Everett Marine Terminal Focus Area Working Group Report to the Energy Transformation Advisory Board

Assessment of Local Gas Distribution Company Alternatives to the Everett Marine Terminal (EMT)

Prepared by Groundwork Data and the Consensus Building Institute

For the Massachusetts Office of Energy Transformation

June 11, 2026

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A listing of FAWG members and participants is provided in Appendix A.

FAWG Mission

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

Statement of AI Utilization

The authors used artificial intelligence tools for some research, data analysis, visualization, and to improve report readability and language clarity. Prior to final publication, the lead author reviewed, edited, and verified analyses and text for factual accuracy and appropriate citations. The lead researcher takes full responsibility for the final manuscript.

How to Cite This Report

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Acronyms & Terminology

Note on the usage of "EMT": This report uses "Everett Marine Terminal" or "EMT" to refer to the physical asset that the gas local distribution companies (LDCs) take supply from via contracts approved by the Department of Public Utilities (DPU). EMT is owned and operated by its holding company, **Distrigas of Massachusetts** — also referred to as "**DOMAC**" or "**Distrigas**" which holds the permits and licenses required to operate the facility, including its authorization under Section 3 of the Natural Gas Act as regulated by the Federal Energy Regulatory Commission (FERC). DOMAC is, in turn, owned by **Constellation LNG,** often referred to as simply "**Constellation**" or "**CLNG**". Because "DOMAC" and "Distrigas" appear frequently in regulatory filings and related reporting, this report uses them, along with "Constellation", when referring to the operating company or its owner in ownership or regulatory contexts, while otherwise defaulting to "EMT" for the asset itself.

Acronym	Definition
AGT	Algonquin Gas Transmission (interstate pipeline operated by Enbridge)
C&I	Commercial and Industrial (customer class)
CAR	Capacity Auction Reform (ISO-New England initiative)
CBI	Consensus Building Institute
CCP	Climate Compliance Plan (D.P.U. 20-80-B framework)
CELT	Clean Energy and Environment Legacy Transition (Fellowship)
CGAC	Cost of Gas Adjustment Clause (annual LDC reconciliation filing)
CLF	Conservation Law Foundation
CMR	Code of Massachusetts Regulations
COSA	Cost-of-Service Agreement
DOER	Massachusetts Department of Energy Resources
DOMAC	Distrigas of Massachusetts LLC
DPA	Designated Port Area (state-designated industrial waterfront zoning)
DPU	Massachusetts Department of Public Utilities
DR	Demand Response
DTP	Decarbonizing the Peak (parallel OET Focus Area Working Group)
Dth	Dekatherm (one million BTU; standard unit of natural-gas energy in U.S. utility filings)
EDD	Effective Degree Day (weather index used to correlate cold to gas demand)
EEA	Massachusetts Executive Office of Energy and Environmental Affairs
EGMA	Eversource Gas of Massachusetts
EJ	Environmental Justice
EMT	Everett Marine Terminal
ESMP	Electric Sector Modernization Plan
ETAB	Energy Transformation Advisory Board
FAWG	Focus Area Working Group (an OET-convened multi-stakeholder process)

FERC	Federal Energy Regulatory Commission
GHG	Greenhouse Gas
GSEP	Gas System Enhancement Program (accelerated leak-prone pipe replacement)
GW	Gigawatt
GWSA	Massachusetts Global Warming Solutions Act
HDD	Heating Degree Day (degrees Fahrenheit below a 65 °F reference temperature)
IEP	Integrated Energy Planning
ISO-NE	Independent System Operator – New England (regional electric grid operator)
LDC	Local Distribution Company (regulated retail gas utility)
LNG	Liquefied Natural Gas
MDQ	Maximum Daily Quantity (peak-day contractual entitlement, in Dth)
MMSCFD	Million Standard Cubic Feet per Day
MSQ	Maximum Seasonal Quantity (cumulative seasonal contractual entitlement, in Dth)
MW	Megawatt
NGA	Federal Natural Gas Act of 1938
NPA	Non-Pipeline Alternative
NPCC	Northeast Power Coordinating Council
NRG	NRG Energy, Inc. (independent power producer / gas marketer)
NSTAR	NSTAR Gas Company (Eversource subsidiary)
NYMEX	New York Mercantile Exchange
OET	Massachusetts Office of Energy Transformation
OFO	Operational Flow Order (pipeline operator directive constraining nominations or imposing balancing penalties)
PHMSA	U.S. Pipeline and Hazardous Materials Safety Administration
RARE	Reliable, Affordable, Resilient Enhancement (Algonquin pipeline project)
TGP / TGPL	Tennessee Gas Pipeline (and Tennessee Gas Pipeline Limited)

Findings of the Everett Marine Terminal Focus Area Working Group

The following represents the findings of the Everett Marine Terminal (EMT) Focus Area Working Group (FAWG) and the Executive Summary to the companion Report on the Assessment of Alternatives to EMT and its supporting Research Compendium. This report focuses on issues directly related to the Massachusetts local gas distribution companies' (LDCs') reliance on EMT, while the Research Compendium provides additional information that supported the FAWG's deliberations. Each finding ends with a reference to the sections of these reports that form its basis. These findings represent a common understanding of the role of EMT, based on a review and interpretation of the research presented above and the FAWG's deliberations.

FINDING 1 · **Role of EMT:** EMT is a major gas supply resource that provides several services to regional gas and electric systems. These services include:

a. *Vapor supply into the gas distribution system and adjacent interstate gas pipeline transmission systems*: the molecules at EMT are physically injected as vapor into National Grid's Boston Gas distribution system and the Tennessee Gas Pipeline (TGP) and Algonquin Gas Transmission (AGT) interstate transmission systems.

b. *Pressure support:* independent of volumetric supply, EMT maintains sufficient pressure in the gas interstate and local distribution pipeline systems for the delivery of gas via the interstate pipeline system and local distribution system.

c. *System redundancy and reliability services*: if other supply pipelines go offline, whether due to a planned or unplanned outage (e.g. equipment failure), EMT can provide pressure and supply to prevent interruption of gas service to customers in the Greater Boston region.

d. *Liquid natural gas supply via trucks*: used to provide supply, pressure support, redundancy, and reliability at more than twenty remote LNG storage and injection facilities located throughout the region that each serve local reliability and supply needs.

e. *Regional energy storage*: EMT's 3.4 billion cubic feet (Bcf) of storage capacity represents a buffer against gas supply delivery disruptions and current pipeline capacity and transportation constraints.

Removing EMT from today's system, without providing alternative sources of supply sufficient to meet seasonal peak gas system demand net of demand reductions, would pose risks to distribution system operators, specifically those that serve the core Boston and Cambridge operational areas. The retirement of EMT would also result in the loss of the reliability services it can provide during planned or unplanned gas transmission system outages, absent system modifications. *(Assessment Report Chapters 2 and 5-9)*

FINDING 2 · **LDC Contracts with EMT:** In 2024, following an expedited review, the Department of Public Utilities (DPU) approved four long-term (2024/2025 through 2029/2030) contracts between Eversource Gas of Massachusetts (EGMA), NSTAR Gas Company (NSTAR), National Grid, and Unitil (together, the LDCs) and Constellation LNG LLC (Constellation or CLNG), EMT's owner.[1] Berkshire Gas also currently has a similarly designed contract and has petitioned the DPU to enter into an extension that is coterminous with the other LDC contracts.[2] The DPU's approvals of the LDCs' contracts were conditioned on the LDCs developing formal demand-reduction alternative assessments aligned with the Global Warming Solutions Act (GWSA).[3]

The volumes of supply the LDCs may take pursuant to those contracts are based on the need established in each LDC's projected customer design-day demand (or peak gas demand) as stated in their Forecast and Supply Plans, which must be submitted to the DPU every two years for review and approval. The four LDC supply contracts specify maximum daily quantities (MDQs) and maximum seasonal quantities (MSQs) of supply and include additional provisions for delivering LNG to meet forecasted demand alongside other resources. EMT provides the LDCs with marginal system supply as a vapor and as a trucked liquid to provide system support on an hourly-to-daily basis. Any residual seasonal allotment can be used to replenish regional LDC LNG storage tanks at the end of each winter heating season. Constellation is responsible for securing the international delivery of LNG shipments to EMT to fulfill these contracted LDC allotments. The LDCs' contracts with EMT operate on a supply basis, but the services provided extend beyond supply to include pressure support and system redundancy services to LDC distribution and interstate transmission pipeline systems serving the core Boston, Cambridge, and southeastern Massachusetts operational areas.

EMT's federal regulatory status shaped the scope of the prudence review. In 2008, FERC reclassified the services offered at EMT from Section 7 of the Federal Natural Gas Act of 1938 (NGA), which subjects regulated entities to cost-of-service ratemaking, to Section 3, which applies to LNG import facilities and does not impose federal rate regulation on Constellation's commercial offerings. Federal law preempts the DPU from regulating the rates of services offered at the terminal. Under the current federal regulatory regime in place for U.S. LNG import and export terminals, FERC does not exercise cost-of-service oversight over the pricing of services offered, and federal preemption applies to state regulators in the states where any such terminals are located. The DPU's prudence review of the 2024 contracts was therefore based on the LDCs' contracting decisions, which were guided by the requirements for evaluating a LDC's options for acquiring

[1] D.P.U. 24-25, 24-26, 24-27, and 24-28, respectively.

[2] Berkshire Gas Co. holds an existing EMT long-term supply contract executed prior to Constellation's ownership of the facility (D.P.U. 17-145). Berkshire has filed a petition with the DPU (D.P.U. 26-28) to renew its contract for two years (2028–2030), coterminous with the four current LDC contracts. Pending approval, Berkshire's contribution will supposedly offset some of the non-commodity costs paid by the other LDCs.

[3] D.P.U. 24-25, 24-26, 24-27, and 24-28 Order at page 56.

commodity resources under G.L.c. 164, section 94A, which requires DPU approval of long-term contracts exceeding one (1) year.[4] *(Assessment Report Chapters 5-9)*

FINDING 3 · **EMT's Support for the Regional Gas and Electric Systems**: EMT is utilized by gas utilities beyond the five contracting LDCs (e.g., Middleborough Gas and Electric on a long-term contract) and by power generators that purchase gas typically from the spot market. In addition to supplying LDCs and other regional customers, EMT provides system redundancy to the interstate pipeline system but does not receive commensurate compensation for serving as a regional reliability resource.

With regard to EMT's support for the regional electric system, Independent System Operator New England (ISO-NE) stated in a letter to the Massachusetts Office of Federal and Regional Energy Affairs (FREA) and Office of Energy Transformation (OET) that there may be "qualitative reasons to retain EMT" and "urged the New England region to retain EMT."[5] ISO-NE observed that the loss of EMT would increase electric system reliance on oil and natural gas imports from Repsol Saint John LNG Terminal (though generators already rely on Repsol instead of EMT for the bulk of their LNG supplies).

With respect to the long-term, ISO-NE further observed that "reducing fossil fuel consumption in the heating and transportation sectors by converting these sectors to electricity will thereby increase electricity consumption and require an increase in the available resources to the electric system and investment in the transmission and distribution systems." ISO-NE's current Interconnection Queue is composed almost entirely of solar, wind, and battery storage resources.[6] It is therefore unlikely that increases in electricity demand will lead to the construction of new gas-fired generating facilities before 2030. *(Research Compendium Chapter 6)*

FINDING 4 · **EMT's Fixed Costs are Currently Borne by the LDCs and their Customers:** EMT has fixed operational requirements that require, in turn, sufficient annual revenue to sustain operations. Before its closure, Mystic Generating Station ("Mystic") consumed the bulk of EMT's LNG deliveries, and its payments to Constellation provided most of the revenue needed to sustain EMT's operations. Mystic's payments to Constellation were ultimately absorbed by the region's electric utilities and customers as a whole via ISO-NE's

[4] The standard of review regards whether the acquisition of the resource is consistent with the public interest. To meet this standard, LDCs must show that the acquisition: (1) is consistent with the company's portfolio objectives, and (2) compares favorably to the range of alternative options reasonably available to the company at the time of the acquisition or contract renegotiation.

[5] Van Welie, G. *ISO-NE Response Letter Regarding the NPCC Northeast Gas/Electric System Study*, (February 6, 2025), www.iso-ne.com/static-assets/documents/100020/combined_eea_npcc_iso_response_letters_02_05_2025.pdf

[6] ISO New England Interconnection Request Queue, https://www.iso-ne.com/system-planning/interconnection-service/interconnection-request-queue/.

wholesale markets. Following Mystic's June 2024 closure, the cost of sustaining EMT operations shifted to the four Massachusetts LDCs and their ratepayers.

The LDCs' long-term contracts with Constellation include fixed fees levied through the non-commodity demand charge that, in the aggregate, provides Constellation with sufficient revenue to sustain EMT operations. The current contracts include a "Most Favored Nations" cost-sharing mechanism for the non-commodity demand charge: if other parties sign long-term contracts, the non-commodity demand charge paid by the LDCs' ratepayers would be reduced.[7] As a result, the contracting LDCs and their ratepayers wholly sustain EMT's operations as Constellation's long-term contracted customers.

If the LDCs were to identify alternative sources of supply to end their reliance on EMT to meet design-day requirements, they would still rely on EMT for pressure support and as a backup in the event of a planned or unplanned gas transmission pipeline outage, absent other system modifications. Therefore, the LDCs may still need to enter contracts that require paying Constellation to sustain EMT's operation as a reliability resource, absent other system modifications. *(Assessment Report Chapters 5-9)*

The pricing of EMT in the LDCs' contracts was designed to cover operating and fixed costs, as well as Constellation's financing and related costs; however, EMT is not subject to cost-of-service rate regulation under FERC or by DPU, therefore its current financing and related costs are unknown. EMT costs and its operations were most recently subject to FERC's review during the Mystic cost-of-service period from 2022-2024 and by the Department of Justice (DOJ) in 2025 as part of DOJ's approval of Constellation's acquisition of Calpine.

Some FAWG members opined that, since EMT costs are "pass-through costs," the utilities have limited direct incentive to control EMT-associated supply costs that are passed on to ratepayers. They further argued that EMT's services are distinctly unique within the regional energy market, necessitating closer regulatory scrutiny. However, other FAWG members noted that the LDCs have an incentive to keep customer costs low in a competitive fuel market, and that the LDCs' alternative assessments included extensive evaluations of other options, many of which would have resulted in higher costs and would have been extremely difficult—if not impossible—to implement before 2030. Some members also noted that the DPU retains ultimate authority to review and approve or deny supply contracts, helping ensure that they represent the least-cost option capable of meeting service needs.

FINDING 5 · **Emissions Associated with LDC Utilization:** Assuming full use of their allotments, the LDC utilization of EMT's gas supply equaled three trillion British Thermal Units (TBtu) in 2024/2025. This accounted for ~0.23% of the Commonwealth's aggregate greenhouse gas (GHG) emissions (when

[7] The exact formulation of the Most Favored Nations clause is a redacted confidential portion of the contracts, but is explained in testimony associated with the contract filings. See, for example, D.P.U. 24-25, Information Request Responses DPU-NG-1-10, DPU-NG-1-11, and DPU-NG-1-12, and D.P.U. 26-28 at page 7.

benchmarked against the MassDEP 2023 inventory). Such levels of consumption and use for a peaking gas asset are consistent with the climate-compliant "All Options" case analyzed in the Massachusetts 2050 Decarbonization Roadmap (44 TBtu of statewide 2050 residual gas use, largely used to meet heating and electric peaking needs). However, there is no specific requirement in the 2050 Roadmap that EMT specifically fill that role. Replacing EMT with an alternative gas supply would not reduce emissions subject to the state's climate law but could result in variable changes to upstream life-cycle emissions. Variable fugitive methane emissions at EMT have also been observed, indicating a need for ongoing monitoring. *(Research Compendium Chapter 5)*

FINDING 6 · **EMT, Future Gas Consumption and Emissions Limits:** The LDC's DPU-approved Forecast and Supply Plans, which underpin their ongoing need to rely on EMT through 2030, project increasing gas demand; these forecasts are inconsistent with the Commonwealth's emissions sublimits. In fact, National Grid's contracts exhibit growing annual allotments through 2030. If total gas demand does not decline, overall gas use will exceed levels consistent with the Commonwealth's emissions sublimits. If gas demand declines sufficiently systemwide but not in the LDC's EMT-reliant areas, the LDCs' reliance on EMT will persist. Furthermore, while annual LDC *aggregate* gas sendouts have been stable or declined modestly since 2019/20, *maximum* daily sendouts (i.e. peak gas demand) have not shown a corresponding reduction. This divergence between aggregate and peak-day demand — if it persists — means demand-reduction strategies that aim to lower total annual consumption may not, on their own, reduce the design-day reliance on EMT that drives the LDCs' contracted MDQs and MSQs. Such a reality would suggest a need to focus efforts on peak gas demand reduction, in addition to aggregate demand reduction. *(Assessment Report, Chapters 5-9, Appendix C)*

FINDING 7 · **Emergent Risks**. Several sets of distinct risks emerge from the current and evolving policy-market landscape. These risks cannot be attributed solely to policy. Still, they can be mitigated through robust policy and strategic efforts to shape customer demand and system utilization in EMT-reliant areas.

a. *Changing Demand Risk:* The LDCs' integration with EMT was designed to serve peak winter, design-day heating loads. As building electrification scales, gas demand for heating will decline, and heating demand patterns will shift. However, the timing, magnitude, and ultimate need for gas peaking capacity remains uncertain, and reductions in peak capacity needs will likely lag reductions in aggregate gas consumption volumes. Simultaneously, heating and transportation electrification will drive up electricity demand. Under these conditions, gas capacity resources such as EMT can provide system optionality, though their ability to do so is contingent on how market conditions and policies evolve. ISO-NE is currently evaluating Capacity Auction Reforms (CAR) that could incentivize existing gas generators to sign firm supply contracts with EMT and other LNG storage providers, but the current state of uncertainty creates planning challenges for utilities and ratepayers. *(Research Compendium Chapters 1, 2, 6)*

b. *Economic Risk:* The retirement of Mystic Generating Station required EMT's fixed costs to be borne predominantly by the LDCs and their ratepayers. In January 2026, the DPU approved EGMA and NSTAR proposals to supplant 100% of the EMT supply they currently rely on to meet demand on the AGT G-Lateral pipeline in southeastern Massachusetts, with the substitution to take effect in 2030. This substitution of EMT supply would eliminate EGMA and NSTAR G-Lateral customers' contribution to EMT's fixed costs. Similar efforts to expand regional gas supplies or reduce LDC reliance could also alter dynamics of EMT reliance. Subsequently, the costs associated with sustaining EMT's operations would be spread across the smaller customer base of those LDCs that remain reliant and EMT and require a supply contract after 2030. *(Assessment Report Chapter 10)*

c. *Regulatory Transition Risk*: The tension between state decarbonization mandates and reliability requirements requires explicit management. Climate change policies put pressure on investments in fossil fuel infrastructure, but supply adequacy must be maintained to ensure system reliability during the energy transition. *(Research Compendium Chapters 1 and 3, Assessment Report Chapters 4, 10, and 11)*

d. *Reliability Risk*: The evolving energy system also introduces new operational contexts that carry with them reliability risks for how EMT and the broader energy system interact; as a result, there are potential risks both to maintaining a high reliance on EMT and in moving away from it. *(Research Compendium Chapter 6)*

e. *Situational Risk:* EMT operates in an environmental justice (EJ) community that has hosted region-supporting industrial infrastructure for decades and is situated in a Designated Port Area (DPA). DPAs are designated to preserve and promote water-dependent industrial uses to protect limited waterfront resources from competing non-industrial development, ensuring that port and marine-based activities can continue to operate and support regional and statewide economic needs. Increasing demand for land in EMT's vicinity draws in sectors such as residential, entertainment, new energy solutions, and key industries supporting the Commonwealth's economy. At the same time, the City of Everett receives tax revenue and additional support from Constellation, while the facility directly employs approximately 60 individuals, including those represented by the Utility Workers Union of America Local 369. *(Research Compendium Chapters 3 and 4)*

f. *Global LNG Market Risk***:** Because EMT's cargoes are sourced from international LNG markets, the facility's supply availability and delivered cost are shaped by global dynamics, including the Russian invasion of Ukraine and the war with Iran/closure of the Strait of Hormuz, which lie outside the Commonwealth's direct influence. These global dynamics have introduced price volatility over the past several years and also affect other energy sources such as oil. Exposure to international market conditions and reliability concerns could potentially be mitigated through longer-term contracts. *(Research Compendium Chapter 3)*

FINDING 8 · **Avenues to Reduce and Eliminate Reliance on EMT**: Eliminating the LDCs' reliance on EMT for both supply and reliability will likely require a *combination* of peak gas demand reduction and some pipeline system infrastructure interventions. Eliminating reliance on EMT as a supply resource will require substantial reductions in peak demand and/or alternative supply sources. Eliminating reliance on EMT as a reliability resource would likely require investments in system infrastructure.

The cost-effectiveness of system intervention investments depends on the specific need, but could be substantial if needed to address the displacement of EMT as a resource. Further, such investments may face siting barriers and long development and permitting timelines. Ultimately, the suitability of such investments depends on various factors, including those not specific to EMT, and such system interventions need to be considered in the broader context of LDC operational needs under evolving demand.

Demand reduction in general, and peak-demand reduction specifically, are foundational to reducing and eliminating supply-related reliance and dependency risks. The large commercial, industrial and institutional sector offers potential opportunities for accelerating demand-reduction for EMT given the (1) large concentration of peak gas demand in a small set of consumers in EMT-dependent operational areas; and, (2) presence of large institutional customers that have an expressed interest in decarbonization and have an asset portfolio with high potential for energy efficiency, electrification, and adoption of thermal networks.

