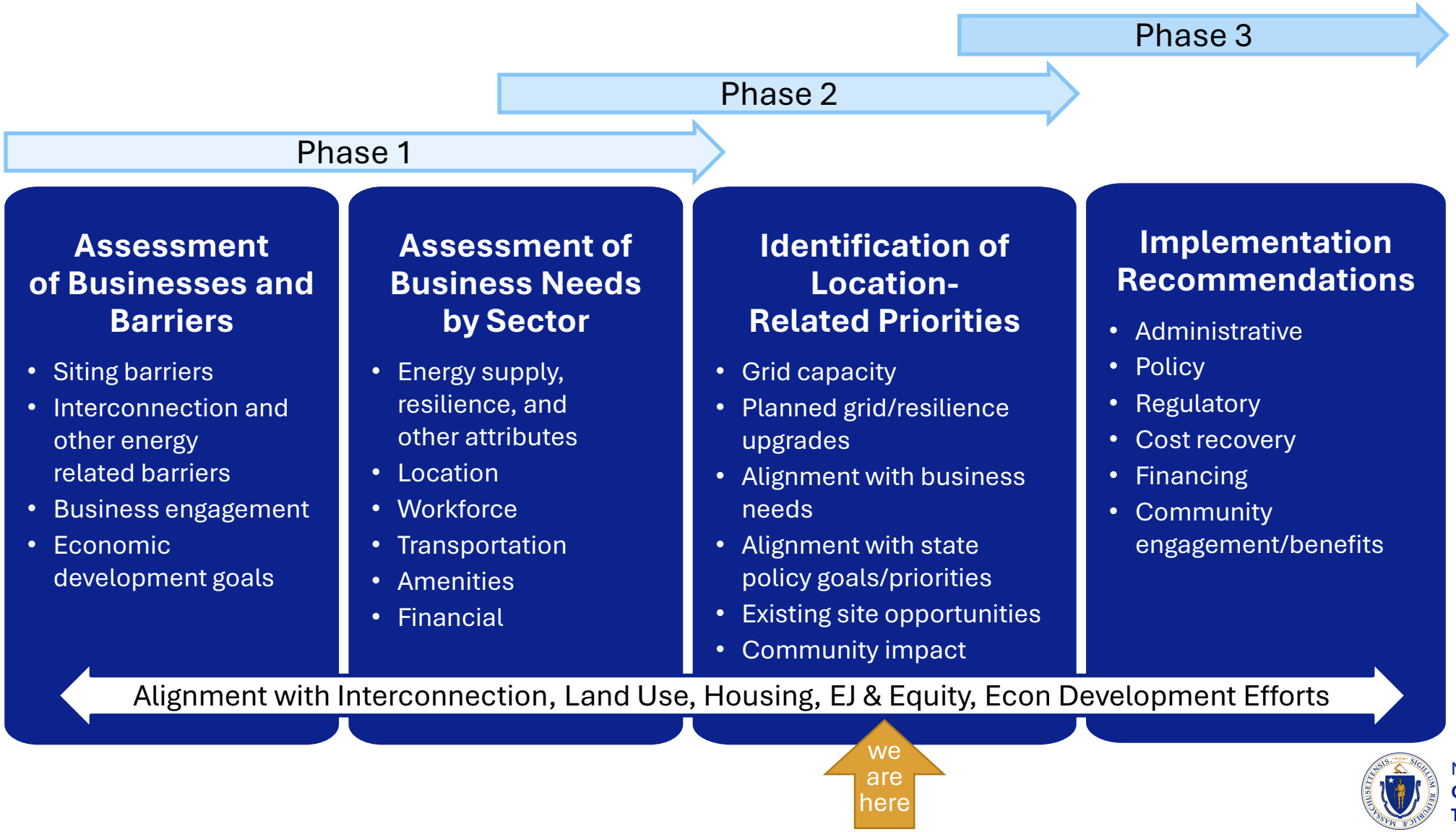
Progress on Enabling Sustainable Economic Development (ESED) FAWG

Enabling Sustainable Economic Development FAWG: Topics to be Covered and Discussed

Topic	Advisory Board Request or Discussion Point
1. Progress Report (pre-read only)	Inform (pre-read only) • Issue Overview & FAWG Mission • Workplan Reminder & Status • Phase 2 Activities Since Last Advisory Board Meeting • Phase 2 Objectives and Outcomes to Date
2. Progress on Development of Clean Energy-Ready Zones (pre-read only)	Inform (pre-read only) • Reviewing ESED Vision • Process and Criteria for Selecting a Pilot Site • Potential Pathway for Financing Proactive Electric Build