System interventions will be necessary, even if demand reduction lowers the supply needed to meet design-day requirements, given the LDCs' ongoing reliance on EMT as a reliability resource that provides redundancy for the gas system. Distribution system interventions, including the addition of on-system storage and alternative supply resources, can also reduce reliance at lower levels of demand reduction. More analysis is required to ascertain which interventions may be subject to asset continuation risk or incur costs that are unfavorable relative to the ongoing utilization of EMT. *(Assessment Report Chapters 5-9 LDC Alternative Assessments and Chapter 11)*

FINDING 9 · **Challenging Timeline Constraints on Action Ahead of Contract Renewal:** It is highly unlikely that sufficient demand reduction and system interventions will be deployed by 2030 to completely avoid the need for continued reliance on EMT for supply (with the exception of the EGMA territory). Even if the LDCs eliminate their reliance on EMT as a source of supply to meet design-day requirements, absent other system interventions, they will continue to rely on EMT as a reliability resource beyond 2030, based on their alternative assessments. Prioritizing peak-demand reduction and targeted system interventions can mitigate the risks associated with LDC reliance on EMT. *(Assessment Report Chapters 5-9 LDC Alternative Assessments and Chapter 11)*

FINDING 10 · **Reducing EMT dependency in dense load pockets will require coordinated demand-side planning at a scale that does not yet exist.** EMT's pressure-support and peak-supply roles are most binding in the Boston-area load pockets, so displacing EMT dependency requires shrinking peak-day gas demand in precisely those geographies. Urban siting constraints likely limit the feasibility of sufficient new supply infrastructure in these load pockets, even at scales smaller than EMT.

Executive Order (EO) No. 654 directs the Commonwealth to develop geothermal and other non-fossil thermal resources that could drive peak demand reduction. Chapter 239 of the Acts of 2024 already authorizes gas

companies to own and operate thermal energy networks, and the Governor's proposed Energy Affordability, Independence, and Innovation Act (H.4144) and House-passed H.5175 would further refine that authority to enable further the deployment of non-fossil or clean thermal energy resources.

Additionally, the MassCEC-sponsored Boston-Area Thermal Energy Network (BosTEN) Feasibility Assessment, convened through the Green Ribbon Commission, seeks to explore further the potential to operationalize non-fossil thermal resources in the region where EMT dependency is most acute. BosTEN brings large institutional energy consumers, LDCs, and state agencies into a shared planning process, and will generate the first end-use-level dataset clarifying which loads drive peak-day EMT reliance in the urban core. That dataset will support quantification of the extent of demand reduction achievable on the 2028–2030 contract-decision horizon.

Since BosTEN addresses only the Boston metropolitan load pocket, comparable coordination will be needed in the other EMT-dependent geographies served by satellite LNG peak-shaving facilities where no equivalent feasibility process is currently underway. *(Assessment Report Chapter 11)*

FINDING 11 · Several mechanisms could partially offset the fixed-cost burden carried by Massachusetts LDC ratepayers, but only one is currently in active development on a timeline that intersects the 2028–2030 contract-decision window. The FAWG evaluated four strategies: 1) firm-fuel accreditation through ISO-NE's CAR, 2) expansion of EMT's commercial customer base, 3) a FERC-approved pipeline peaking tariff on AGT and TGP, and 4) state or public-entity ownership of the terminal. Of these, only ISO-NE CAR is currently under active consideration. The winter-peaking accreditation framework within CAR potentially opens a new pathway for EMT to be compensated for its role in regional reliability; CAR's phased development aims for first auctions within the 2028-2030 window. The CAR framework, however, does not contemplate requiring gas generators to execute contracts exclusively with suppliers in the ISO-NE footprint.

The remaining three mechanisms are not currently under active consideration. Each would require a different combination of actors and authorities: customer base expansion is a commercial decision by Constellation, a peaking tariff would require FERC action by the interstate pipelines, and public ownership would require state legislative and executive action. None of the four is likely, in the near term, to fully mitigate the ratepayer burden experienced following Mystic's closure and the LDC's assumption of EMT's fixed costs. *(Assessment Report Chapter 10)*

FINDING 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. During the FAWG's deliberations, at least three parallel efforts produced findings directly relevant to the scale and timing of EMT dependency reduction:

- The Decarbonizing the Peak (DTP) FAWG, convened by the OET, identified winter peak growth from heating and transportation electrification as increasing demand for firm peaking capacity. Whether that firm-capacity need translates into continued reliance on gas-fired resources, and on EMT specifically, depends on the pace and composition of electric supply and storage resource additions to the regional system and remains the subject of ongoing analysis.
- The Department of Energy Resources' (DOER) *Peak Potential* report, which accompanied its load management study *Evaluating Load Management Strategies for a Net Zero Grid in Massachusetts*, assessed how load management and virtual power plants could reduce electric peak demand and associated costs.
- The Non-Pipeline Alternatives (NPA) Framework, under development by the Massachusetts LDCs, and the Integrated Energy Planning (IEP) process being developed in tandem with the electric distribution companies, aim to coordinate investment decisions as load shifts from gas to electric.

Taken together, these workstreams mean that ongoing LDC utilization of EMT is embedded in a broader set of coordinated planning processes. Treating EMT as a standalone area of focus risks misalignment with parallel state efforts on peak management, electrification, and integrated planning. *(Assessment Report Chapter 11, Research Compendium Chapter 6)*

Recommendations of the Everett Marine Terminal Focus Area Working Group

RECOMMENDATION 1: Develop optionality around EMT dependency through targeted demand reduction

Since the March 29, 2018, announcement of the Mystic Generating Station's closure, LDC gas customers' reliance on EMT has been subject to distinct energy transition risks that will continue to evolve as the energy technology landscape changes. The FAWG found that the four LDCs that have executed contracts with EMT's owner, Constellation LNG LLC (EGMA, NSTAR, National Grid, and Unitil, together the "LDCs"), will, to varying degrees, remain reliant on EMT beyond 2030, with EGMA and NSTAR G-System territories anticipated to assume other supply resources. However, the nature of the reliance will evolve by LDC. Currently, the LDCs rely on EMT to meet customer demand, provide pressure support on the coldest days of the winter heating season (design days), and maintain reliability during planned and unplanned outages of the interstate pipeline gas transmission system. While residential heating electrification is growing, such efforts have not been scaled to the degree needed to eliminate reliance on EMT by 2030. Additionally, sufficient and feasible system alternatives have not been identified that could be implemented to fully eliminate reliance on EMT by 2030, both to meet design-day requirements (peak gas demand) and to protect against gas transmission system outages.

In its review, the FAWG observed that the Commonwealth's climate policy efforts to reduce LDC customers' gas use are foundational and complementary to efforts to reduce LDC reliance on EMT and could be deployed in ways that address EMT's role for each LDC. If targeted, such strategies increase optionality for future EMT utilization and reduce costs and risk for LDCs and their customers in the event of an unexpected EMT closure.

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. This recommendation does not prescribe closure timelines or advocate specific supply-side alternatives. Instead, it focuses on demand-side strategies that create operational flexibility for multiple possible future outcomes while aligning with broader efforts to reduce gas use, recognizing that some targeted investments in the gas distribution system and alternative supply may be required.

The FAWG found that large commercial and institutional demand is a significant and concentrated driver of EMT reliance. **Efforts to reduce reliance on EMT must focus on this customer segment and develop strategies that meet its large and distinct energy transition needs.**

To support these overall recommendations, the FAWG makes the following sub-recommendations:

A. Winter peak gas demand reduction should be the primary strategy for reducing EMT dependency in design-day requirements.

B. Targeted supply-side or gas distribution system-related interventions could be considered to maintain system integrity and reliability and reduce risk within acceptable timelines and costs.

C. Non-fossil thermal resources directed under Executive Order 654 — including geothermal, networked geothermal, and other non-fossil thermal resources — should be strategically advanced as substitutes for peak gas demand in EMT-dependent load pockets.

D. The regulatory framework proposed in H.4144/H.5175 should be enacted to accelerate non-fossil thermal energy system deployment for large end-use customers.

E. The Boston-Area Thermal Energy Network (BosTEN) Feasibility Assessment should be used to quantify the potential scale and timeline for reducing peak and aggregate gas demand in the urban core, and commission parallel assessments for other EMT-dependent load pockets.

F. The LDC annual reports on EMT should provide the following information:

a. Changes to on-system LNG infrastructure and contracting, satellite peak-shaving facility capacity, and the evolving operational role of EMT in each LDC's service territory, including any modifications to contracted volumes, service points, or alternative supply arrangements.

b. Annual utilization patterns reflecting daily liquid and vapor draws, corresponding effective degree days (EDDs), end-of-season, and out-of-season use and refills.

G. Targeted electrification opportunities for Everett residents and businesses should be identified. As an environmental justice community that has hosted EMT for decades, these customers should receive elevated consideration for beneficial IEP opportunities.

RECOMMENDATION 2: Pursue Cost Mitigation and Fair Allocation of EMT Expenses

How can ratepayer burdens be lessened?

The LDC supply contracts include charges for fixed and variable costs to maintain EMT's continuing operations, along with a margin. Massachusetts gas ratepayers currently bear all of EMT's fixed costs, while other entities — including electric generators, out-of-state utilities, and spot-market purchasers — access the facility at prices closer to spot market rates or benefit from its potential as a system backstop without proportionately contributing to fixed-cost recovery. If any of the four LDCs with long-term contracts reduces or eliminates its reliance on EMT, the remaining fixed costs shift to the customers of the LDCs that continue to rely on the facility. The FAWG found that this cost structure does not reflect the regional scope of the reliability benefits that EMT provides, and that addressing EMT's fixed-cost allocation will require action beyond the LDCs' direct control, including federal market reforms, interstate coordination, and potential state policy intervention.

The FAWG evaluated four strategies for broadening EMT's cost-recovery base: firm fuel incentives for generators through ISO-NE's CAR, expansion of contracting parties to include out-of-state utilities and alternative uses, a pipeline-peaking tariff mechanism, and state ownership of the facility. No single strategy would fully resolve the cost allocation challenge. The entities that would be asked to share costs — generators, out-of-state LDCs, pipeline shippers — have alternative supply options and limited incentive to voluntarily assume fixed-cost obligations. 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, and specifically recommends:

A. **Continue the FREA Engagement with ISO-NE CAR implementation.** The CAR reforms introduce a winter gas capacity constraint that creates market-based incentives for generators to secure firm fuel contracts — which could potentially include EMT. The first auctions under the new framework are targeted for 2028, coinciding with the approach of LDC contract expiration in 2030. FREA, in coordination with OET and DOER, should provide feedback on auction outcomes, reforms, and the design of new contracts, balancing electric ratepayer interests.

B. **Monitor the potential for expanded contracting and alternative commercial uses in conjunction with LDC contract renewal negotiations.** The FAWG did not observe a clear opportunity to expand EMT's customer base but noted that the possibility of other entities contracting for LNG offtake may be confidential or outside the immediate view of stakeholders. If such an opportunity arises, adding more customers to EMT would benefit ratepayers, even as the LDCs remain reliant on EMT. OET and DOER should be prepared to assist in the facilitation of such opportunities. Alternative uses, such as marine LNG bunkering, should also be evaluated for their potential to diversify the customer base.

C. **Explore the viability of a pipeline peaking tariff.** A tariff mechanism that allows AGT or TGP to purchase peaking options from EMT and recover costs from pipeline shippers would align cost

responsibility with the reliability beneficiaries. As the energy transition proceeds, gas throughput will decline, while peaking utilization becomes increasingly important and grows to serve electric system peaking needs. A pipeline peaking tariff may more accurately reflect costs to shippers and pipeline users in such a market, while also serving as a mechanism to support EMT. OET, FREA, and DOER should further examine the potential of a pipeline peaking tariff in an energy transition and be prepared to support the coordination of efforts to implement such a tariff if found to be potentially beneficial.

D. **Explore state purchase of EMT, but do not prioritize in the near-term.** Public ownership of energy system assets with diffuse and difficult-to-monetize benefits may play an important role in fulfilling public-interest goals during the energy transition. The FAWG considered and evaluated the potential for Massachusetts to acquire EMT, finding that the acquisition cost, legislative authorization requirements, and multi-year implementation timeline present significant challenges. The FAWG does not recommend pursuing this option before the 2030 contract renewals, but future consideration as the energy transition progresses is prudent.

In advance of any supply contract proceeding relating to EMT, the FAWG requests the DPU provide an overview of its policies, procedures, and approach to confidential pricing information as allowed by 220 CMR 1.04(5)(e), resource and contract acquisition per G.L.c. 164, section 94A, and the findings and directives contained in orders related to D.P.U dockets 24-25, 24-27, 24-28, 25-133, and 25-134.

RECOMMENDATION 3: Develop additional clarity on the long-term role that gas storage will play in the energy transition.

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 EMT will play and the services it will provide while it remains in operation. Whether EMT continues operating, and on what commercial terms, depends on factors well beyond LDC contracting decisions — including whether other customers (generators, out-of-state utilities, marine bunkering) assume a share of the facility's fixed costs. The LDCs' economic, reliability, and transition risks would all decline if such customers materialized.

The findings of the DTP FAWG demonstrated an ongoing role for firm and peaking generation capacity as ISO-NE transitions from a summer-peaking to a winter-peaking system driven by heating electrification. This transition has counterintuitive implications for gas infrastructure: even as aggregate gas demand declines, peak-day reliance on firm gas resources may grow, potentially expanding rather than diminishing EMT's role in regional reliability. Resolving this tension requires answering questions the FAWG was not positioned to address — including how much firm winter gas capacity the electric system will need, whether storage assets such as EMT can support that need, how that need should be allocated across generators and LDCs, and how the costs of maintaining peak-capable infrastructure should be recovered as aggregate throughput declines.

Consistent with the intent of Executive Order 654, the OET, DOER and FREA should commission an independent study examining how:

(a) regional pipeline capacity;
(b) transportation contracting;
(c) LNG storage; and,
(d) supply portfolios and procurement practices

should evolve during the energy transition. In doing so, the study should examine:

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

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.

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

1. Introduction and Context for This Report

This report focuses on the current and future utilization of the Everett Marine Terminal (EMT), a liquefied natural gas (LNG) facility, by the local distribution companies (LDCs) in Massachusetts.[8] In 2024, four LDCs entered into six-year supply contracts with EMT's owner and operator, Constellation LNG LLC, thereby subsuming the role of the closed Mystic Generating Station as EMT's primary customer, and placing responsibility for EMT's operating expenses onto ratepayer bills.

The DPU's review of these contracts identified two key issues. First, DPU expressed concerns that the contracts cause Massachusetts LDCs' gas ratepayers to fully bear EMT's fixed costs, which had previously been more broadly distributed across regional electricity ratepayers. Second, given the Commonwealth's legislative mandates for greenhouse gas (GHG) emissions reductions, the DPU raised questions about EMT's role as the energy transition unfolds. Recognizing both of these risks, the DPU ordered the utilities to describe their "efforts to reduce or eliminate" reliance on EMT as a condition for approving their contracts with Constellation.

In response to this order, the newly formed Massachusetts Office of Energy Transformation (OET) convened a Focus Area Work Group (FAWG) to facilitate stakeholder input on the LDCs' evaluation of alternatives. The mission of the FAWG was:

> *"To develop a coordinated strategy to reduce or ultimately eliminate the local gas distribution companies' reliance on the Everett Marine Terminal Liquefied Natural Gas 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."*

The FAWG convened state agencies, the LDCs, environmental and consumer advocates, labor, commercial and institutional representatives, environmental justice and equity organizations, energy providers, and other parties interested in the future of EMT. The FAWG was further tasked with reporting its findings and offering recommendations to the Energy Transformation Advisory Board (ETAB).

This report is the product of that process. **Chapter 2** provides an overview of EMT: what it is, what it does, and challenges related to its future. **Chapter 3** gives an overview of the EMT FAWG, its mission, membership, and work, including a summary of guidance provided to the LDCs to conduct their alternative assessments. **Chapter 4** reviews the procedural context of the LDCs' contracts with EMT, and **Chapters 5 through 9** review each LDC's operational reliance on EMT and their alternatives assessment. **Chapter 10** presents the FAWG's review of strategies to reduce ratepayer burdens. **Chapter 11** identifies related State energy policy activity.

[8] Boston Gas Company doing business as National Grid; Eversource Gas Company of Massachusetts (EGMA), the NSTAR Gas Company, doing business as Eversource Energy, Fitchburg Gas and Electric Light Company doing business as Unitil.

Chapter 12 concludes the report by describing the next steps for the **OET** and other state agencies and organizations.

A separate **Research Compendium** complements the FAWG's investigation with an examination of EMT's history, the current state of gas supply in Massachusetts, along with context on EMT's operations, situational factors, environmental justice considerations, GHG emissions, and role in the broader energy system. Several appendices provide additional support material.

2. Concise Overview of EMT & its Role in the Regional Energy System

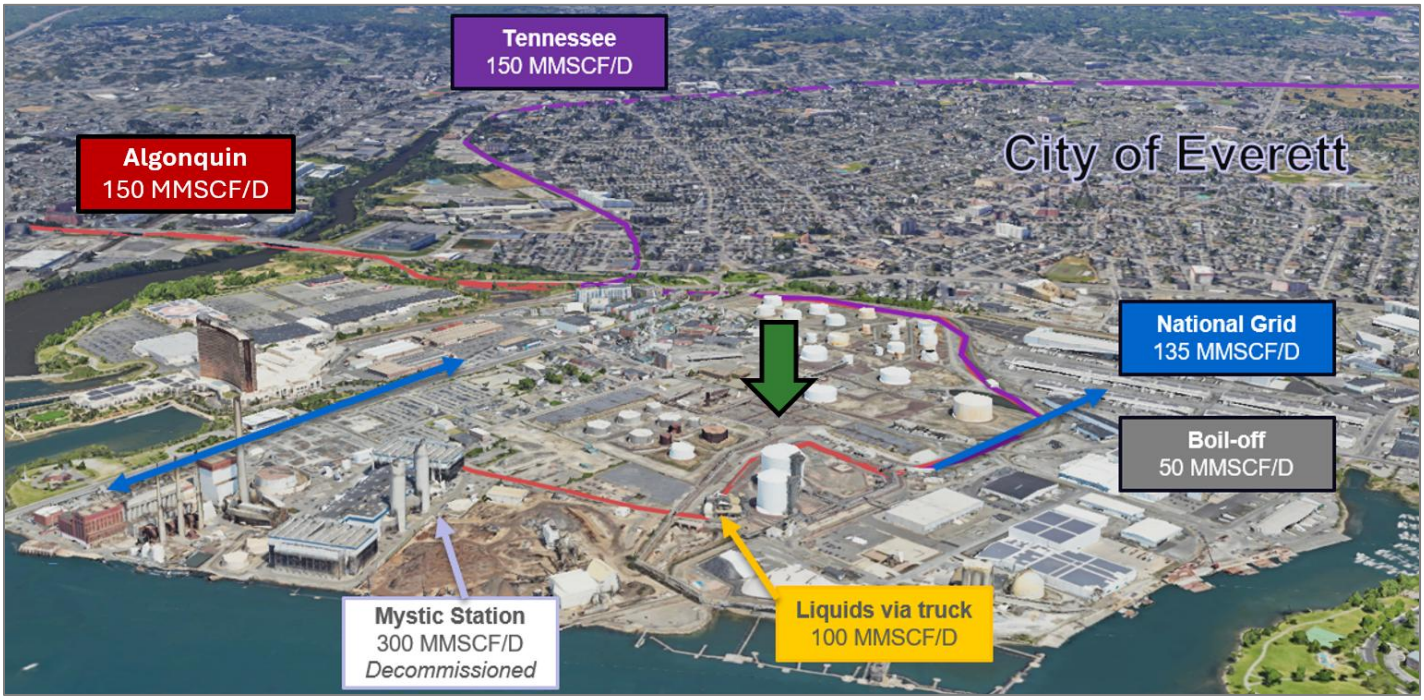

Figure 1. Aerial perspective of EMT at its location in the Mystic DPA, and the facility's distribution capabilities.

2.1. What EMT is

The EMT is an LNG import, storage, and distribution facility located in Everett, Massachusetts, within the Mystic River Designated Port Area (DPA) (Figure 1). The history of this site and its role in regional energy policy are reviewed in **Chapter 1 of the Research Compendium.**

EMT receives internationally-produced LNG via tankers that dock at the facility's berth on the Mystic River. The facility has LNG storage capacity of 3.4 billion cubic feet across two above-ground tanks, peak regasification capacity of 1.0 Bcf per day, and sustainable baseload sendout capacity of 0.7 Bcf/d. It can inject vaporized gas into the TGP and AGT interstate pipeline systems and directly into the National Grid Boston Gas distribution system. It can also load LNG onto trucks for distribution to satellite storage facilities.

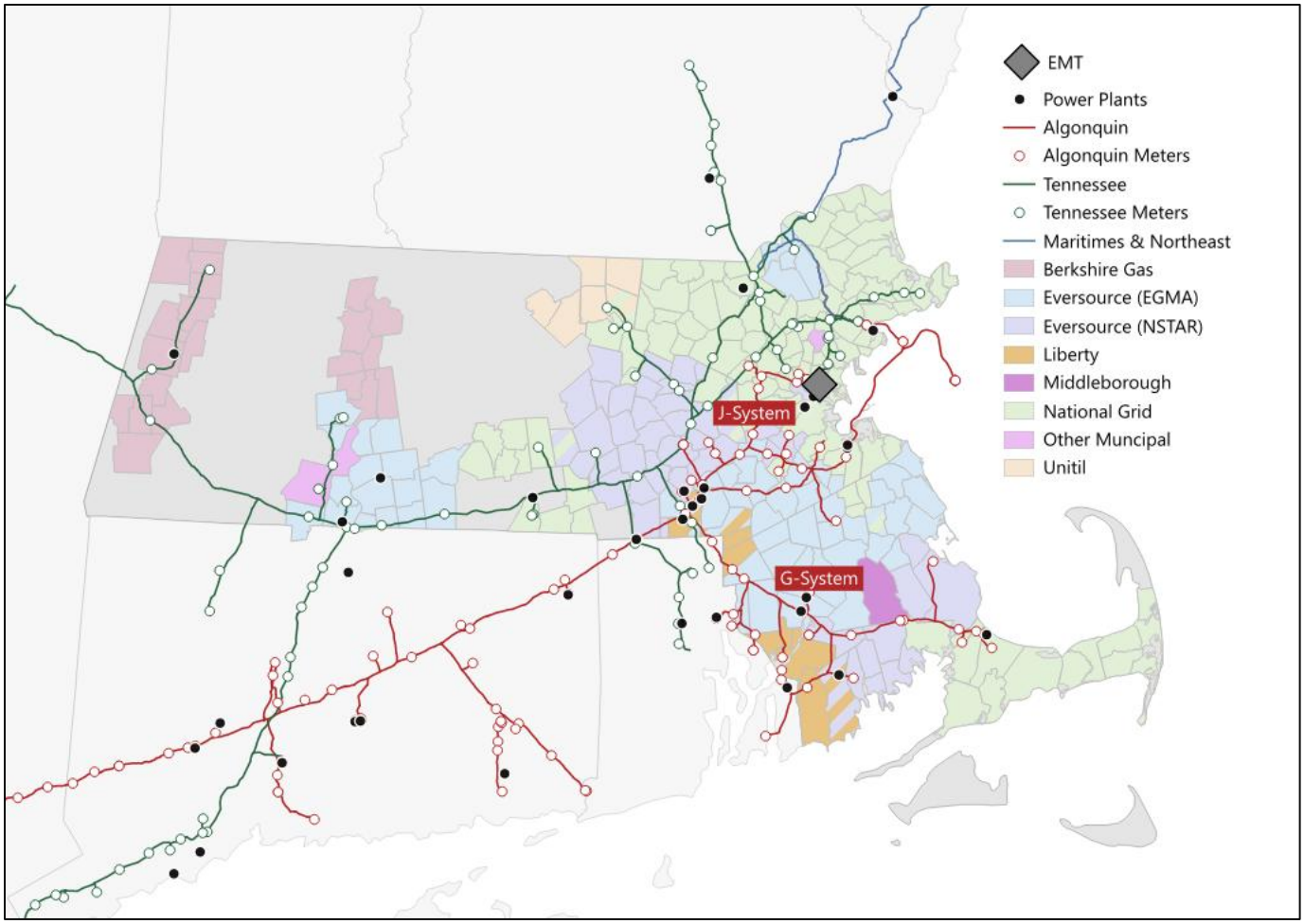

Figure 2. Map of the regional gas transmission system, local distribution companies (gas utilities), major natural gas plants (>20 MW Capacity), and the location of EMT in Massachusetts. AGT G-System and J-System laterals are labeled and will be referenced throughout this report.

2.2. What EMT Does

The facility plays an important role in both the local and regional gas systems (Figure 2). Its connection to interstate pipelines enables additional **vapor supply from pipelines** across southern New England and into New Hampshire. EMT provides a source of trucked LNG suppliers for several LDC-owned peak-shaving facilities across the region. Gas injections at EMT directly provide locational **pressure support** to both interstate pipelines at their "ends" in the Boston metro, and to the Boston Gas system on peak-demand days, even when molecules do not flow through it. EMT's presence provides **redundancy** during planned and unplanned outages elsewhere in the system, particularly on the laterals extending into Boston. Finally, EMT is the region's largest energy **storage** asset, enabling it to provide 10% of the region's peak winter natural gas supply. Figure 3 shows a hypothetical illustration of EMT's usage during a cold snap in Eastern Massachusetts.

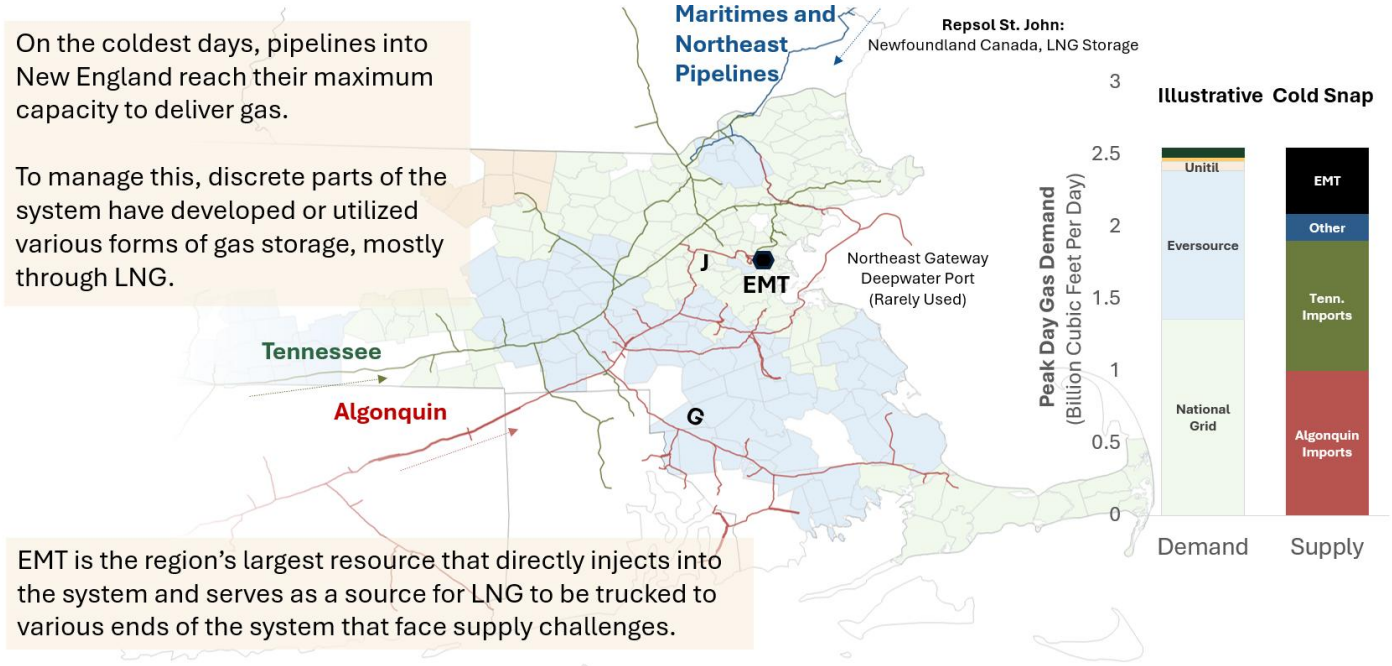

Figure 3. Illustration of EMT's role in peak gas demand management for Eastern Massachusetts

In practice, each LDC utilizes EMT's resources and capabilities in distinct ways, depending on specific factors related to its jurisdictional territory and alternative supply resources. Table 1 summarizes these LDC-specific use cases, while Chapters 3-6 of the Research Compendium provide further details on the operational aspects of EMT within the context of MA's gas system and the existing LDC contracts.

Table 1. Summary of LDC utilization of EMT across each of the four use cases

LDC	Truck Liquid Supply	Vapor Supply	Pressure Support	System Redundancy
National Grid	Supply for storage and injection plants: • Salem • Lynn • Haverhill • Commercial Point • South Yarmouth • Tewksbury • Wareham • Portable injection	Delivery at the National Grid-EMT connection.	Pressure support to the Boston Gas system at the direct connection to EMT, and at meters on the AGT J-System and the TGP Revere Lateral	Summer maintenance and unplanned outage redundancy at meters on the AGT J-System and the TGP Revere Lateral
Eversource	Supply for storage and injection plants: • Ludlow • Lawrence • Acushnet • Easton • Marshfield • Portable injection	Delivery to the NSTAR Cambridge/Somerville meter on the AGT-J System and to the EGMA and NSTAR meters on the AGT G-System	Pressure support to the AGT J-System, upstream of the NSTAR Cambridge/Somerville meter.	Summer maintenance and unplanned outage redundancy on the AGT J-System for the NSTAR Cambridge/ Somerville systems
Unitil	Supply for permanent storage at the Westminster LNG plant (~30 days per year)	Delivery of vapor to the Company's meters on the TGP, Pittsfield, and North Hampton laterals	None	None
Berkshire	Supply for permanent storage at the Whatley LNG plant (~30 days per year)	Delivery of vapor to the Company's meters on the TGP Fitchburg Lateral	None	None

2.3. Why is the Future of EMT Challenging in an Evolving Energy System?

Each era of energy transition within the New England region has seen EMT play a different role and has reshuffled the parties responsible for paying for it.

In its **first era (1971–early 2000s)**, EMT served as a direct LNG supplier to LDCs, sized for a New England gas system with limited pipeline import capacity. As interstate pipeline expansions opened additional supply paths into the region in the **2000s through 2022**, they offered LDCs other supply options. During this period, the Mystic Generating Station emerged as EMT's anchor customer, taking the bulk of EMT's send-out as fuel for power generation. The **2022–2024 Mystic cost-of-service era** then bridged the gap between Mystic's deteriorating economics and its eventual retirement: electric ratepayers across ISO-NE's six-state footprint absorbed EMT's fixed costs through the cost-of-service agreement (COSA) that kept Mystic — and therefore EMT — operating.

Mystic's 2024 closure again inverted the customer relationship, with the LDCs returning as EMT's anchor customers under the six-year Constellation contracts. AGT's G-Lateral current constraint, which was exposed by the 2019 Aquidneck Island event and the operational flow order (OFO) regime that followed, made EMT the principal tool for maintaining gas reliability in eastern Massachusetts. Looking to the **early 2030s**, a pipeline expansion project is expected to resolve the G-Lateral constraint, but a substantial role for peaking supply remains: National Grid's Boston system continues to require large-volume LNG storage, and the region as a whole still depends on dispatchable winter capacity that pipelines alone do not provide, but liquid storage can. Uncertainty in global energy markets and rising global demand point to increasing costs for international energy sources such as LNG. In a **decarbonized future**, gas capacity at EMT's scale may yet play a vital role — backstopping a system increasingly built on wind, solar, storage, electrification of heating, and thermal networks — but realizing that role will require market designs and cost-recovery mechanisms that do not exist today.

Researchers describe the current tension that EMT faces as marking a "mid-transition" period — one "constrained by a goal of reducing or eliminating GHG emissions and comprised of fossil carbon-emitting systems and zero-carbon systems that both exist at sufficient scale to impose operationally relevant constraints on the other."[9] The EMT dilemma fits this description exactly: the gas distribution system still serves over 1.7 million customers, and no feasible combination of demand reduction, pipeline reconfiguration, or distributed storage has been identified that would let the LDCs serving Greater Boston operate reliably without EMT in 2030.

[9] Grubert, Emily, and Sara Hastings-Simon. "Designing the mid-transition: a review of medium-term challenges for coordinated decarbonization in the United States." Wiley Interdisciplinary Reviews: Climate Change 13.3 (2022): e768.

The facility's own emissions are small (roughly 0.23 percent of the Commonwealth's total), and its peaking role is consistent with the residual gas use contemplated in the 2050 Decarbonization Roadmap, so the tension is not with EMT itself but with the aggregate-demand trajectory that makes EMT necessary at current levels. That tension surfaces as a collective action problem on both sides of the question. National Grid and Cambridge/NSTAR rely on EMT as a sole source of operational reliability with no apparent near-term substitute; the other LDCs draw on it more selectively, and a wider set of regional actors benefit from its reliability and redundancy without paying for it. Because the contracting LDCs cover EMT's fixed costs, marginal offtake is cheaper and Henry Hub-indexed — yet even that advantage has not made EMT's pricing competitive against alternatives like Repsol Saint John, with beneficiaries unwilling to pay premium prices for its services. The result is a fractured customer base in which each stakeholder faces a different value proposition. Each LDC that reduces participation in EMT shifts costs onto those who remain, and demand-reduction strategies that would unwind reliance require coordination across parties that lack a forum for it.

These coordination gaps land hardest on the people least well positioned to absorb them. Affordability presents the most immediate impact, as EMT's fixed costs and supply premiums flow through to gas distribution rates while low- and moderate-income households are already strained by rising distribution spending. In the longer term, the host community in Everett is exposed to additional risks. EMT sits in a DPA in Everett with a documented history of industrial use and subsequent contamination. Responsible planning for a post-EMT future is therefore not a separable question; it is part of what coordinated decision-making about EMT has to deliver.

As a result, efforts to move away from reliance on EMT carry risks on both sides. Continued reliance on EMT exposes ratepayers to cost volatility and prolonged dependence on fossil infrastructure during a period of decarbonization; but moving away without reliable alternatives risks the gas distribution system failures, precisely at moments of peak demand when ratepayers are most urgently dependent on gas for power and heating. Neither full dependence nor premature closure serves the Commonwealth's interests. The task is to build structured optionality — reducing reliance deliberately through coordinated demand reduction and system planning, while preserving the reliability services EMT provides for as long as they are needed.

3. The Role of the EMT FAWG

Following the May 2024 DPU order, OET convened the EMT FAWG to examine the region's ability to reduce or eliminate EMT dependence in alignment with D.P.U 20-80-B and the Commonwealth's climate mandates.[10] **The mission of the FAWG** was *"To develop a coordinated strategy to reduce and ultimately eliminate the local gas distribution companies' reliance on the Everett Marine Terminal LNG facility aligned with D.P.U. Order 20-80 and the state's climate and clean energy mandates, including those established in the Global Warming Solutions Act (GWSA)."*

The FAWG's work was segmented into three phases (Figure 4). OET periodically provided updates to the ETAB on the FAWG's progress. The FAWG's members are listed in **Appendix A**, and a list of meetings and topics covered by the FAWG and ETAB is provided in **Appendix B**. The **Research Compendium** organizes additional background material reviewed by the FAWG.

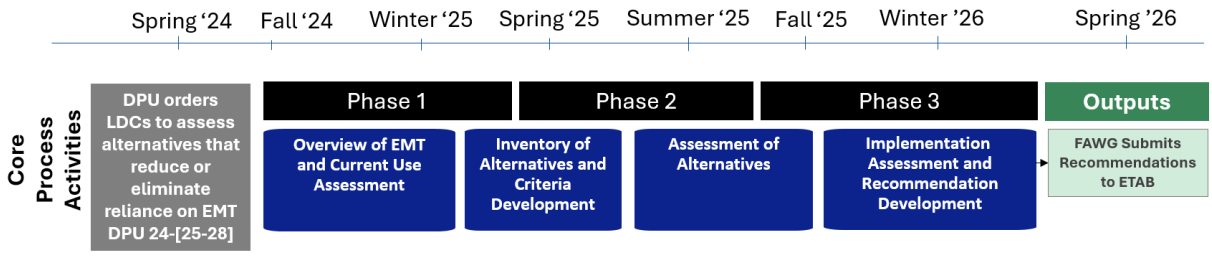

Figure 4. Timeline of the EMT FAWG Process

The first phase reviewed the background of the contracts, operations, and utilities' utilization of EMT. From Fall 2024 through early 2025, the FAWG built an understanding of EMT's operational role, established expectations for Climate Compliance Plan (CCP) filings,[11] and developed guidance for alternative assessments. On January 29, 2025, a Hearing Officer Memorandum specified additional EMT-related CCP requirements, directing the LDCs to discuss FAWG recommendations and explain any decisions not to incorporate them.[12] The content of the report thus far represents a synthesis of that and other relevant contextual information.

[10] See https://www.mass.gov/news/healey-driscoll-office-of-energy-transformation-announces-advisory-board-and-focus-on-peaker-plants-everett-lng-terminal-and-affordability.

[11] Annual D.P.U. mandated reports covering utility efforts to comply with state climate plans, including work to reduce reliance on EMT. See D.P.U. 24-25-B through D.P.U. 24-28-B at 55–56, referencing D.P.U. 20-80-B at 134. EMT-specific element discussed in Chapter 4, part 2.

[12] D.P.U. 20-80, Hearing Officer Memorandum RE: LDC Climate Compliance Plans (January 24, 2025).

During the second phase, the FAWG developed and offered guidance on how the utilities should assess alternatives to EMT. From Fall 2025 through Spring 2026, the FAWG continued to pursue alignment around the role of EMT, established expectations for the LDCs' reporting on their efforts in their April 1, 2025, CCP filing, offered guidance to the LDCs for assessing alternatives, reviewed the LDC's assessments, and made recommendations.

The third phase, from Winter 2025-26 to the present, entailed developing findings that synthesize the facts related to the LDCs' reliance on EMT, and recommendations that reflect the FAWG's deliberations on how to best address challenges identified in those findings. Draft findings and recommendations were presented to the ETAB at its February 4, 2026 meeting. The ETAB affirmed that the findings were sufficiently developed for ongoing deliberation and refinement prior to final approval.[13] For the remainder of the first half of 2026, the FAWG further deliberated on and revised the findings and recommendations set out in **Chapters 11 and 12**. *The FAWG's findings and recommendations are intended to develop a shared evidence base that state agencies, the DPU, the LDCs, and other stakeholders could draw upon in making future decisions, rather than seek consensus on preferred outcomes.*

Across these phases, the OET convened FAWG meetings in a hybrid format. FAWG input was elicited using various methods, including open dialogue, live survey, written questionnaires, and document review.

Through this process, meeting support was provided by Groundwork Data, which served as the technical facilitator and principal researcher, and the Consensus Building Institute (CBI), which led facilitation and coordination with the ETAB. Additional support was provided by OET's Clean Energy and Environment Legacy Transition (CELT) Fellows—students participating in academic and professional programs at Massachusetts universities.[14]

3.1. FAWG Input on the LDC's Alternative Assessments

In Phase 2 of the FAWG process, each LDC was asked to conduct an initial assessment of alternatives to reduce or eliminate its reliance on EMT. The LDCs were asked to conduct a self-assessment based on their understanding of system operational needs.

Prior to the assessment, the FAWG reviewed and recommended a taxonomy of alternatives and assessment criteria (**Appendix D**) to provide a consistent framework for the LDC's evaluation. The FAWG's guidance was intended to be directional, given the diverse and situational aspects of many of the alternatives. The FAWG asked the LDCs to consider alternatives in the context of reducing or eliminating reliance by the time the current contracts require renewal (approximately 2030/2031), and longer-term potential beyond that date.

[13] 59 members of the ETAB voted, four did not vote to affirm the findings, 1 abstained.

[14] See https://www.uml.edu/sustainability/research/celt/energy-transformation-fellowship.aspx.

The detailed guidance developed by the FAWG is provided in Appendix D. Additional considerations around cost and emissions evaluation are provided in the May 22, 2025 Meeting Presentation.

The LDCs' Alternative Assessments are provided in the attached Appendix E, while a summary of each is provided in a tabular and narrative format in **Chapters 5-9**.

Table 2. Taxonomy of alternatives

Alternative		Description	Methods for Determining Resource
Distributed LNG Capacity	Alternative LNG supplies	Truck LNG from MA, Canada, PA, or other source.	Identify sources and estimate the cost and impacts of acquiring those resources
	On-system LNG expansion (e.g., liquefaction, storage, injection)	Expansion of capabilities at existing sites. Development of new sites.	Identify locational needs in the absence of EMT resources.
Pipeline System Changes	Distribution system upgrades.	Connect critical parts of the system to ensure reliability ("looping").	Systems analysis of potential distribution system upgrades.
	Transmission-level strategies	Transmission capacity upgrades, utilization of Northeast Gateway, etc.	Systems analysis of potential transmission system upgrades
Non-gas infrastructure (demand reduction)	Energy efficiency; Demand response; Distributed peaking fuels; Electrification Thermal and high-temperature networks	Accelerate gas reduction in EMT-reliant zones.	Assess the level of gas reduction and electrification in and distributed across EMT-zones. Identify the most effective strategies based on zonal needs.

Table 3. Assessment criteria for the evaluation of alternatives to EMT

Category	Criteria
System Operations	Resource reliability (hourly, day, season) a.k.a. resource adequacy / supply
	Pressure support
	Energy system resilience. For example, consideration of EMT's nature as a single large asset versus a mixed portfolio of alternatives that are smaller and more distributed; how do these alternative approaches respond to unanticipated events?
	TGP/AGT redundancy for LDC operations
Infrastructure (demand and supply)	Feasibility and practicality
	Categories of cost to implement alternatives (to be further defined by cost assessment workgroup)
	Timing for implementation
	Location-specific impacts
	Electric load implications
Policy & Broader Impact Goals	Emissions reductions and climate policy alignment (to be further defined by climate policy workgroup)
	Alignment with affordability goals (separate proceedings will influence how customers realize cost)
	EJ: imposed new burdens on other EJ communities that will bear new or expanded infrastructure
	Others

4. The LDCs' Contracts with EMT

4.1. The Closure of Mystic Generating Station Prompted the Development of EMT-Supply Contracts between the LDCs and Constellation

Since the terminal's commissioning in 1971, EMT has directly served the Boston Gas system and supplied liquid LNG to other utilities. Over this period, EMT has become a critical source of infrastructure for meeting reliability needs in the region. The reliability needs of each utility are covered in greater detail in the following Chapters (5-9). In 2024, recognition of this reliance led the LDCs to enter into[15]. Table 4 provides a summary of the contract specifications.

Table 4. Summary of contract quantities. Annual or locational specifications are provided where relevant.

LDC	Specification	Maximum Daily Quantity (MDQ-dth)		Maximum Seasonal Quantity (MSQ-dth)	
National Grid (D.P.U. 24-25)	Vapor and Liquid Up to 20% as Liquid	24/25 25/26 26/27 27/28 28/29 29/30	27,000 45,000 59,000 66,000 73,000 78,000	24/25 25/26 26/27 27/28 28/29 29/30	500,000 950,000 1,450,000 1,705,000 1,925,000 2,100,000
EGMA (D.P.U. 24-26)	Up to 50% as Liquid		19,600		882,000
NSTAR (D.P.U. 24-27)	Up to 50% as Liquid	AGT-G AGT-J or TGP	5,000 10,000		450,000
Unitil (D.P.U. 24-28)	Liquid Vapor via TGP		3,000 400		83,000
Berkshire (D.P.U. 17-145, 26-28)	Liquid or Vapor		5,400		162,000

The NSTAR contract includes a provision for "Summer Roll Over" for its unused annual allocation to be used during anticipated AGD Summer J-Lateral pipeline maintenance.