Enabling Sustainable Economic Development FAWG: Workplan Reminder and Status



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Enabling Sustainable Economic Development FAWG: Phase 2 Activities Since Last Advisory Board Meeting

Phase 2 43 Participants		
Meeting 7 March 19, 2026	Meeting 8 April 23, 2026	Meeting 9 May 21, 2026
FAWG discussed site selection approach and agreed to convene a small group to determine path forward. OET presented an overview on what economic development rates (EDRs) are, how they are designed to prevent cost shifts costs to other ratepayers (i.e., residential and commercial), and example of EDRs in other restructured states (e.g., CA, MD) for consideration in Massachusetts.	OET presented potential site selection criteria based on discussion with the small group for FAWG feedback. FAWG brainstormed how clean energy could be integrated into/required for these zones.	Agreed on the ultimate vision for the work of the FAWG, including what still needs to be defined. Presented amended site selection criteria based on feedback from FAWG members for final edits and approval. Discussed a potential financing pathway for proactive build where a public entity (e.g., MassDev) pays the upfront costs (e.g., Contribution in Aid of Construction (CIAC)) and the future businesses locating at the site pay those costs back, essentially creating a revolving fund for proactive grid upgrade investment.

Enabling Sustainable Economic Development FAWG: Phase 2 Objectives & Outcomes to Date

Goal	Propose Economic Development Rate Structure for MA	Propose Mechanism for Proactive Build of Energy Infrastructure	Select a Pilot Site for a Clean Energy-Ready Zone
FAWG Work	FAWG reviewed what economic development rates (EDRs) are, how they are structured to avoid shifting costs to other ratepayers, and examples in restructured states. Members proposed limiting the EDR to delivery charges, using tiered discounts, target incentives for businesses using clean heating and cooling, applying a max load threshold, and benchmarking rates against contiguous states.	OET met with utilities to understand current regulatory mechanisms and how to allow for proactive build. Discussed potential financing approach for proactive build where a public entity pays the upfront connection costs (i.e. CIAC), with future businesses locating on the site paying back their pro rata share based on capacity needs (e.g., per MW).	OET proposed an initial list of criteria for down-selecting possible pilot sites. A small group of FAWG members with expertise in city planning met to refine the list. The FAWG provided feedback and approved final site selection criteria.
Outcome	Alignment on EDR parameters to protect ratepayers and support state goals.	Proposed a potential financing pathway for proactive build for clean energy-ready sites.	Final site selection criteria available for ETAB at June 11th meeting.
Additional Information Requested	None at this time	How capacity would be reserved for the site. How the public entity would recoup funding (e.g., over what timeframe, financing costs, etc.). How to address scenario where expected load does not materialize.	Executive Office of Economic Development (EOED) compiling a list of possible sites in MA with suggestions from FAWG members.
Status	Complete	Ongoing	Ongoing

Enabling Sustainable Economic Development FAWG: Reviewing ESED Vision – from Challenge to Solution

- **Issue Overview:** Massachusetts aims to grow its economy by **attracting and expanding businesses** across multiple sectors.
  - However, the **cost and long timelines** associated with connecting new customer load to the electric grid can pose a significant barrier to economic development, *putting Massachusetts at a competitive disadvantage*.

- **Solution:** To address this challenge, the ESED FAWG seeks to pilot **clean energy-ready zones**—*sites with electrical capacity built in advance of business arrival*—potentially paired with potential **economic development rates** to accelerate speed-to-power and provide affordable energy for companies growing their business in Massachusetts.
  - In exchange for these benefits, participating companies would **use clean energy** through, for example, on-site clean generation and thermal solutions, clean energy procurement, or a combination of pathways.

Enabling Sustainable Economic Development FAWG: Process for Selecting Pilot Sites

- FAWG finalized a list of pilot site selection criteria for down-selecting possible pilot sites for a clean energy-ready zone.
  - Two categories of criteria: 1) go/no-go and 2) additional considerations.
- EOED is compiling a list of potential pilot sites based on expertise and FAWG member submissions.
- At the next FAWG meeting, the FAWG will use the approved criteria to down-select possible sites from EOED compiled list.
  - The list will be overlayed with National Grid and Eversource Capital Investment Projects (CIPs) and Electric Sector Moderinization Plans (ESMPs) to determine if planned infrastructure upgrades can be leveraged.
  - Utilities will work with OET and the FAWG to identify the most feasible sites from the narrowed list.