The LDC contract prices are determined by four components: 1) *Non-Commodity Demand Charges* largely cover the fixed operating costs of EMT and are a function of the MSQ that Constellation must purchase. 2) *Commodity Demand Charges* cover the purchase and delivery of LNG to Constellation needed to ensure the deliverability of the seasonal gas supply. Though this charge is scaled to the magnitude of demand, it represents the purchase of approximately 2 billion cubic feet (Bcf) worth of tanker loads, meaning that the number of ship deliveries must be greater than the required supply need, accounting for boiloff.[16] Since tanker volumes are fixed, and EMT must pay for at least enough tankers to meet supply requirements, this charge acts as a fixed rather than variable cost within the contracts. On the other hand, 3) *Commodity Rates*

[15] Specifically, under the most recent cost-of-service agreement (COSA) approved by FERC (Docket ER18-1639), Mystic covered approximately 91% of EMT's fixed operating costs (~$47M/year), which were passed on through the facility's fuel supply charge to ISO-NE ratepayers.

[16] Boiloff is the evaporation of liquid LNG due to the unavoidable heating of the cryogenic LNG.

are tied to actual volume delivered and indexed to the Henry Hub NYMEX market price. 4) *Firm Transportation Charges* reimburse Constellation for delivery via the interstate pipeline systems.

This payment structure reflects EMT's role as a capacity resource. **The LDCs pay both for capacity, the assurance that gas will be available when needed and where no other supply is available, and for the gas itself when they take it.** The capacity charge is owed even in a winter mild enough that the supply is never called on, because the value of EMT lies in being there LNG storage carries a high fixed cost to hold supply firm and a low marginal cost to dispatch it on peak days. Supply not used by winter's end is typically redirected to refill satellite peak-shaving and injection facilities across the system. Ultimately, the capacity service that EMT provides is the primary driver of EMT's high costs.

The contracts include a "Most Favored Nations" cost-sharing mechanism for the non-commodity demand charge: if other parties sign long-term contracts, the fixed fees paid by the LDCs (and by extension, their customers) would be reduced.

4.2. The DPU's Review of the Contracts and Order

After an expedited adjudicatory proceeding, the DPU approved all four agreements on May 17, 2024.[17] In their petitions, the LDCs demonstrated consideration of alternatives to continued reliance on EMT that they found to be insufficient or unviable. In its review, the DPU found "the Companies made reasonable efforts to prepare for EMT's planned closure in May 2024."[18] However, the DPU stated that it agreed "with the Attorney General, DOER, and Conservation Law Foundation (CLF) that the Companies must make significant strides to reduce or eliminate their reliance on EMT in the near-term."[19] The Department directed the Companies to "fully investigate all possible alternatives to EMT over the six-year term of the Agreements"[20] and warned it would "closely scrutinize the Companies' efforts to identify viable alternatives to EMT in any similar resource acquisition agreement between the Companies and Constellation in the future."[21]

In order to achieve this mandate, the DPU established two parallel reporting tracks. First, the Companies were directed to include EMT-specific information in their inaugural CCPs (due April 1, 2025), covering: whether the agreements facilitated GHG reduction goals; efforts to reduce gas demand; and efforts to reduce or eliminate EMT reliance, including costs, feasibility, and timelines for each alternative.[22] This information is

[17] D.P.U. 24-25-B through D.P.U. 24-28-B (May 17, 2024).

[18] D.P.U. 24-25-B through D.P.U. 24-28-B at 53.

[19] D.P.U. 24-25-B through D.P.U. 24-28-B at 54.

[20] D.P.U. 24-25-B through D.P.U. 24-28-B at 54. The Department specified alternatives including energy efficiency, strategic electrification, and networked geothermal projects.

[21] D.P.U. 24-25-B through D.P.U. 24-28-B at 54.

[22] D.P.U. 24-25-B through D.P.U. 24-28-B at 55–56, referencing D.P.U. 20-80-B at 134.

to be reported annually through 2030. Second, operational and financial contract data is required in the annual Cost of Gas Adjustment Clause (CGAC) filings.[23]

The DPU found the agreements GWSA-consistent on the basis that they replace existing supply. However, the order signaled that this framework may evolve, noting that in future proceedings it "may examine more closely whether providing natural gas heating for these customers is consistent with the GWSA based on the other heating options reasonably available."[24] The DPU also acknowledged the EJ attributes of the community surrounding EMT and the legislative directive requiring the DPU to weigh affordability and equity in its proceedings.[25] It recognized that this directive applies to the review of LDC supply contracts under G.L. c. 164, § 94A, and signaled its intent to revisit the Section 94A standard of review to better incorporate EJ considerations. However, the urgency of the contract approvals did not permit that reexamination; instead, the DPU indicated that the processes prompted by the D.P.U. 20-80-B proceeding would provide the appropriate forum for that work.

4.3. Relationship with Other Proceedings

Several concurrent regulatory proceedings intersect with the questions of EMT reliance, demand reduction, and the transition to cleaner energy sources. Table 5 summarizes the principal proceedings, their relevance to EMT, and the timeline for each.

[23] D.P.U. 24-25-B through D.P.U. 24-28-B at 56–57. Cost of gas adjustment factor: 220 CMR 6.01.

[24] D.P.U. 24-25-B through D.P.U. 24-28-B at 47.

[25] G.L. c. 25, § 1A.

Table 5. Regulatory Proceedings Related to EMT.

Proceeding / Docket	Filing Entity	EMT Relevance	Status / Timeline
CCPs (D.P.U. 20-80-B)	National Grid, EGMA, NSTAR Gas, Unitil	First CCPs due April 1, 2025. Must include: (1) whether EMT agreements have facilitated GHG reduction goals; (2) efforts to reduce gas demand; (3) efforts to reduce or eliminate EMT reliance, with costs, feasibility, and timelines for each alternative and GHG contribution. **Annual EMT reporting through 2030.**	First filings due April 1, 2025; annual updates through 2030.
CCP EMT-Specific Requirements (D.P.U. 20-80 HO Memo, Jan 29, 2025)	National Grid, EGMA, NSTAR Gas, Unitil	LDCs must discuss FAWG recommendations; describe each alternative to EMT and evaluation method; explain any FAWG recommendations not incorporated. If alternatives are not finalized, must provide workplan for incorporating FAWG final recommendations.	Requirements apply to April 1, 2025, CCP filings.
EMT Contract Cost Reporting (D.P.U. 24-25-B through 24-28-B)	National Grid, EGMA, NSTAR Gas, Unitil	Total annual costs, costs by pricing component, commodity volumes, credits, third-party margin transactions, change-in-law cost pass-throughs from Constellation.	Due 45 days before effective date of annual peak/off-peak CGAC filings, through 2030.
Non-Pipeline Alternatives Framework (D.P.U. 20-80-B)	All MA gas LDCs	LDCs are required to develop NPA evaluation frameworks for gas infrastructure investment decisions. Relevant to whether on-system investments (e.g., LNG vaporization expansion, distribution betterments) are evaluated against NPAs including electrification.	Interim frameworks in place; proposed framework under review by the DPU in CCP proceedings.
Integrated Energy Planning (D.P.U. 20-80-B)	Gas and electric distribution companies	Coordinated planning between gas and electric utilities relevant to EMT alternatives involving electrification, thermal networks, or load transfer. Framework for 2028 integrated study.	Under development per ESMP and D.P.U. 20-80-B directives.
National Grid Rate Case (D.P.U. 26-50)	National Grid	LNG Life-Cycle Integrity Investment program (~$1.054B, 2026–2031). Subset of projects linked to EMT reduction strategy.	Filed January 2026; proceeding active.
Eversource RARE Contracts (D.P.U. 25-133, 25-134)	EGMA, NSTAR Gas	Ten-year firm transportation agreements with AGT replacing EMT's G-System supply function beginning November 2029. Approved January 30, 2026, with renewal restrictions and escalating GWSA expectations.	Approved January 30, 2026. In-service target November 1, 2029.
EGMA NRG G-System Contract (D.P.U. 25-27)	EGMA	Four-year contract with NRG for 15,000 Dth/day of G-System city-gate peaking supply (winters 2025/26–2028/29).	Approved 9/11/2025

4.4. Post-Contract Utilization

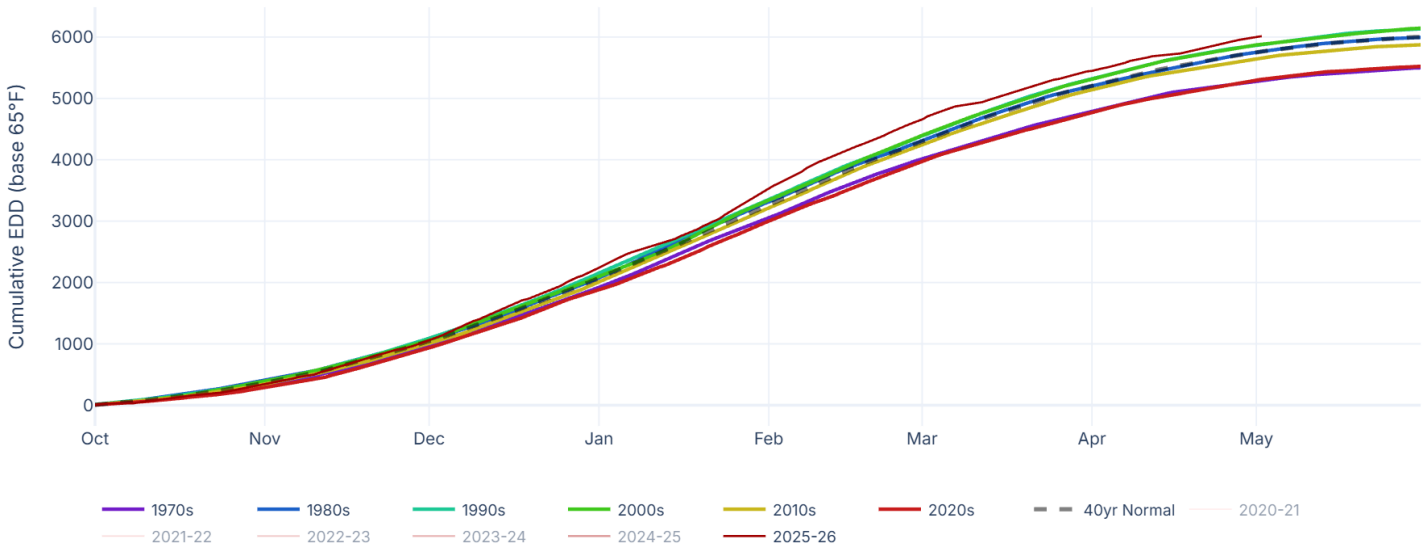

Figure 5. Cumulative EDDs by decade and for 2025-2026 (thin red line). Source: National Oceanic and Atmospheric Administration and Boston Logan International Airport (KBOS) weather station. EDDs are calculated based on Fitchburg Gas & Electric, DPU D.T.E. 03-52: (65°F − T_avg) × (1 + V_mph / 100) when T_avg < 65°F, else 0; where T_avg is the daily average temperature and V_mph is the daily average wind speed.

The 2025–26 heating season was colder than recent years, with cumulative heating degree days (HDDs) higher than decadal averages going back to the 1970s (Figure 5). The National Weather Service initially forecast above-normal temperatures for December through February, but conditions shifted markedly as persistent polar-vortex-driven cold—designated Winter Storm Fern—produced the coldest November-through-February period since 2015. Across the Boston area, 49 days registered below normal temperatures, with 20 of those at least 10°F below normal, and snowfall ran approximately 25 inches above the seasonal average.

Despite the sustained cold, no LDC observed a design day during the season. Unitil's coldest day registered a 68 EDDs[26] on February 7, 2026—well below its 1-in-30-year design-day standard of 81.3 EDD. National Grid's highest single-day throughput of approximately 1.2 Bcf ranked only 17th historically against its 1-in-40.3-year design-day standard of 78 EDD. The season thus represented a colder-than-normal but sub-design winter: conditions severe enough to activate peaking resources across all LDC systems but not approaching the extreme tail events for which EMT contracts are ultimately sized.

The most operationally significant period was the ten-day cold snap from approximately January 20 through February 8, 2026, during which all four contracting LDCs simultaneously drew on EMT resources.

[26] Effective degree days or EDD is a metric used to correlate weather to gas demand. A heating degree day, or HDD, is a measure of degrees Fahrenheit below a reference temperature, typically 65°F. EDDs are bespoke adjustments to this approach that incorporate wind and other weather factors.

Figure 6 through Figure 9 present cumulative seasonal EMT draws against each LDC's MSQ. The cumulative trajectory highlights a characteristic feature of peaking supply contracts: the bulk of seasonal volume is consumed in a compressed window of sustained cold, with the daily draw pattern exhibiting the steep, step-function increases that distinguish EMT's non-ratable peaking role from baseload pipeline supply.

Beyond peak-period dispatch, LDCs also utilize their remaining seasonal allotment to replenish on-system LNG storage inventories drawn down during sustained cold. Truck deliveries from EMT to satellite tank facilities continue through the shoulder months, restoring working gas volumes at permanent storage sites in preparation for the subsequent heating season. This replenishment function, which does not appear on peak-day utilization charts, represents an operationally significant use of the allotted MSQ, distinct from the real-time pressure support and vapor delivery functions emphasized during cold weather events.

The record-setting delivered gas prices observed during the winter of 2025–26 underscore the continued tightness of pipeline-delivered supply into New England during peak periods. Both TGP and AGT operated at very high utilization rates, and city-gate spot prices spiked during the January–February cold snap, reinforcing the economic context in which EMT's contracted volumes provide price certainty relative to marginal spot-market supply.

Unitil 2025-2026 Utilization

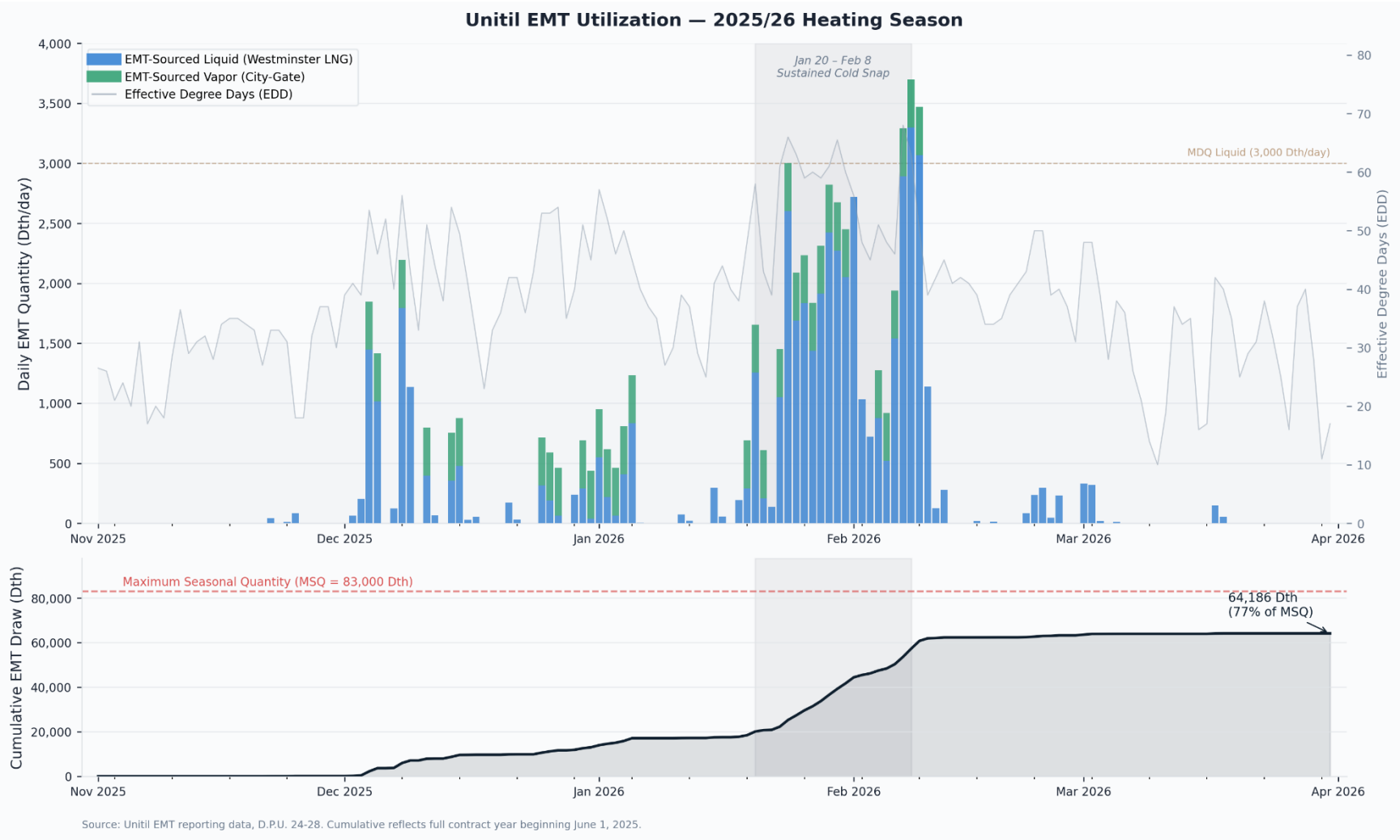

Figure 6. Daily (top) and cumulative utilization (bottom) of liquid and vapor resources by Unitil over the 2025-2026 winter. EDDs are shown as the shaded area in the top figure. Data provided by Unitil.

EGMA 2025-2026 Utilization

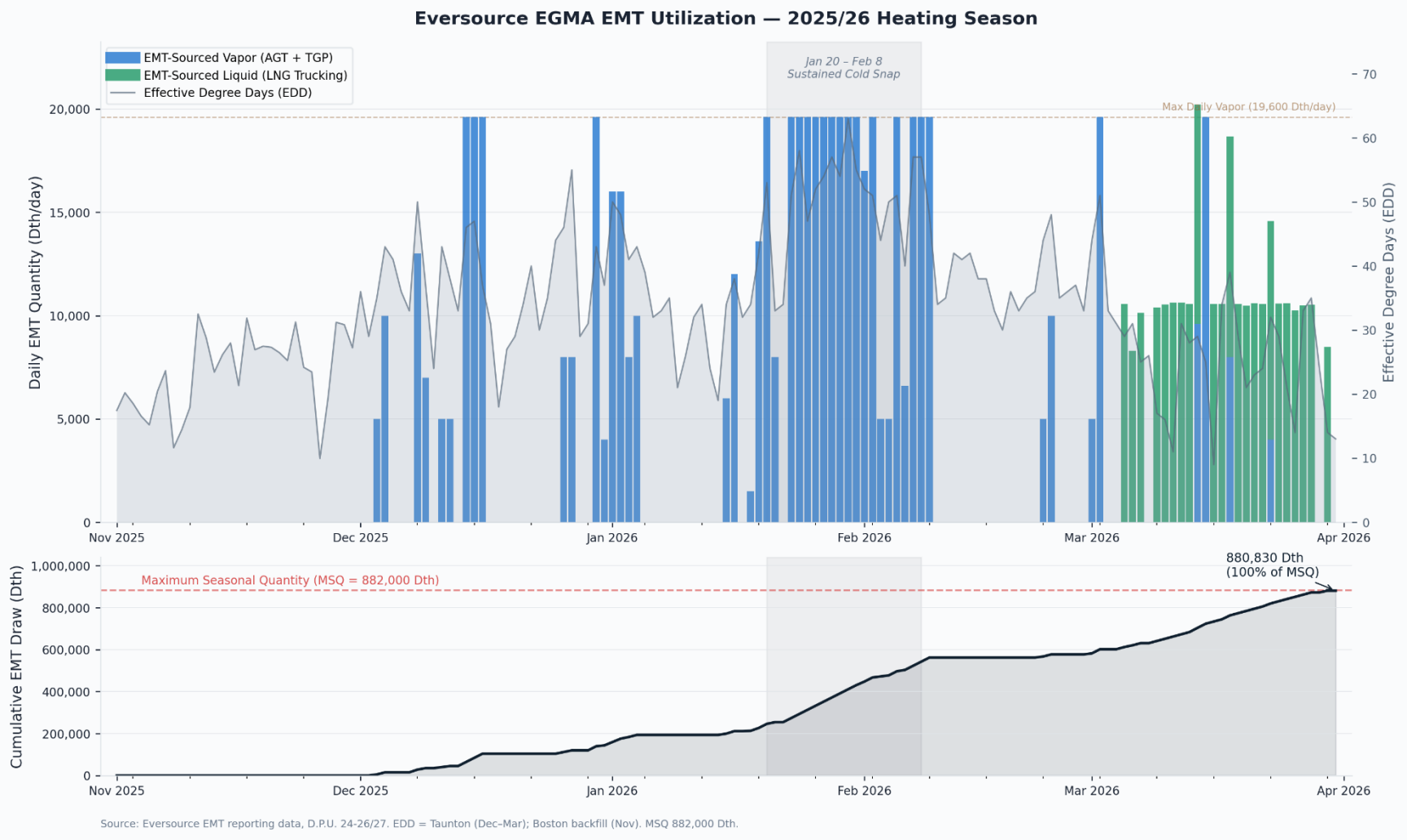

Figure 7. Daily (top) and cumulative utilization (bottom) of liquid and vapor resources by NSTAR over the 2025-2026 winter. EDDs are shown as the shaded area in the top figure. Data provided by Eversource.

NSTAR 2025-2026 Utilization

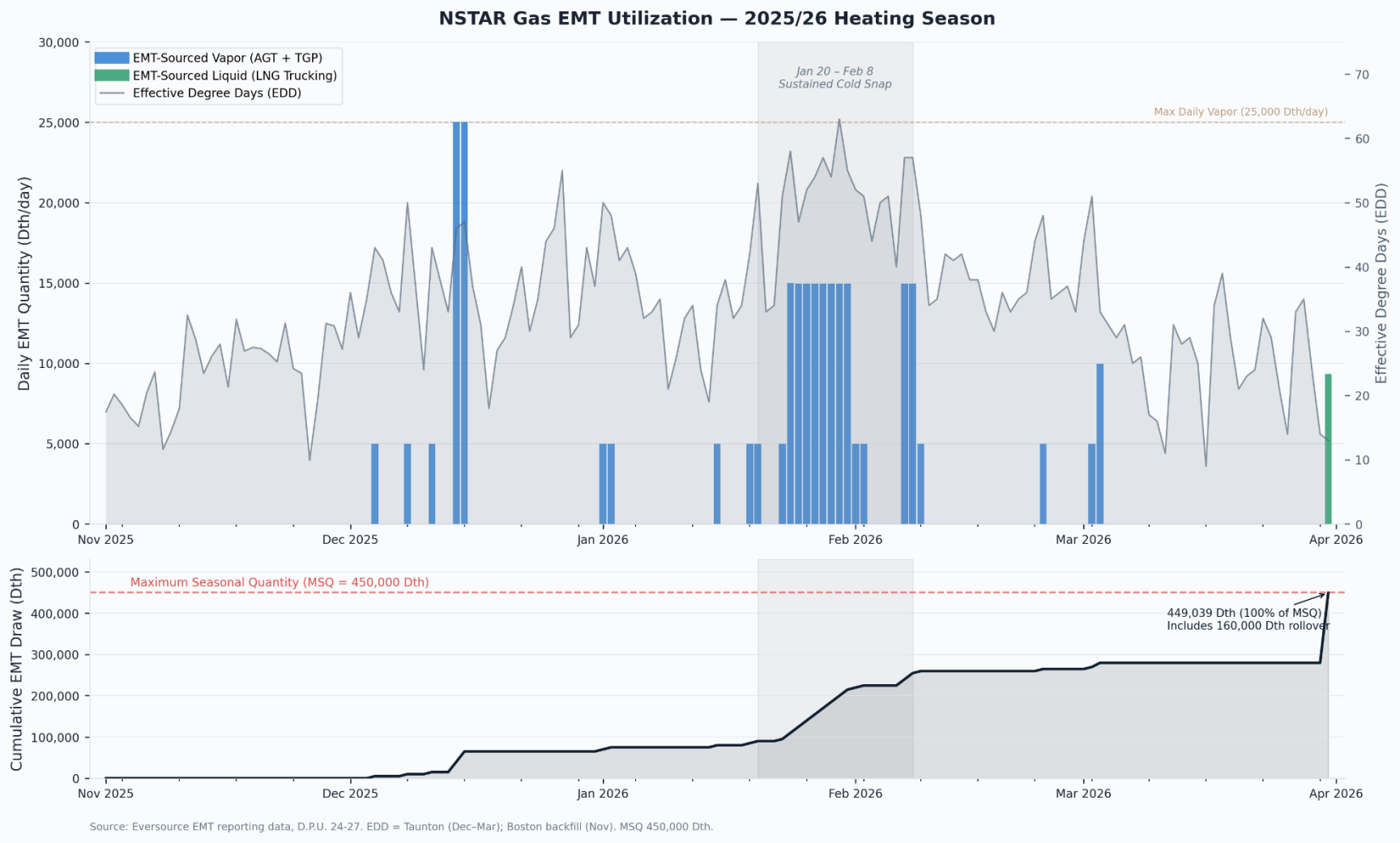

Figure 8. Daily (top) and cumulative utilization (bottom) of liquid and vapor resources by NSTAR over the 2025-2026 winter. EDDs are shown as the shaded area in the top figure. Data provided by Eversource.

National Grid 2025-2026 Utilization

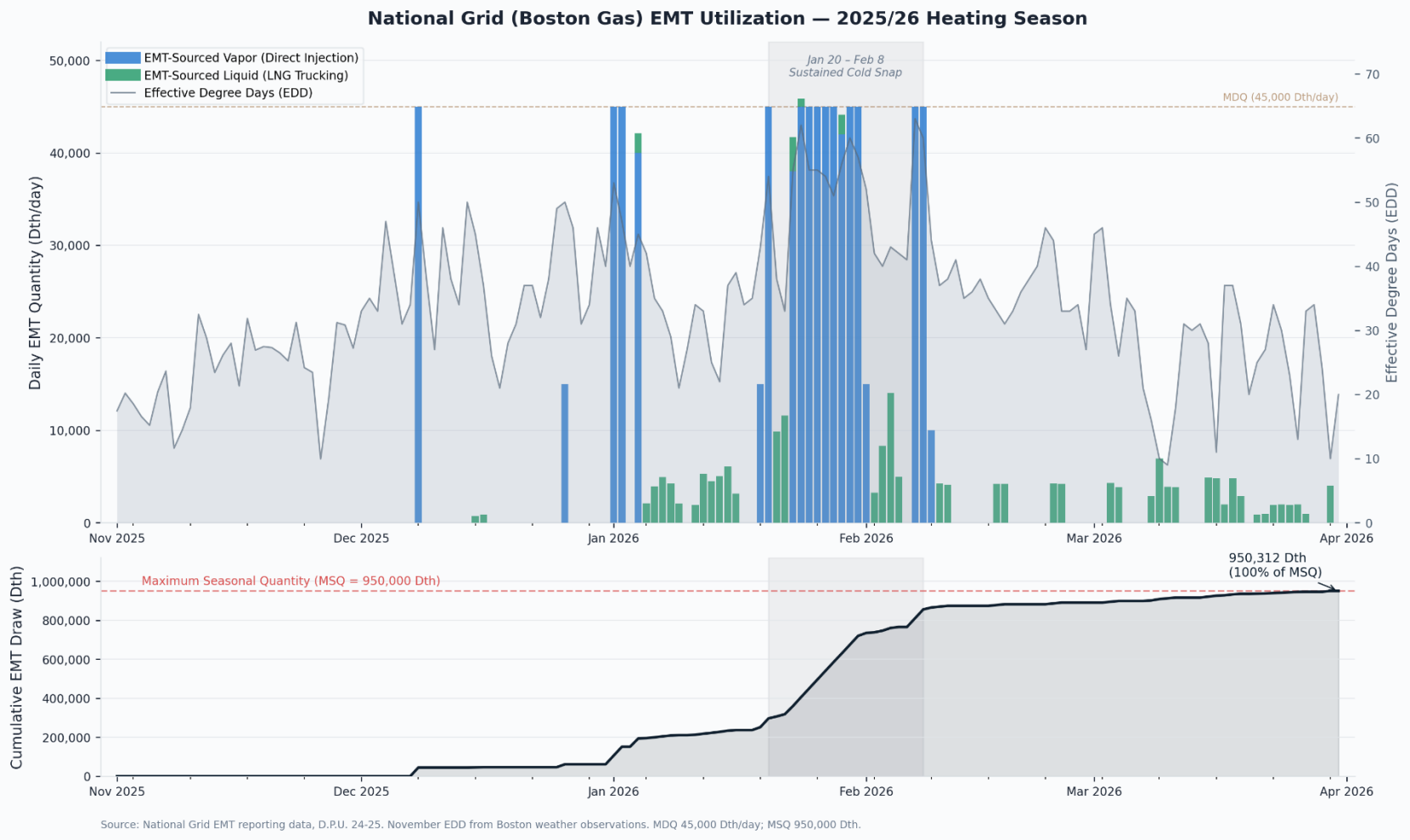

Figure 9. Daily (top) and cumulative utilization (bottom) of liquid and vapor resources by National Grid over the 2025-2026 winter. EDDs are shown as the shaded area in the top figure. Data provided by National Grid.

5. Unitil (Fitchburg Gas and Electric)

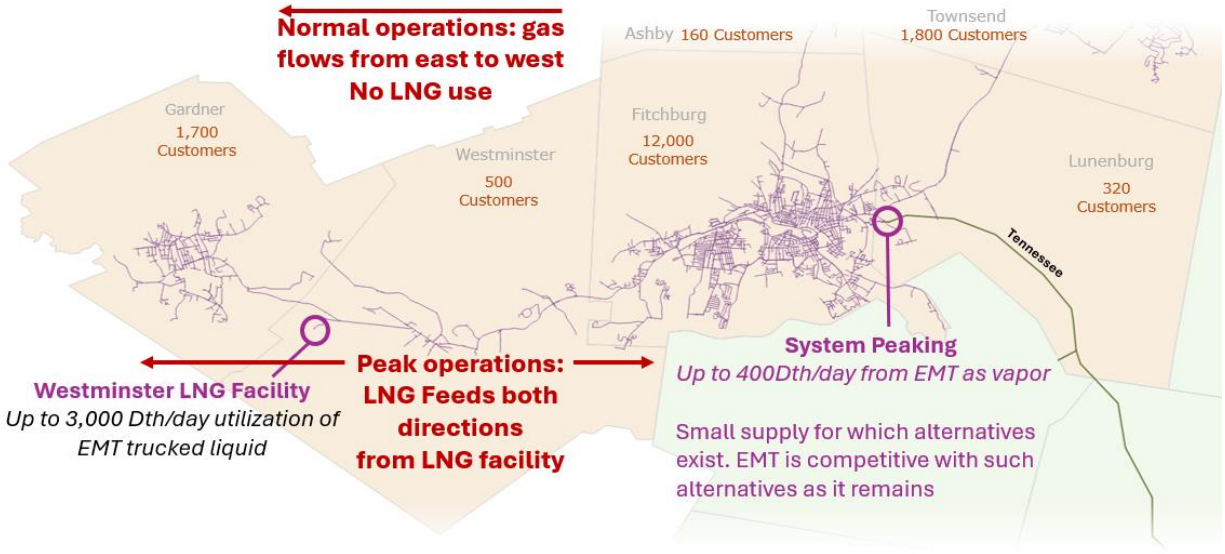

Figure 10. Illustration of EMT utilization in Unitil's territory.

Unitil's Fitchburg Gas distribution system primarily sources natural gas from the Fitchburg Lateral of the TGP. Under typical conditions, this pipeline supplies the network, allowing gas to flow northward and westward from Fitchburg toward Gardner. As temperatures drop and heating demand rises, the system's capacity to deliver gas westward via its single pipeline to Gardner is limited, as rising consumption draws down system supply.

EMT provides two distinct services to Unitil. First, Unitil's contract with EMT allows for up to 400 Dth per day to be delivered at Unitil's city gate meter on the TGP in Lunenburg. Additionally, Unitil purchases liquid LNG trucked from EMT to its Westminster LNG facility, located approximately seventy-five miles away.[27] The Westminster plant has limited storage capacity, 3,172 Dth. This is exactly one design day's supply, meaning it requires near-continuous replenishment whenever dispatched. The facility serves two critical functions: peaking supply on cold days and distribution system pressure support for the Gardner area, which begins requiring pressure support at temperatures as mild as 40 EDDs, well above design-day conditions.[28]

EMT's proximity is the decisive operational factor in Unitil's LNG sourcing. The terminal allows forty-eight-hour delivery notice with accommodation for shorter notice during weather events, much faster than out-of-state LNG sources in Pennsylvania and Quebec, which require 72 hours' notice. These outside sources also

[27] D.P.U. 24-28, Exh. Unitil-FXW-1 at 10–11. Westminster LNG capacity is 3,172 Dth, and the facility provides both peaking supply and distribution system pressure support for the Gardner area.

[28] D.P.U. 24-28, Exh. Unitil-FXW-1 at 12. Pressure support is required when end-of-line pressure drops to 55 psig, typically at approximately 40 effective degree-days.

introduce challenges related to customs, traffic, and weather-related delays.[29] Given Westminster's single-day storage constraint, these additional distances and lead times represent meaningful reliability degradation.

In its 2024 contract petition, Unitil noted that it did consider alternatives including: LNG sources in Pennsylvania and Quebec; CNG injection capacity in the Gardner area (initial feasibility work done but facing significant cost, siting, and staffing barriers); additional pipeline capacity (no planned projects capable of replacing the supply); and energy efficiency (embedded in Unitil's forecast and supply plans but insufficient at current timelines).[30] Unitil is expanding its on-site LNG storage at Westminster, which would increase the time between refills there. The upgrade could provide Unitil more flexibility in terms of sourcing LNG.

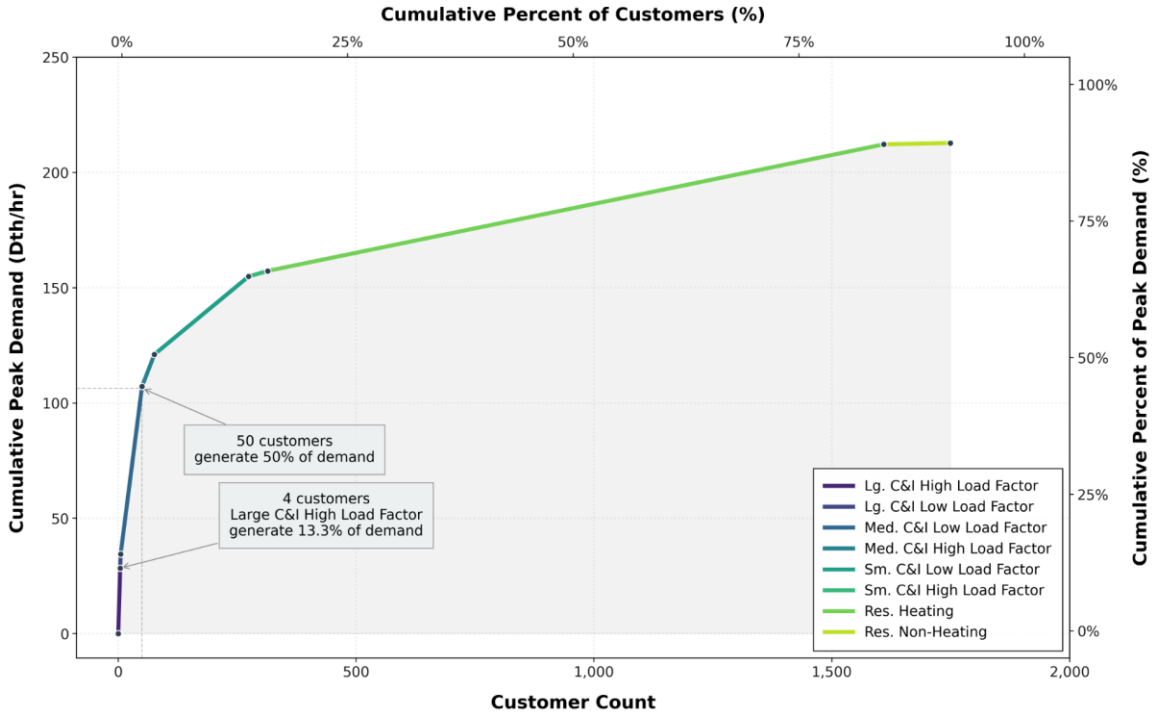

Figure 11. Cumulative load figure by customer class for Unitil's Gardner system.

EMT demand in this area is split evenly between residential and commercial loads, with the largest 50 loads (out of approximately 1750) driving demand. These include a hospital, community colleges, legacy manufacturers, and local municipal buildings (Figure 11). The residential customer base is characterized by an older, less efficient housing stock, high degrees of home ownership, and incomes below the state average.

[29] D.P.U. 24-28, Exh. Unitil-FXW-1 at 11–12.

[30] D.P.U. 24-28, Exh. Unitil-FXW-1 at 28.

5.1. Unitil Alternative Assessment for the EMT FAWG

A summary of Unitil's alternative assessment is provided in Table 6. The full assessment is provided in Appendix E. Transmission-level strategies were ruled out, as Unitil's small demand is insufficient to drive interstate pipeline projects.

Distribution system upgrades were evaluated, but no viable options were identified. Replacing the constrained lateral serving Westminster and Gardner would be prohibitively expensive. The TGP lateral feeding Unitil's city gate is also constrained, limiting the benefit of downstream upgrades. However, such an upgrade could possibly be reasonable under rising gas demand that would offset its costs.

Unitil studied whether eliminating the low-pressure distribution systems in Gardner could reduce the need for pressure support. They found that it could decrease maximum hourly LNG flow requirements by approximately 26 percent. Yet much of the low-pressure pipe in the Westminster-LNG-dependent area has recently been replaced under the company's gas system enhancement plan (GSEP) program. The strategy would neither be effective at eliminating reliance on LNG, nor be justifiable on cost.

Demand reduction through electrification was also explored by assessing the impact of incremental electrification of customer groups. Unitil found that electrifying all 1,296 residential customers in Gardner would reduce LNG requirements by only approximately 20 percent. Achieving a 50-percent reduction would also require electrifying 57 commercial (G-41) customers. This finding highlights the fact that gas flow out of the Westminster facility is likely bidirectional, with supply constraints starting prior to the facility.

Table 6. Unitil alternative assessment summary.

Category	Alternative	Potential to Reduce or Eliminate Reliance by Contract Renewal	Post-2030 Potential to Reduce or Eliminate Reliance	Notes
Pipeline System Changes	Replace constrained lateral serving Westminster/Gardner	**Impractical**: cost	**Impractical**: cost	Lateral replacement and associated system upgrades would incur a very high cost
	Eliminate low-pressure systems, requiring less pressure support.	**Limited partial solution**: cost	**Limited partial solution**: cost	Insufficient on its own, and high cost of upgrading.
	Targeted electrification: Gardner	**Limited partial solution:** rapid customer transition timeline	**Limited partial solution:** consider if LPP is remaining	There is little remaining LPP in Gardner
	Transmission upgrades	**Infeasible**	**Possible solution:** Contingent on broader willingness and interest in pipeline solutions.	Unitil's small demand will not drive transmission level upgrades.
	Rely on Northeast Gateway (Vapor Supply Only)	**Infeasible** for Westminster. Vapor supply contingent on whether there are additional customers to support such a strategy	**Infeasible** for Westminster. Vapor supply contingent on whether there are additional customers to support such a strategy	Does not provide a source of liquid. Unitil's small demand will not drive the availability of this supply option.
Alternative Supplies	Alternative Source of Trucked LNG	**Possible solution** if operational deliverability requirements are met	**Possible solution** if operational deliverability requirements are met	Long-distance transport faces increasing deliverability costs and challenges. An alternative local source of LNG supply may be available (Northeast Energy Center) that was not in service when current EMT contract was finalized.
	TGPL Supply (Vapor Delivery to City Gate)	**Possible solution** to meet vapor needs only, but it would require an available supply source.	**Possible solution** to meet vapor needs only, but it would require an available supply source on the market.	Unitil currently relies upon annual supply procurement delivered to its facilities on TGPL. Volume purchased on this request for proposals could be increased to cover the vapor deliverability under the EMT contract.
Demand Reduction	Electrification & Energy Efficiency	**Infeasible:** customer transition constraints	**Possible solution:** A substantial, unprecedented reduction in demand from peak-load drivers would eventually obviate the need for EMT.	Based on usage, impactful demand reduction would need to occur in Gardner and along the lateral flow path from Fitchburg through Westminster.

Rating	Definition
Infeasible	The alternative faces prohibitive high cost, implementation, and/or timeline challenge (e.g., in place by 2030).
Impractical	The alternative faces high costs and significant ongoing implementation uncertainty.
Limited partial solution	The alternative may reduce EMT utilization, but the impact is not enough to eliminate reliance. It could be a partial component of a comprehensive transition strategy, but not a primary driver.
Possible solution	A potential driver of a significant reduction in EMT reliance but would likely need to be implemented alongside other strategies for full elimination.

6. Eversource G-System (Southeast EGMA & NSTAR)

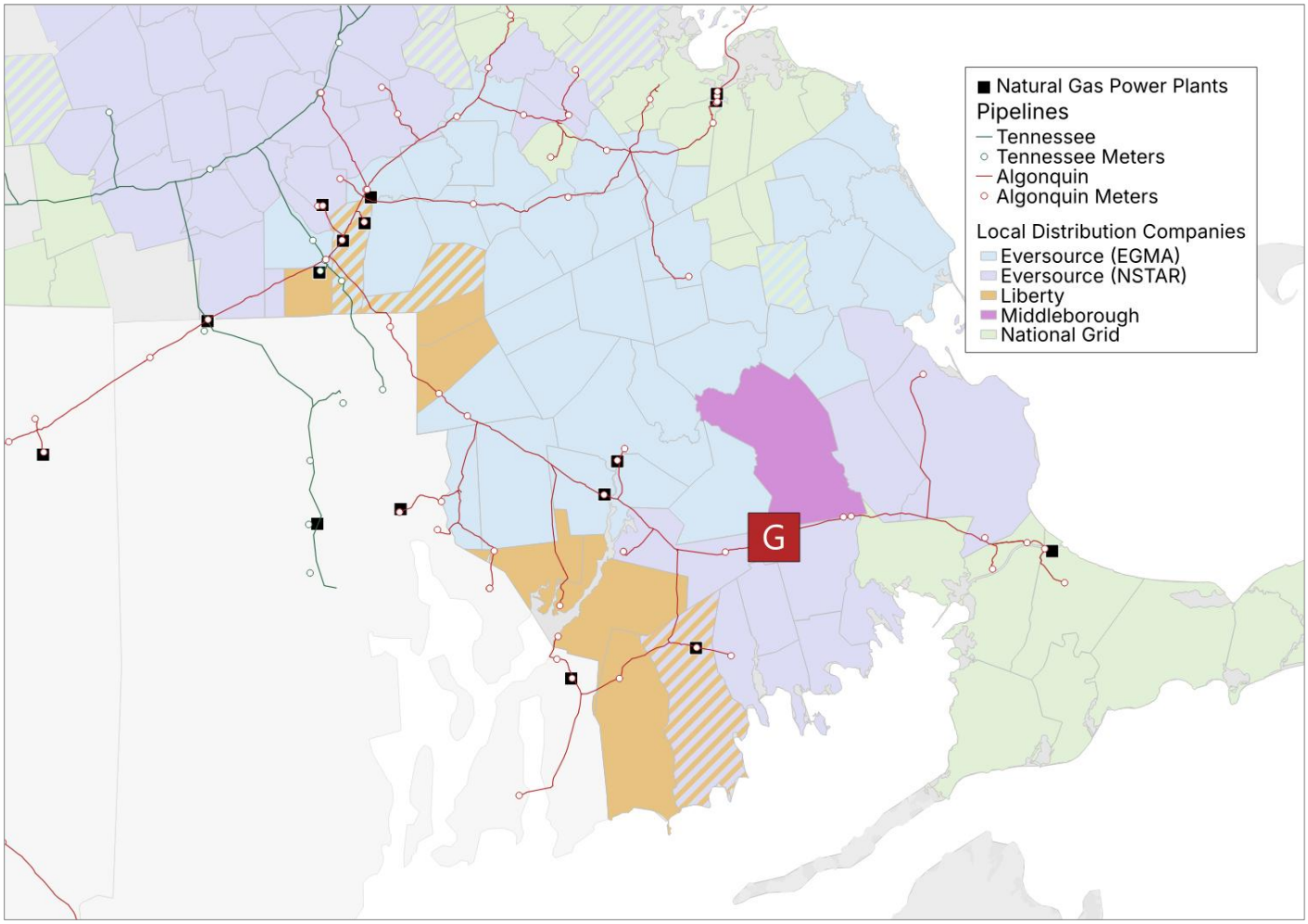

Figure 12. Map of the AGT G-System.