Enabling Sustainable Economic Development FAWG: Go/No-Go Criteria for Pilot Site Selection

Zoning & Permitting

- ❑ Zoned for C&I or mixed use.
- ❑ Contains state-owned, contiguous, or easily acquirable parcel ownership and local expansion potential to accommodate future business growth and/or related economic activity.
- ❑ Features minimal special permit requirements, exceptions to local zoning rules, and anticipated review timeline.
- ❑ Physically viable for truck circulation (accessible truck turning radius).

Transportation & Accessibility

- ❑ Near major roadways and walkable/bikeable areas.
- ❑ Workforce density within a 45-minute commute.

Utility/Infrastructure Access

- ❑ Existing water and wastewater system capacity without infeasible major upgrades.
- ❑ Existing fiber and telecommunications infrastructure without infeasible major upgrades.

Clean Energy Alignment

- ❑ Site does not require new or expanded gas infrastructure to be operational.*
- ❑ Utilities confirm feasibility of on-site clean energy development (if infeasible, off-site clean energy procurement is acceptable, as long as it is in ISO-NE).

Community Buy-In

- ❑ Local support (letters of support from municipal government and at least one community group).
- ❑ Positive community impact (significant local hiring potential, community wealth-building opportunities, mitigated environmental related impacts) as defined in a developer-provided community benefit plan/agreement.

Public Safety Access

- ❑ Adequate road access and falls within acceptable emergency response times.

Environmental Conditions and Climate Resilience

- ❑ Minimal flood risk (e.g., determined by FEMA floodplain designation), environmental remediation requirements (e.g., determined by brownfield status), vulnerability to sea level rise, wetlands constraints, heat island exposure, and stormwater management challenges.
- ❑ No contaminant concerns/has been remediated, or is readily available for brownfields programs.
- ❑ Suitable for long-term climate adaptation.

*Sites with existing natural gas would remain eligible, however, companies locating to the site who choose to use natural gas would need to demonstrate that no viable alternatives exist (e.g., clean thermal energy alternatives).

Enabling Sustainable Economic Development FAWG: Additional Considerations for Pilot Site Selection

Zoning & Permitting

- Preferably contains existing buildings that can feasibly be repurposed.

Developer/Business Interest

- Expressed interest in site or location from businesses/developers.

Transportation & Accessibility

- Within walkable distance of public transit.
- Near vocational schools/community colleges.

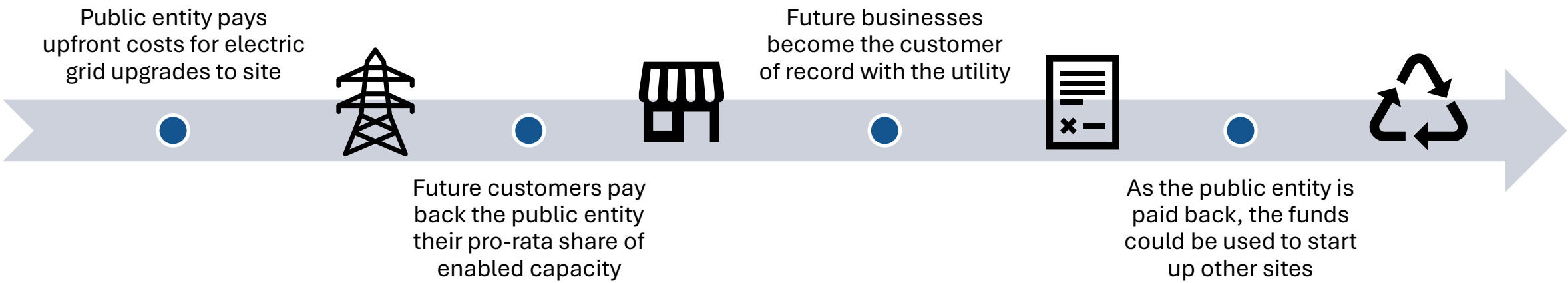
Other Considerations

- Is it in a Gateway City?
- Is it in an Opportunity Zone?
- Is it a Housing Choice area?
- Has it already had state investment through programs like Mass or Housing Works?

Enabling Sustainable Economic Development FAWG: Potential Financing Pathway for Proactive Build

Potential Pathway:

- Public entity (e.g., MassDev) initially pays CIAC, which is paid back by businesses locating at site.
- Each future load customer pays for their *pro-rata* share of enabled capacity. Public entity can then recycle $ to enable development at a new site.
- Public entity is paid back based on arrangement between the business and public entity, based on contracted terms established between public entity and the locating business.
- The business becomes the customer of record with the utility and takes service under a DPU approved tariff.



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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.

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Thank You!