6.1. The G-System and Its Structural Constraints

EGMA serves over 320,000 customers across three non-contiguous divisions centered on Springfield, Brockton, and Lawrence.[31] The G-System is a branch of the AGT pipeline that diverges south from the mainline near Mendon, Massachusetts and runs to the end of the system in Rhode Island and Cape Cod. It serves multiple LDCs and several power plants, including EGMA's Brockton Division (through the South Attleboro and Taunton city gates), NSTAR Gas's New Bedford Division, National Grid's Cape Cod operations, and much of Rhode Island. The G-System has historically operated subject to known constraints.

[31] D.P.U. 24-26, Petition at 1. EGMA provides retail natural gas distribution service to over 333,000 customers in three divisions: Springfield, Brockton, and Lawrence.

Prior to winter 2019–20, LDCs routinely served G-System delivery points through a practice AGT had long accommodated: secondary "out of path" nominations. Under this arrangement, utilities with firm transportation contracts specifying primary delivery entitlements at city gates elsewhere on the AGT system could redirect a portion of that capacity to G-System meters. AGT historically allowed total nominations at Attleboro and Taunton to exceed technical firm delivery entitlements, particularly during the high-demand winter season, so long as the overall nominations stayed within its total contracted volumes across the broader Brockton Division. This flexibility effectively masked an underlying capacity gap: the LDCs' firm entitlements at G-System delivery points were insufficient to serve their actual customer load at those locations, but the shortfall was papered over by the pipeline operator's willingness to confirm secondary nominations.

6.2. January 2019 Aquidneck Island Outage

On January 21, 2019, a cascading low-pressure event on the G-System produced one of the most significant gas system failures in recent New England history. Low pressures on the G-System forced National Grid, through its Rhode Island subsidiary Narragansett Electric, to shut off natural gas service to over 7,000 customers in Newport and Middletown. Service was not fully restored until January 30, nine days later, with displaced residents sent to hotels and shelters in single-digit temperatures.[32]

Investigations by the Rhode Island Division of Public Utilities and Carriers and by the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) identified three converging factors: a sudden spike in gas demand driven by extreme cold; the emergency shutdown of National Grid's LNG storage and vaporization facility in Providence; and a malfunctioning valve at an AGT meter station in Weymouth, Massachusetts, caused by a programming error that repeatedly opened and closed the valve when system operators attempted to inject additional gas into the G-System.[33] EGMA's testimony in the 2024 EMT proceedings cited the PHMSA report's documentation that AGT called on EMT multiple times during the event to increase sendout and preserve pipeline pressures, evidence of EMT's function as the emergency backstop for the G-System.

One of the significant contributing factors identified in both investigations was that customers on the G-System taking gas at rates exceeding their hourly contractual scheduled nominations. The gas was flowing where customers needed it, but in quantities exceeding the firm entitlements underpinning those deliveries.

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[32] Rhode Island Division of Public Utilities and Carriers, Summary Investigation into the Aquidneck Island Gas Service Interruption (October 30, 2019); PHMSA, Events Contributing to Natural Gas Outages on National Grid's Distribution System in Rhode Island (August 13, 2019).

[33] RI D.P.U.C Report at 14–15. The three factors were: sudden high demand from extreme cold; emergency shutdown of the National Grid LNG facility in Providence; and a malfunctioning valve at an AGT meter station in Weymouth, MA caused by a programming error.

6.3. Algonquin's Operational Flow Order Changes

Eight days after the outage, on January 29, 2019, AGT posted an unprecedented notice establishing hourly balancing parameters for point operators on the G-System, warning of point-specific hourly OFO that would penalize city gate operators for taking more than their contractual volumes on a primary firm basis.[34] AGT subsequently formalized these changes beginning with the 2019–20 winter season, limiting secondary firm nominations and enforcing point-specific hourly OFOs.[35]

The practical effect was immediate and substantial. For EGMA, the elimination of secondary nomination flexibility converted a latent infrastructure gap into a quantified firm capacity entitlement deficit of approximately 33,600 Dth per day at the Attleboro and Taunton city gates,[36] later revised to approximately 34,000 Dth per day in the Company's 2025 filing.[37] These customers had been served before the OFO changes; what shifted was not the demand but the pipeline operator's willingness to accommodate delivery volumes above contractual entitlements. OFO penalties for non-compliance could reach three times the day's highest city gate price, a substantial financial exposure that further incentivized the LDCs to secure firm primary delivery rights.

6.4. The EMT Contracts as a Bridge (2019–2030)

Following the OFO changes, the Eversource entities initially relied on short-term, year-to-year contracts to fill the G-System deficit. EMT-sourced supply became the primary vehicle, leveraging Constellation's firm AGT G-System contracts with a primary receipt point at the terminal. In 2024, EGMA and NSTAR Gas filed for the six-year EMT contracts. Both utilities characterized the agreements as having "no viable alternatives," citing the failure of recent pipeline projects.[38] The six-year contract term, through May 2030, was explicitly linked to the timeline for new pipeline capacity. When the Attorney General asked in the proceedings why the contracts were structured for six years, EGMA answered that six years provided sufficient time to build new gas transmission capacity into the region. There was only one such project on the horizon: Enbridge's Project Maple.

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[34] D.P.U. 25-133, Exh. EGMA-EBS-1 at 10–11. On January 29, 2019, AGT posted an unprecedented notice on hourly balancing parameters for point operators on the G-Lateral.

[35] D.P.U. 24-26, Petition at 2. In 2019, AGT notified customers it would change its historical nomination confirmation practices, including plans to limit secondary firm nominations and issue hourly and point-specific OFOs.

[36] D.P.U. 24-26, Exh. EGMA-EBS-1 at 7. The Company's need for incremental firm G-Lateral city gate entitlements totaled approximately 33,600 Dth/day; the EMT agreement addresses 19,600 Dth/day (58%).

[37] D.P.U. 25-133, Exh. EGMA-EBS-1 at 21. The deficit was revised to approximately 34,000 Dth/day in the 2025 filing.

[38] D.P.U. 24-26, Exh. EGMA-EBS-1 at 27–32. EGMA evaluated distribution system betterments, temporary CNG injection, pipeline projects, spot city-gate delivery, and energy efficiency.

6.5. The RARE Project and D.P.U. 25-133/25-134

On September 2, 2025, Eversource filed petitions for both EGMA (D.P.U. 25-133) and NSTAR Gas (D.P.U. 25-134) seeking ten-year firm transportation agreements with AGT under the Reliable, Affordable, Resilient Enhancement (RARE) project, a small-scale enhancement of approximately 73,500 Dth per day capacity for New England LDCs, designed to augment existing G-System facilities with no incremental compressor stations.[39] RARE represented an incremental component of the original and more comprehensive Project Maple AGT upgrade plan.

EGMA's RARE contract provides 25,000 Dth per day to the South Attleboro and Taunton city gates over a ten-year term beginning November 1, 2029, addressing 74 percent of the approximately 34,000 Dth per day deficit — a more comprehensive solution than the EMT contract's 19,600 Dth per day. NSTAR Gas's contract provides 5,000 Dth per day to New Bedford, covering its full incremental G-System need. Both filings state explicitly that the RARE contracts would eliminate the need for EMT supply on the G-System beyond 2030.[40] EGMA's filing indicated that the contracts would eliminate the reliance of its G-System operational territories on EMT, generating estimated savings of $34 million per year for EGMA customers and $6 million per year for NSTAR customers.

The Department approved both RARE contracts on January 30, 2026.[41] The Department found that the Companies' demand forecasts show continued growth through 2039/2040 under design conditions[42] and that the contract was "consistent with the Department's previous directives to make significant strides to reduce or eliminate their reliance on EMT in the near-term."[43] The Department prohibited the Companies from exercising renewal or extension provisions without Department review, — a safeguard against automatic lock-in.[44] The Department warned that any future renewal "will require a much stronger showing than merely a result that does not increase GHG emissions."[45]

Finally, the proceeding highlighted that while EGMA and NSTAR would no longer rely on EMT to meet their supply obligations, they could still rely on EMT in the event of a disruption to the AGT or, presumably,

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[39] D.P.U. 25-133, Exh. EGMA-EBS-1 at 17.

[40] D.P.U. 25-133, Petition Cover Letter at 1: "If approved by the Department, the Proposed Agreement would eliminate the Company's need to extend its current contract for Everett Marine Terminal supplies to serve its customers on AGT's G-System beyond the current expiration date of the EMT contract in 2030.".

[41] D.P.U. 25-133/25-134, Order (January 30, 2026). The Department approved both agreements.

[42] D.P.U. 25-133/25-134 Order at 23–24. "A deceleration in growth rate does not equate to a decline in absolute demand, particularly under design-winter conditions, which continue to be driven by peak heating requirements rather than annual average usage.".

[43] D.P.U. 25-133/25-134 Order at 23–24 at 25.

[44] D.P.U. 25-133/25-134 Order at 27. The Companies may not exercise any renewal, extension, or other changes extending the terms without Department review and approval.

[45] D.P.U. 25-133/25-134 Order at 29. "There will be only ten years between the end of their terms and the 2050 GWSA targets; as such, any consideration of a renewal or extension of the Proposed Agreements will require a much stronger showing than merely a result that does not increase GHG emissions."

broader regional gas system.[46] In effect, EMT provides non-definitive reliability benefits to Eversource's G-System territories, but EGMA would no longer pay for it.

CLF observed this complication in their intervention in the D.P.U. 25-133/25-134 and argued that EGMA's departure from the EMT cost structure does not represent true savings for the Commonwealth's ratepayers but rather shifts the fixed cost burden onto a smaller subset of gas customers.[47] Under the current EMT contract structure, fixed costs are allocated across contracting LDCs based on MSQs. If EGMA no longer participates in future EMT arrangements, the remaining fixed costs would be distributed among NSTAR Gas, Unitil, and National Grid. The Department acknowledged this argument but found the Companies' actions responsive to its directive to reduce EMT reliance.[48]

This dynamic illustrates a structural tension in the transition away from EMT: each LDC has an individual incentive to find alternative supply arrangements that reduce its own costs, but doing so may increase per-unit costs for the remaining participants.

Beyond the cost allocation concerns, the G-System expansion carries two implications for the remaining LDC's approaches to the future of EMT. First, it demonstrates that the G-System component of EMT dependence may be resolved through pipeline capacity expansion rather than through demand reduction, electrification, or other clean energy alternatives. The alternatives analyses in both the 2024 and 2025 proceedings consistently found demand-side measures insufficient in scale and geography for a deficit of this magnitude at specific delivery points. Second, it illustrates that the "no viable alternatives" finding in the 2024 proceedings was time-bounded: within eighteen months of characterizing EMT as irreplaceable for G-System service, the same LDC filed for a pipeline contract designed to replace that service entirely. This does not invalidate the 2024 characterization, the RARE project was not yet available, but it underscores that alternative assessments in supply planning are snapshots, not permanent findings, and that the menu of options for the next round of contracting decisions may look different from what existed when the current contracts were executed.

6.6. Eversource G-System Alternative Assessment for the EMT FAWG

Eversource's alternative assessment for the EMT FAWG was conducted in parallel with, and effectively blind to, their confidential negotiations and the development of the project RARE contracts. Ultimately, the RARE contracts obviated the need for an alternative assessment. The summary assessment is provided in Table 7 and the full assessment is provided in Appendix E.

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[46] D.P.U. 25-133/25-134, Information Request D.P.U. 2-3. Reply of Eric Soderman.

[47] D.P.U. 25-133/25-134, CLF Brief at 14–15. CLF argued that the $340 million EGMA claims as savings "does not represent true savings but a shift of the cost burden onto a smaller subset of gas customers.".

[48] D.P.U. 25-133/25-134 Order at 25. The Department found the Companies' actions "responsive to the Department's directive to reduce or eliminate the Companies' reliance on EMT.".

EGMA evaluated four categories of alternatives. **Energy efficiency and demand response** (DR) could reduce demand but would be unlikely to eliminate it sufficiently, as they would require a roughly 30 percent reduction in the targeted G-System area to fully replace the contract. Such reductions are not feasible by 2029-30 given the pace of customer adoption and the challenges of shifting peak demand in the specific geographic area served by this lateral.

Electrification was assessed as theoretically capable of eliminating the need for EMT if customers fully electrified their energy requirements. However, achieving this would require over 20,000 residential customer conversions in the G-System service territory, compared to only 137 such conversions observed across the EGMA system in 2024. This rate of adoption is not achievable within the current contract term.

On-system infrastructure, specifically developing an LDC-owned LNG storage tank and connected distribution pipeline, could in principle replace the EMT contract's deliverability. However, EGMA assessed this as likely infeasible by the end of the contract period due to the long lead times required for Energy Facilities Siting Board approval and construction.

Off-system infrastructure in the form of an interstate pipeline project with sufficient capacity to replace EMT deliverability on the G-System. For example, Project RARE was assessed as the most promising alternative, but contingent on the development of such a project.

6.7. Eversource Demand-Side Programs: Gas Demand Response and Networked Geothermal

At the FAWG's December 4, 2025, meeting, Eversource presented findings from two demand-side programs: a three-winter gas DR pilot and an ongoing networked geothermal pilot in Framingham.

Gas DR Pilot. Eversource piloted a natural gas DR program over three consecutive winter seasons (2021–22, 2022–23, and 2023–24), enrolling approximately 2,000 residential and small-commercial customers via Wi-Fi thermostats and seven medium/large Commercial and Industrial (C&I) customers across nine sites. The program results were filed with the DPU as part of the 2022–2024 Energy Efficiency Term Report.[49]

The residential component encountered early implementation challenges: vendor systems could not initially accommodate devices already enrolled in summer electric DR programs, delaying first-season participation. Because gas customers lack interval metering, savings had to be estimated using engineering algorithms derived from thermostat setpoint data rather than measured at the meter. The third-party evaluator found that events produced a measurable but modest response; load reduction declined sharply across the three-hour event window, with hour-three reductions roughly one-third the magnitude of hour one. Pre-heating

[49] Summary of EGMA Gas Demand Response Pilot Program Learnings to Accompany the Final Evaluation. D.P.U. 25-121, Appendix C-4, Study 26-12, August 1, 2025. https://fileservice.eea.comacloud.net/V3.1.0/FileService.Api/file//aeehddcjj?yMMJr+rFaISl9qs6x7x6SjYOTJIXb74KK+K98p2SnvmPcSxI+blU344Khxm+qpOeg0hKFj9M9l/xQR8+/8GqPvdGgrFe6XR6ngIfa80wd3rxFD8G4j981M2Rna9aVTXA.

and snapback effects partially offset savings, leaving a net reduction of approximately 0.12 therms per device over an 8-hour period, roughly 2% of typical daily gas usage. Eversource noted that the 2,000-participant enrollment cap was reached quickly, and residential customer satisfaction was high.

The C&I component yielded less reliable results. Sub-metering had to be installed at high cost to measure savings in the absence of interval gas meters, and identifying viable curtailment strategies for each facility proved difficult. Reliability of savings was characterized by Eversource as "extremely poor": some customers could only curtail on specific days due to operational constraints, and even highly engaged participants faced limitations in committing to next-day curtailment events due to business needs. Results across the four C&I event days in 2023–24 were highly variable, dominated by two large sites with highly variable loads. Eversource concluded that gas DR requires more study before it could be considered a reliable contributor to reducing winter gas loads.

The potential for impacting supply day demand is limited. The residential thermostat program, even under optimistic assumptions, is designed to generate short-duration load reductions of a few hours' duration around morning peak periods. Gas system stress during design-day conditions, however, is not a matter of hourly peaks, it is a sustained, multi-day demand event driven by extended cold periods during which heating load remains continuously elevated. A per-device reduction of 0.12 therms over 8 hours, spread across 2,000 thermostats, represents approximately 240 therms of total reduction — a small fraction of the volumes at issue in LDC supply planning. Eversource's own conclusion was direct: *gas* DR *is not currently cost-effective at incentive levels sufficient to motivate customers and does not constitute a near-term substitute for firm winter gas supply.*

Networked Geothermal Pilot (Framingham). Eversource has been operating a networked geothermal pilot in Framingham since 2021, authorized as part of the NSTAR Gas rate case in 2020. The project consists of a single-pipe ambient-temperature loop spanning approximately 1 mile, serving 35 buildings and 130 individual customers, including 5 commercial participants, and is supported by 88 boreholes providing approximately 375 tons of thermal capacity. The pilot is planned to run for two heating and two cooling seasons, with loop performance, operating costs, maintenance frequency, and customer satisfaction tracked throughout and subject to independent third-party evaluation.

Early lessons from the pilot demonstrate opportunities and challenges associated with transitioning customers beyond gas. The pilot's findings emphasized the importance of proactive, personalized customer engagement: networked geothermal heat pump systems were new to all residents, and both equipment and residents required adjustment time. Behind-the-meter installation work was more labor-intensive than anticipated, with older building stock presenting challenges, including asbestos, poor insulation, and mold. Commercial customers require one-on-one engagement and advance notice of construction scheduling to manage operational disruptions. Such challenges demonstrate important timeline constraints on scaling up ambitious demand reduction strategies. While models such as the Framingham network may grow to play a larger role, this solution will not be scalable in time for the contract renewals.

Table 7. Eversource (EGMA & NSTAR) AGT G-System alternative assessment summary.

Category	Alternative	Potential to Reduce or Eliminate Reliance by 2030/2031 Contract Renewal	Post-2030 Potential to Reduce or Eliminate Reliance	Notes
Pipeline System Changes	On-system infrastructure (Additional LNG Storage)	**Infeasible** development by the end of the contract date due to siting and permitting timeline.	**Possible Solution** but would involve new investment and siting and permitting needs.	Successful implementation of the proposed off-system strategy would obviate the need for on-system investments to address EMT reliance.
	Off-system infrastructure (Interstate pipeline project)	**Possible Solution:** Complete substitution of gas supply, but the timeline requires immediate action.	**Possible Solution:** Complete substitution of gas supply.	Solution proposed in D.P.U. 25-133 & D.P.U. 25-134
Demand Reduction	Demand Response	**Infeasible:** Limited benefits and rapid customer implementation timeline.	**Limited partial solution:** Reductions are limited, and demand is shifted by a couple of hours, outside the operational benefit of EMT.	Contemporaneous efficiency program study indicates significant challenges in shifting peak demand in a manner that addresses needs.
	Electrification & Energy Efficiency	**Infeasible** by the end of the contract due to customer transition constraints.	**Possible solution:** A substantial, unprecedented reduction in demand from peak-load drivers would eventually obviate the need for EMT.	Successful implementation of the proposed off-system strategy would eliminate reliance on EMT and obviate the need for demand reduction to achieve that goal.

Rating	Definition
Infeasible	The alternative faces prohibitive high cost, implementation, and/or timeline challenge (e.g., in place by 2030).
Impractical	The alternative faces high costs and significant ongoing implementation uncertainty.
Limited partial solution	The alternative may reduce EMT utilization, but the impact is not enough to eliminate reliance. It could be a partial component of a comprehensive transition strategy, but not a primary driver.
Possible solution	A potential driver of a significant reduction in EMT reliance but would likely need to be implemented alongside other strategies for full elimination.

7. Eversource J-Lateral (Cambridge & Somerville NSTAR)

Figure 13. Map of AGT J-System (red line) and its connection to EMT (Diamond) and the NSTAR territory (purple)

Eversource's EMT dependence on the AGT J-System is unique among the contracting LDCs and warrants separate treatment from the G-System issues discussed in Chapter 6. The NSTAR Gas agreement provides up to 15,000 Dth per day and 450,000 Dth per season. Of this, 10,000 Dth per day is available for deliveries on the AGT or TGP from EMT. This allotment is primarily intended to support supply needs for NSTAR's territory in Somerville and Cambridge off AGT (Figure 13).

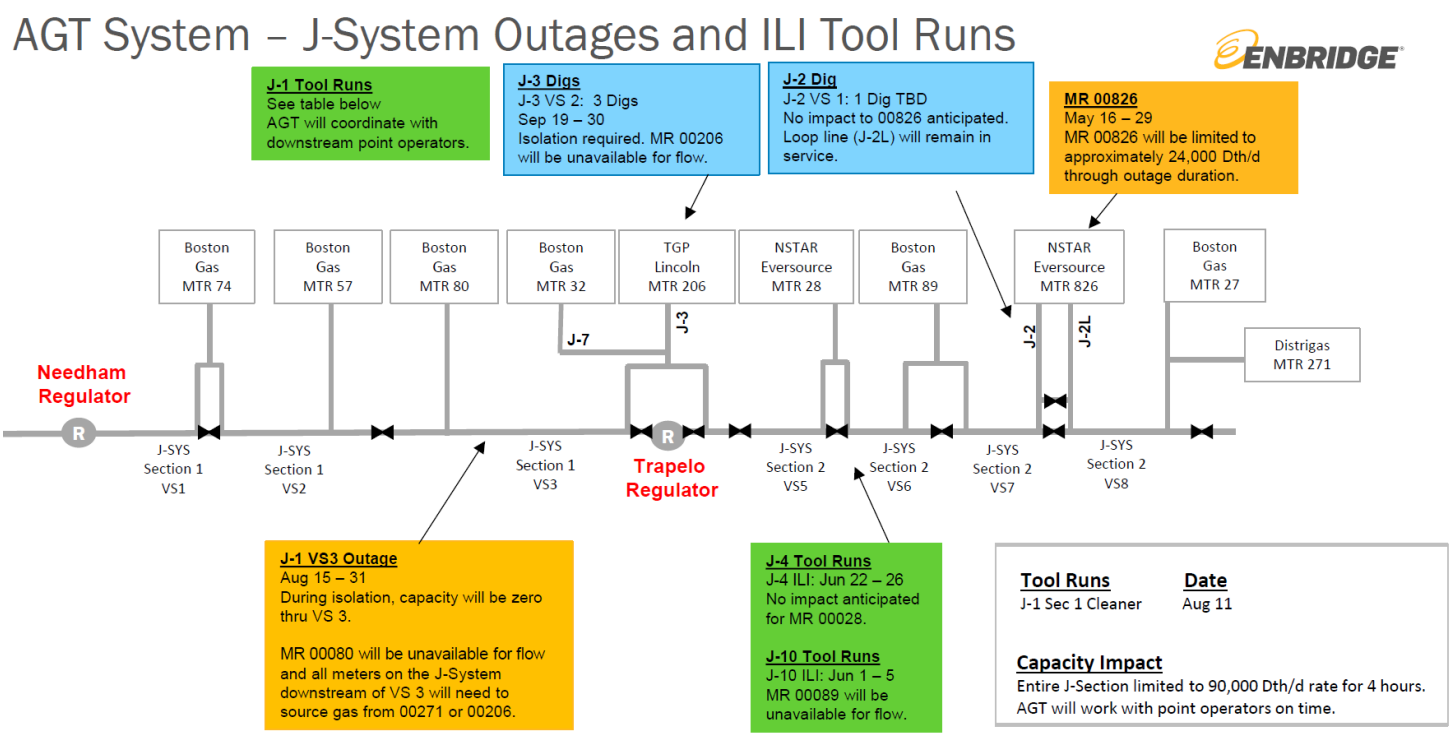

Figure 14. Example AGT Major Service Outage overview for the J-System. Green boxes indicate in-line inspection tool runs, blue boxes are maintenance digs, orange boxes are miscellaneous outages. [50]

The agreement includes a "Summer Roll Over" provision allowing unused annual allocation to be applied during anticipated J-Lateral maintenance periods. During AGT's maintenance on the J-Lateral downstream of its interconnect with TGP in Lincoln, Massachusetts, the NSTAR Gas Cambridge distribution system becomes physically isolated from the pipeline grid. In these periods, EMT is its sole source of gas.[51] Over the past five summers, there were forty days when NSTAR Gas relied on EMT contracts to supply the Cambridge system during these isolations.[52] Figure 14 provides an example of such summer maintenance planning for 2026 and includes depictions of in-line inspection (ILI or "pig") tool runs (green boxes) that are used to inspect pipeline integrity, structural conditions, and cleanliness. The upstream flow outage on August 15 cuts one of the modes of supply delivery for the NSTAR Cambridge Somerville territory; gas can still be supplied via the AGT J-System's tie-in to Lincoln or EMT.

This summer maintenance isolation issue is driven by the pipeline infrastructure topology rather than by customer demand levels, meaning it would not be addressed by winter-focused demand-reduction

[50] Enbridge, AGT Major Service Outage Overview Informational Posting, March 31, 2026. https://infopost.enbridge.com/infopost/AGHome.asp?Pipe=AG.

[51] D.P.U. 24-27, Exh. NSTAR-EBS-1 at 7–8. During AGT summer maintenance on the J-Lateral downstream of its interconnect with TGP in Lincoln, MA, the Cambridge distribution system is isolated from the pipeline grid and EMT is its only source of gas.

[52] D.P.U. 24-27, Exh. NSTAR-EBS-1 at 8. Over the past five summers, there were 40 days when NSTAR Gas relied on EMT contracts to supply the Cambridge system during J-Lateral isolations.

strategies. This could also be addressed by upgrades to the AGT J-System and a tie-in to the TGP at Everett, along with associated upgrades to TGP.

EMT's injection into AGT on peak days provides indirect pressure support to the J-System at the end of the pipeline grid, a benefit the region has relied upon for over fifty years, regardless of which party holds the supply contracts.[53] This indirect benefit is not contractually secured and would diminish if EMT's total send-out were to decline as other LDCs reduced their contracted volumes.

The DPU's January 2026 order approving the RARE pipeline contracts (discussed in Section 6.3) explicitly noted that the RARE project will not resolve NSTAR Gas's need for EMT on the J-System, and directed NSTAR Gas to "fully investigate all possible alternatives to the EMT facility to address its needs on the AGT J-System."[54] The J-Lateral dependency for both supply and redundancy remains a barrier to reducing reliance on EMT.

Gas demand in this area is highly concentrated in a few large commercial loads (Figure 15). Two special contract customers generate nearly 30% of demand. This territory includes several major research universities, biotech firms, and large residential customers. Eighty-two of 50,000 customers generate 50% of demand. The residential stock is characterized by a large number of small multifamily homes that include both rental and condominium units.

[53] D.P.U. 24-27, Exh. NSTAR-EBS-1 at 7. When EMT injects gas into AGT on peak days, regardless of destination or contract holder, the J-System at the end of the pipeline grid sees increased pressures.

[54] D.P.U. 25-133/25-134 Order at 28. The Department noted that the RARE contracts "will not resolve" NSTAR Gas's need for EMT on the J-System and directed NSTAR Gas to "fully investigate all possible alternatives to the EMT facility to address its needs on the AGT J-System.".

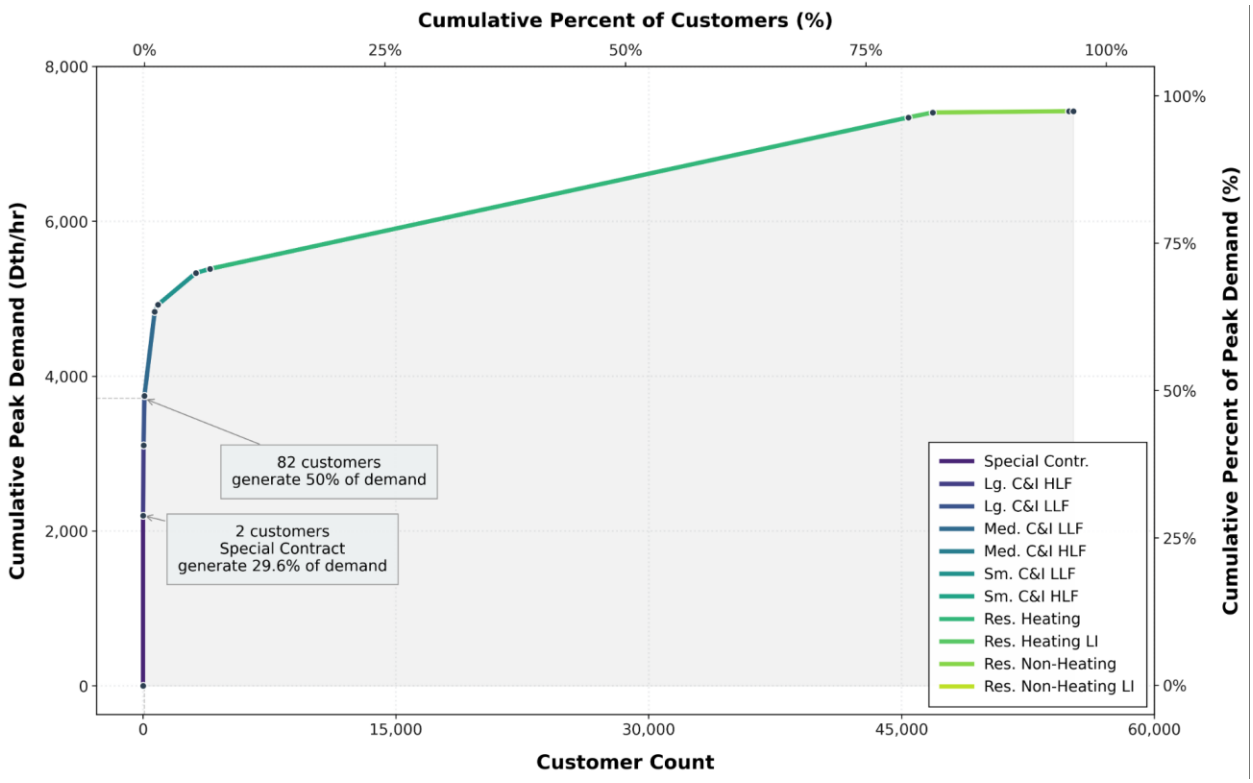

Figure 15. Cumulative load figure by customer class for Eversource's Somerville/Cambridge NSTAR territory on the AGT J-System.

7.1. Alternative Assessment for the EMT FAWG

NSTAR Gas relies on EMT to serve its Cambridge and Somerville service territories, which receive gas supply via the AGT J-Lateral. NSTAR's contract with Constellation LNG provides 15,000 MMBtu per day of delivery to AGT meter stations, primarily at the Mystic delivery point, with additional delivery flexibility to TGP receipt points, and 450,000 MMBtu of supply per season. The contract also includes a 300,000 MMBtu rollover option for maintenance periods. Like EGMA, NSTAR retains the option to take gas in liquid form.

The J-Lateral presents distinct operational challenges that differ from the G-System situation. Cambridge sits at the end of the regional pipeline network, not merely figuratively, as is often said of New England as a whole, but in a literal geographic sense. Cold weather events or force majeure conditions that cause curtailments or pressure drops on the upstream system produce amplified effects on Cambridge's gas supply. EMT has provided critical east-end volumes and pressure support on the coldest days over the past several years.

Additionally, the J-Lateral faces significant summer maintenance requirements. AGT must comply with increasingly stringent federal PHMSA pipeline safety regulations, and the nature of required inspections provides little or no notice before service must be interrupted. Isolation of certain J-Lateral pipeline sections for maintenance requires EMT supply, as portable CNG or LNG deployment is not viable in the densely built

Cambridge and Somerville area. At times, Constellation has been the only source of supply into the J-Lateral during these maintenance periods.

NSTAR's alternatives assessment for the J-Lateral system found substantially more constrained options than the G-System assessment. Energy efficiency, DR, and electrification could potentially reduce need, but the single-fed nature of the system and its hourly demand peaks, combined with the summer maintenance dependency, present challenges that demand-side strategies alone cannot address within the current contract period. There are several large commercial and institutional customers in the area whose conversion would be necessary for meaningful demand reduction.

On-system infrastructure, such as a new LNG storage facility, was assessed as infeasible both by the contract expiration date and in the longer term, due to the extreme congestion of the Cambridge and Somerville area and the siting, permitting, and construction challenges involved. Off-system infrastructure via interstate pipeline expansion was likewise assessed as infeasible by 2030 given the congested work area, land constraints, and development timeline. If EMT were to cease operations, NSTAR indicated there would likely need to be interconnection work between the TGP and AGT systems at Everett, along with securing upstream supply access on TGP.

Table 8. Eversource (NSTAR) Cambridge & Somerville alternative assessment summary.

Category	Alternative	Potential to Reduce or Eliminate Reliance by 2030/2031 Contract Renewal	Post-2030 Potential to Reduce or Eliminate Reliance	Notes
Pipeline System Changes	On-system infrastructure (Additional LNG Storage in zone)	**Infeasible** due to high cost, siting challenges, and development timeline.	**Infeasible** due to high cost and siting challenges.	The strategy would presumably replace EMT with a new LNG facility in Cambridge or Somerville
	Off-system infrastructure (Interstate pipeline project)	**Infeasible** due to high cost, congested work area, constraints, and development timeline.	**Possible Solution:** Faces high cost, land constraints, and uncertain development timeline.	If EMT ceased operations, there would likely need to be interconnection work between TGPL and AGT systems at Everett and upstream supply access on TGPL.
Demand Reduction	Demand Response	**Limited partial solution:** Reductions are limited, and demand is shifted by a couple of hours, outside the operational benefit of EMT.	**Limited partial solution:** Reductions are limited, and demand is shifted by a couple of hours, outside the operational benefit of EMT.	Eversource efficiency program study indicates significant challenges in shifting peak demand in a manner that addresses needs.
	Electrification	**Infeasible:** Customer transition constraints.	**Possible solution:** A substantial, unprecedented reduction in demand from peak-load drivers would eventually obviate the need for EMT.	Based on usage, reductions would need to involve large commercial customers.

Rating	Definition
Infeasible	The alternative faces prohibitive high cost, implementation, and/or timeline challenge (e.g., in place by 2030).
Impractical	The alternative faces high costs and significant ongoing implementation uncertainty.
Limited partial solution	The alternative may reduce EMT utilization, but the impact is not enough to eliminate reliance. It could be a partial component of a comprehensive transition strategy, but not a primary driver.
Possible solution	A potential driver of a significant reduction in EMT reliance but would likely need to be implemented alongside other strategies for full elimination.

8. National Grid On-System LNG Facilities

Given the complexity of the mechanisms on which National Grid relies, National Grid's reliance is divided into two chapters: **Chapter 8**, evaluating National Grid's on-system LNG facilities, and **Chapter 9**, discussing the direct Boston Gas distribution system connection at EMT.

Across National Grid's entire distribution system in eastern MA, there are several pockets of constraints on existing AGT and TGP laterals. In these pockets, seven permanent and several portable LNG injection/distribution facilities are used to meet peak-day and system redundancy needs. Several of these facilities are sited at locations that previously housed gas holders during the manufactured gas era. National Grid currently has contracts with Northeast Energy Center, National Grid LNG, and EMT for trucked LNG supply for these facilities. In the absence of EMT, the need for trucked LNG to support these injection facilities and regional balancing would require (1) sufficient trucked liquid supply that would likely exhaust current New England supplies and (2) upgrades to many of the permanent facilities and expansion of portable injection facilities to close but not eliminate the gap.

8.1. Alternative Assessment for the EMT FAWG

National Grid conducted a comprehensive analysis of demand imbalances on its lateral systems. The top panel of Figure 16 shows the impact of EMT removal, which would cause significant imbalances across a number of operational zones. The bottom panel of Figure 16 shows the impact of several upgrades under consideration at existing storage and injection facilities, as well as the addition of new portable sites, on this dynamic.[55] Such projects *would reduce, but not eliminate, reliance,* with some work extending beyond the expiration of the contracts; in addition, National Grid territories on the J-Lateral and on the TGP to the north of EMT (CDP3) would remain underserved.

A cursory assessment of transmission-level projects and demand reduction identified significant challenges in scaling these strategies to eliminate reliance on EMT as a supply resource by 2030. The assessment also considered alternative LNG sources. However, it found that the scale of liquid demand would exhaust regional capacity, necessitating trucked shipments from far away sources in Montreal and Pennsylvania that would be subject to risks associated with long-distance trucking. Table 9 provides more detailed analysis of these alternatives.

[55] Some of these upgrades address issues independent of EMT, notably the addition of portable LNG at Cataumet and upgrades to the Yarmouth facility on the Cape.

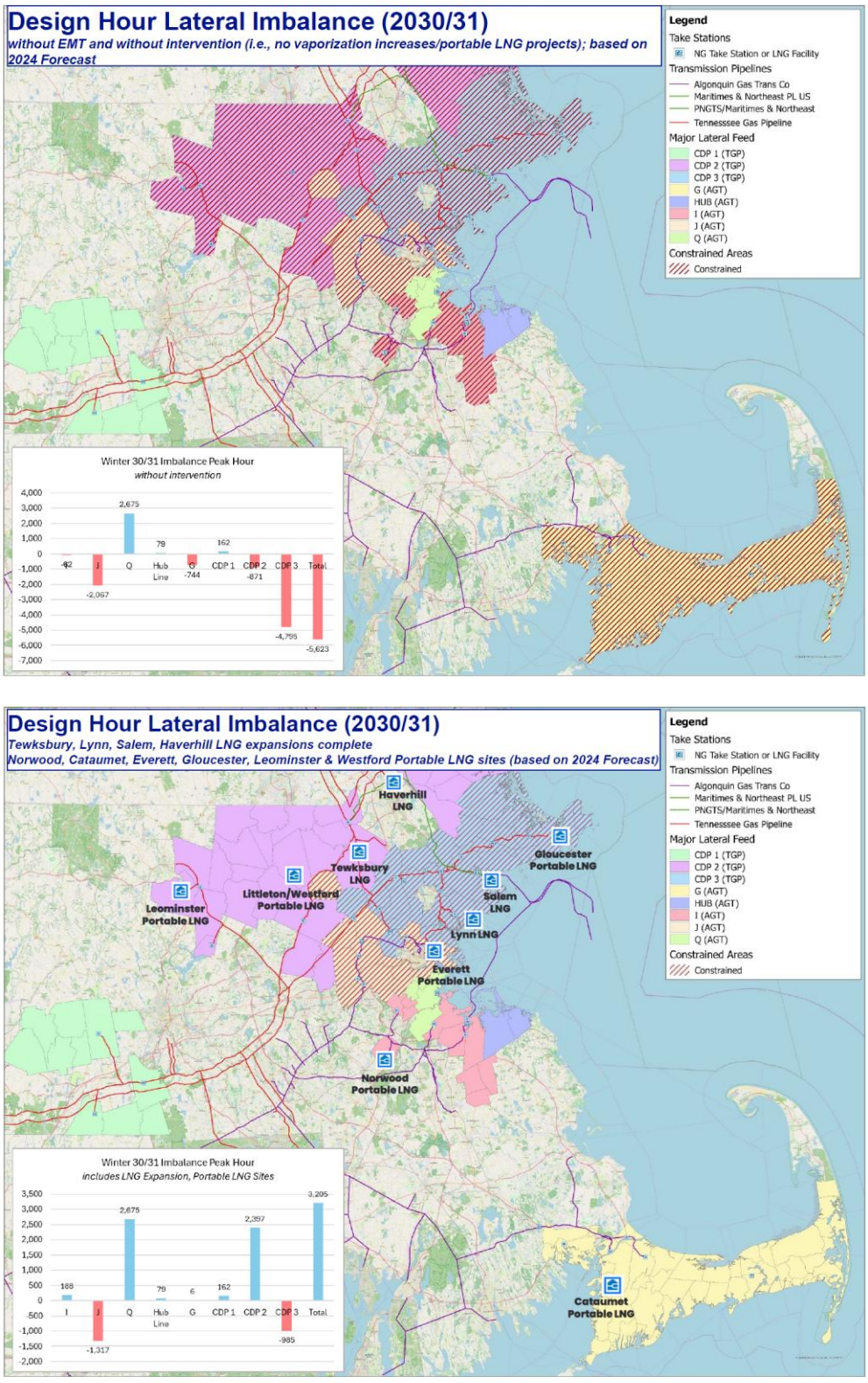

Figure 16. Analysis of National Grid's design hour lateral imbalance under removal of EMT from the system (top) and removal plus expansions at existing permanent and facilities, and the addition of new portable facilities.

Table 9. National Grid on-system LNG alternative assessment summary.

Category	Alternative	Potential to Reduce or Eliminate Reliance by 2030/2031 Contract Renewal	Post-2030 Potential to Reduce or Eliminate Reliance	Notes
Pipeline System Changes	On and off-system pipe upgrades (multiple projects)	**Infeasible** due to high cost, land constraints, and development timeline.	**Infeasible** due to high cost and siting challenges.	Current LNG injection facilities serve "end of the pipeline" zones. Pipeline capacity upgrades to these areas are likely to be substantial and costly.
Alternative LNG	LNG Vaporization increase (+20% additional send out upgrades to existing facilities)	**Infeasible** due to project development timeline.	**Limited partial solution:** Some upgrades are in the planning stages to address local system needs.	Vaporization increase would reduce some utilization of EMT but would not address all or certain redundancy requirements.
	Portable LNG Facilities (Four new facilities, including in Everett)	**Infeasible** due to project development timeline.	**Limited partial solution:** Some additions are in the planning stages to address local system needs.	New portables would reduce some utilization of EMT, but would not address all or certain redundancy requirements.
	Trucked LNG	**Possible solution** if operational deliverability requirements are met.	**Possible solution** if operational deliverability requirements are met.	Long-distance transport faces increasing deliverability costs and challenges.
Demand Reduction	Electrification	**Infeasible:** customer transition constraints.	**Possible solution:** A substantial, unprecedented reduction in demand from peak-load drivers would eventually prevent the need for EMT.	Based on usage, reductions would need to involve large commercial customers.

Rating	Definition
Infeasible	The alternative faces prohibitive high cost, implementation, and/or timeline challenge (e.g., in place by 2030).
Impractical	The alternative faces high costs and significant ongoing implementation uncertainty.
Limited partial solution	The alternative may reduce EMT utilization, but the impact is not enough to eliminate reliance. It could be a partial component of a comprehensive transition strategy, but not a primary driver.
Possible solution	A potential driver of a significant reduction in EMT reliance but would likely need to be implemented alongside other strategies for full elimination.

8.2. National Grid LNG Life-Cycle Integrity Investments

In its January 2026 rate case filing (D.P.U. 26-50), National Grid presented a comprehensive program to refurbish and replace aging equipment at its seven LNG peak-shaving facilities: Commercial Point, Lynn, Salem, Haverhill, South Yarmouth, Tewksbury, and Wareham.[56] Summaries of these projects are listed below in Table 10. Most of these assets were constructed in the late 1960s and early 1970s and are currently reaching end-of-life simultaneously. The projects are estimated to increase annual LNG capital spending from approximately $52 million (recent average) to $179 million per year over 2026–2031, a 336 percent increase. The total estimated cost across service territories is approximately $1.054 billion.

This presentation is not a prospective request for funding of the refurbishment program itself, but rather a demonstration of the scale of capital investment required and the corresponding need for a mechanism to support cost recovery between rate cases. The Company is not seeking recovery of the underlying capital expenditures in this proceeding; it is seeking a mechanism to recover such expenditures midway through the rate-case cycle, if and when they are incurred. To the extent an NPA analysis determines that a given investment is not needed because a non-gas alternative can meet the underlying need, National Grid has indicated that the investment would not proceed, and no recovery would be sought.

[56] Boston Gas Company d/b/a National Grid, D.P.U. 26-50, Exhibit NG-GSRC-1 Pre-Filed Direct Testimony of Walter Fromm, Richard Delaney, Christopher Connolly, Gas Safety Reliability Panel.

Table 10. Major LNG Capital Projects proposed by National Grid in their 2026 Rate Case (D.P.U. 26-50)

Project	Location	Est. Cost	Need / Justification
Vaporizer Replacement	Salem	$137.5M	1971-era vaporizers; no redundancy at 30 Million Standard Cubic Feet per Day (MMSCFD) max capacity; increased send-out needed. Tied to EMT reduction strategy.
Boiloff Compressor (BOC) Replacement	Salem	$63.2M	40+ year-old BOCs pose over-pressurization risk; no redundancy; limited spare parts; potential 1–5 day export loss on failure.
Vaporizer Replacement	Lynn	$137.5M	4×25% vaporizers lack redundancy; system cannot meet send-out if one unit fails. New 3×50% system to deliver 150 MMSCFD. Tied to EMT reduction strategy.
Control Building Replacement	Haverhill	$26.5M	Original 1972 building in poor condition; proximity poses process safety concerns; inadequate space and facilities.
Vaporizer Replacement	Haverhill	$120.5M	Late-1990s vaporizers lack redundancy at 30 MMSCFD capacity; replacement upgrades sendout to 60 MMSCFD with automated emergency shutdown.
Control Building Replacement	Commercial Point	$33.0M	Original 1970 building; safety risk; inadequate space, aging HVAC/fire protection; outside 500-year flood plain.
Tank Replacement	South Yarmouth	$277.0M	1975 pre-stressed concrete tank at risk of failure due to age; replace with smaller full-containment tank sized to meet forecasted demand.
Vaporizer Replacement	Tewksbury	$105.8M	Obsolete 4×25% falling film vaporizers; no redundancy at 80 MMSCFD max; replacement brings 3×50% system to 100 MMSCFD.
Portable LNG Site Upgrades	Everett, Gloucester, Leominster, Westford	~$47.0M	Four new portable LNG sites to supplement peak-day supply, replace leased/contracted arrangements, and reduce EMT dependency.

9. National Grid Boston Gas Direct Connection

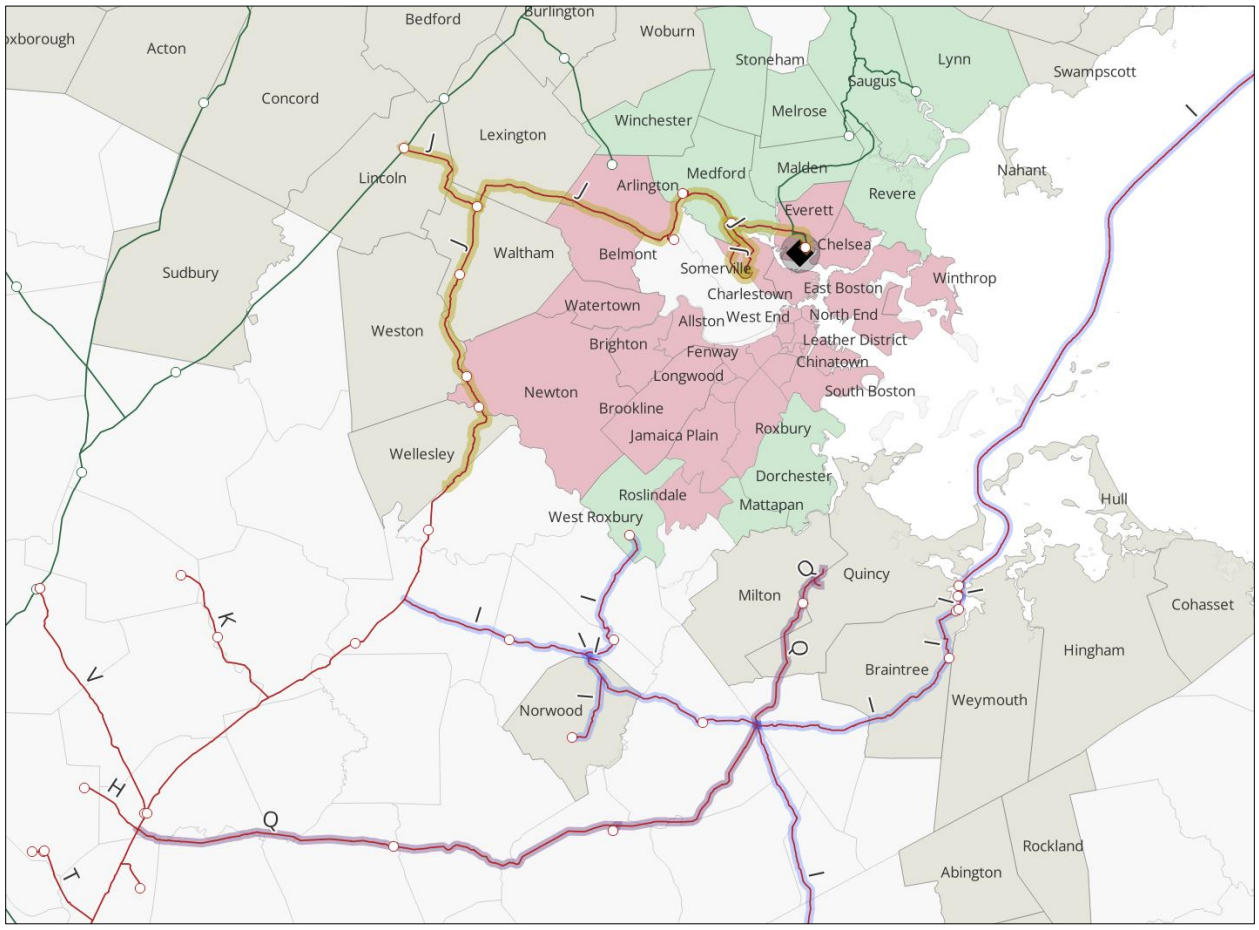

Figure 17. Map of National Grid territories that receive supply from EMT. Letters on highlighted AGT systems refer to parts of the AGT system that will be referenced in this section.

National Grid receives vapor gas directly from EMT to support its Metro-Boston system. It can also receive gas from a nearby meter and gate station at the terminal end of the AGT J-Lateral. From here, the system branches in three major directions following paths laid down over a century ago. A connection leaves EMT heading east, distributing gas through Chelsea and branching to East Boston and Winthrop. A western connection branches to feed Everett to the north, with a larger trunk crossing the Mystic River and branching to serve Somerville and Boston.

EMT provides supply, pressure support, and redundancy to this directly connected distribution network, as well as through the local AGT and TGP connections and upstream meters and gate stations. Under design-day conditions, EMT takeaway can meet approximately 15% of total design-hour requirements and supply roughly 95,000 customers in the immediate Boston metro area, as shown by the green communities in Figure 17. Under non-peak conditions, the facility is capable of supplying over fifty percent of National Grid's total

Massachusetts sendout, reaching approximately 350,000 customers across the red shaded communities in Figure 17.[57]

EMT demand in this area is driven by a large commercial load (Figure 18). Ten customers (of 95,000) responsible for 15% of the load include universities, municipal government, a hospital, and a residential condominium complex. Approximately 70,000 individual residential rate class loads comprise only 25%.

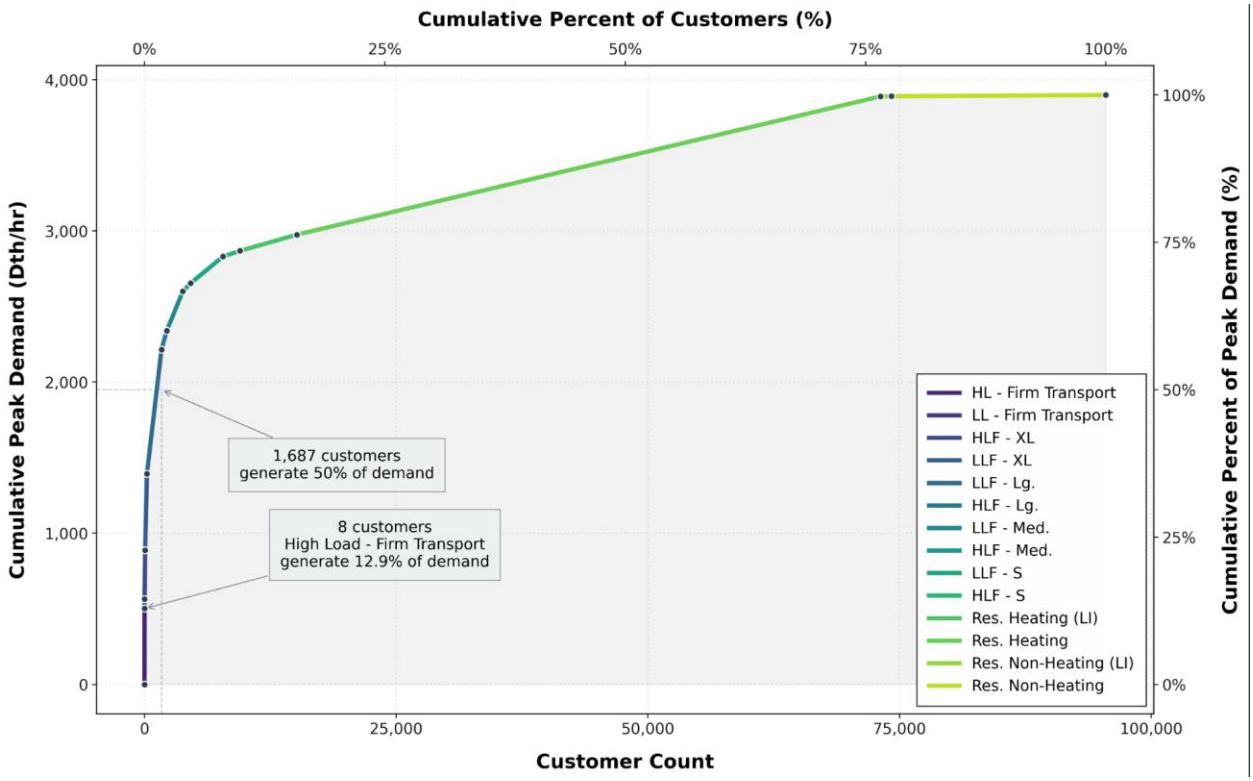

Figure 18. Cumulative load figure by customer class for National Grid's Boston Gas.

Pre-Contract Alternatives Assessment

National Grid conducted the most extensive alternatives analysis of the four LDCs, issuing a request for proposals in October 2021 to gas marketers, producers, portable project operators, and pipeline developers.[58] Supply-side alternatives examined included existing pipeline capacity originating from other LNG import terminals (providing volume but not locational equivalence to EMT); incremental interstate pipeline expansion (both TGP's Northeast Energy Direct and AGT's Access Northeast having failed to advance);[59] increased vaporization at existing on-system LNG facilities (characterized as small, discrete projects insufficient in aggregate); portable LNG operations (inadequate in scale); and major on-system

[57] D.P.U. 24-25, Exh. NG-Agreement-1, at 30–31.

[58] D.P.U. 24-25, Exh. NG-Agreement-1, at 32. The request for proposals was issued October 15, 2021, to gas marketers, producers, portable project operators, and pipeline developers.

[59] D.P.U. 24-25, Exh. NG-Agreement-1, at 27. The Company previously participated in Kinder Morgan's Northeast Energy Direct project (approved in D.P.U. 15-134), which was terminated in 2016.

distribution projects to redistribute pipeline-delivered supply into EMT-served areas (requiring significant new infrastructure with a multi-year timeline). On the demand side, the Company evaluated targeted energy-efficiency outreach, enhanced electrification incentives, and gas demand-response programs. Energy-efficiency savings of approximately 16 million therms per year are already incorporated into the approved Forecast and Supply Plan demand forecast.[60] The Company also cited networked geothermal pilots, including the now-defunct project in Lowell and a forthcoming project at Franklin Fields in Boston, as long-term demand-reduction strategies.[61]

9.1. Alternative Assessment for the EMT FAWG

Purpose: Link segments of the distribution network to create redundancy and improve gas flow during peak demand or supply disruptions. Leverage excess supply on the Q Lateral to supplement J Lateral

Route: South Boston to North End Extension with one bridge crossing over railroad tracks and one bridge crossing over Fort Point Channel. 21,900' of pipeline and two 22 psig Regulators

Flow impacts:
Everett flows *decrease* by 2,300 dth/hr (W Roxbury by 100 dth/hr and Wellesley by 300 dth/hr)
Milton (Ponkapoag) flows *increase* by 2,750 dth/hr

Figure 19. Map of hypothetical South Boston to North End Extension to replace EMT.

A major distribution system upgrade was assessed through a detailed engineering analysis of a South Boston-to-North End pipeline extension that would leverage excess supply from the Q-Lateral (the Ponkapoag meter station in Milton) to supplement the J-Lateral. The project would involve directing that surplus to South Boston, where a new 21,900-foot pipeline would need to be constructed with two new regulators. The pipeline would cross South Boston, Fort Point Channel, and navigate the Waterfront before tying in at the

[60] D.P.U. 24-25, Exh. NG-Agreement-1, at 36–38. The Company's Three-Year Energy Efficiency plan includes approximately 16 million therms of annual savings per year. These savings are already embedded in the demand forecast per the approved Forecast Supply Plan methodology.

[61] D.P.U. 24-25, Exh. NG-Agreement-1, at 38. National Grid broke ground on its first networked geothermal pilot in Lowell, MA, and announced a second site at Franklin Fields in Boston. The Lowell project was suspended due to economic viability concerns while the Franklin Fields project is proceeding.

North End. Such a project would require approval from the Energy Facilities Siting Board. Due to the time required for permitting and construction, the cost, and potential opposition, the alternative was deemed infeasible.

Transmission-level strategies, expanding capacity on TGP and AGT, were assessed as potentially feasible but require cooperation among shippers and significant regulatory and permitting processes at both the state and federal level. National Grid noted that AGT's proposed Project Maple could provide up to 750 MDth per day, but that in-service dates would be five or more years out, and pipeline expansion would not eliminate all benefits currently provided by EMT. In addition, National Grid noted that opportunities exist for EMT to support gas supply for power generation on non-peak days, but there is no clear pathway for cost recovery from power generators.

Demand reduction was analyzed in detail for EMT-reliant service zones. The area served by EMT includes 95,689 customers (87,356 residential, 7,779 commercial, and 554 transportation) with a total peak-hour load of 11,133 Dth, of which 3,900 Dth is attributed to EMT. Targeted electrification of the ten largest customers in the EMT-reliant area would reduce reliance by only approximately 15 percent. Achieving a 50-percent reduction in peak-hour EMT flow would require electrifying 1,950 Dth per hour of firm load. National Grid concluded that the infrastructure needs, costs, and timeline to electrify loads at this scale are not feasible before 2030.

Summaries of these alternative assessments are listed in Table 11.

Table 11. National Grid's assessment of alternatives to its direct reliance on EMT vapor injection.

Category	Alternative	Potential to Reduce or Eliminate Reliance by 2030/2031 Contract Renewal	Post-2030 Potential to Reduce or Eliminate Reliance	Notes
Pipeline System Changes	Distribution system upgrades (cross-Boston pipeline upgrade)	Infeasible: high cost, congested work area, constraints, and development timeline.	Infeasible: high cost and siting challenges.	
	Transmission upgrades to TGPL and AGT	Impractical: congested work area, land constraints, and development timeline.	Possible Solution but faces high cost, land constraints, and uncertain development timeline.	Does not address the value of the gas supply located at EMT. If EMT ceased operations, there would likely need to be interconnection work between TGPL and AGT systems at Everett.
Alternative LNG	Potential four vaporization increase projects, four new portable sites.	Infeasible: constrained project development timeline.	Limited partial solution: Some upgrades are in the planning stages to address local system needs.	Vaporization increase would reduce some utilization of EMT but would not address all or certain redundancy requirements.
Demand Reduction	Electrification & Energy Efficiency	Infeasible: customer transition constraints.	Possible solution: A substantial, unprecedented reduction in demand from peak-load drivers would eventually obviate the need for EMT.	Based on usage, reductions would need to involve large commercial customers.

Rating	Definition
Infeasible	The alternative faces prohibitive high cost, implementation, and/or timeline challenge (e.g., in place by 2030).
Impractical	The alternative faces high costs and significant ongoing implementation uncertainty.
Limited partial solution	The alternative may reduce EMT utilization, but the impact is not enough to eliminate reliance. It could be a partial component of a comprehensive transition strategy, but not a primary driver.
Possible solution	A potential driver of a significant reduction in EMT reliance but would likely need to be implemented alongside other strategies for full elimination.

10. The FAWG's Review of Cost Allocation Options

The LDC supply contracts with Constellation include charges that cover fixed and variable costs, as well as a margin associated with maintaining EMT's continuing operations.[62] Under this structure, four Massachusetts LDCs, National Grid (Boston Gas), Eversource (EGMA and NSTAR Gas), and Unitil (Fitchburg Gas and Electric), collectively bear approximately $946M over the six-year term from 2024-2025 to 2029-/2030.[63]

The costs of EMT can be broken down into the following three categories:

- Cost of the operation of the facility itself,
- Cost of reserving the supply of LNG,
- Cost of transporting gas from EMT to an LDC.

The cost of EMT's operations is largely constant and is not dependent on the fuel going through it. RTO Insider reported that Brattle experts hired by the Attorney General's Office estimated that $375M of the contract costs would go to cover Everett's fixed operating costs, an average of $62.5M over six years. For comparison, through the Mystic COSA, the facility's gross revenue requirement was $59.1M, $56.4M, and $54.2M for 2022, 2023, and 2024, respectively.[64]

Comparatively, the cost of LNG supply is incremental. Since effectively one tanker's worth of LNG needs to be sourced at a time, supply cost scales with the number of tankers needed to provide the full contracted supply. The large delivery size and cost of a tanker shipment relative to utilization needs of the LDCs transform supply cost into a use-it-or-lose-it increment of fixed cost, with a tanker's worth of supply as the cut-off. Whether the LDCs take delivery of the full quantities they contracted for in a particular cycle, or substantially less, the fixed-cost obligations to pay for the contracted number of tanker deliveries remain.[65] This creates what is effectively a fixed-cost floor: EMT's cost structure does not meaningfully decline with changes in utilization so long as those changes fall within a tanker-unit range. As a result, ratepayer exposure persists regardless of how much gas is actually consumed, even if the supplies delivered to EMT for reliability and redundancy go unused in a particular winter.

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[62] D.P.U. Order on LDC supply contracts, [insert docket and date].

[63] Massachusetts Attorney General's Office cost estimate based on market rates as of 2024.

[64] FERC Docket No. ER18-1639, Compliance Filing of Tariff Records to Implement Global Settlement Agreement, February 12, 2025, Appendix A. The declining costs in part reflect declining vaporization activity during that period.

[65] Each LDC's ability to utilize is unused seasonal allotment is different. Eversource and National Grid can use the allotment for the summer refill of their winter storage at their large LNG facilities. Eversource has the option to use vapor from EMT during summer maintenance periods on the AGT-J system that serves its Cambridge/Somerville territory. Unitil's Westminster plant has a short duration window and small on-site storage that can be replenished as stored LNG boils off.

The nature of these costs is also unique: LNG is available at lower prices from other producers in the region, including those owned by the corporate parents of some of the LDCs.[66] However, LNG is not available at the scale required for seasonal needs, nor is it situated to provide the location-specific reliability benefits that EMT offers. The LDCs, and in particular National Grid and Eversource (NSTAR), are paying for a storage asset that directly supports the pipeline systems in Everett and is capable of supplying large amounts of LNG for the region.

At the same time, other entities, including electric generators, out-of-state utilities, industrial customers, and trucked-LNG purchasers, are able to purchase LNG and vapor from EMT at prices closer to spot market rates, precisely because the contracted LDCs have already absorbed the facility's fixed costs. EMT's existence allows these entities to operate more reliably; this benefit is delivered without these entities proportionately contributing to the reliability value that EMT provides.

This cost structure creates several dynamics that merit policy attention. First, if any of the four contracted LDCs reduces or eliminates its reliance on EMT, the total fixed costs needed to maintain operations do not decrease proportionally, they shift to the customers of the LDCs that continue to rely on the facility. Cost mitigation for one set of ratepayers may therefore increase costs for others rather than producing systemwide savings.

Second, EMT provides regional reliability services, including pressure support, system redundancy, and peaking supply during pipeline-constrained winter periods, that benefit parties well beyond those paying under long-term contracts. The current cost structure does not reflect this broader beneficiary base. These services are difficult to measure and put a dollar amount to.

Effectively, EMT can serve as insurance against possible, not-identifiable, tail-end events and as a source of incremental supply for entities beyond the LDCs that contract with it. There is currently no mechanism to monetize this service, and even if there were, it would be difficult to assign a value to it.

Third, customers who could procure gas from EMT on the spot market have other options if the cost of EMT supply is too high: alternative gas supplies, switching to fuel oil, or simply not running. This limits the ability to recoup fixed costs from such customers.

Addressing these cost dynamics will require policy development that goes beyond the LDCs' direct control and may extend beyond current regulatory structures. The sections that follow examine the range of entities that benefit from EMT, evaluate strategies for broadening the base over which fixed costs are distributed, and assess the feasibility of each approach.

[66] See, for example, the rationale laid out for new LNG production in the region in 2015 to meet LDC needs: D.P.U. 15-129, Order (May 13, 2016), at 5–7, 17; Exh. NGRID-EDA/JEA-1, at 18, 24. The Northeast Energy Center agreement is for annual liquefaction capacity of 2.6 Bcf (up to 12,240 Dth/day) for 15 years; the National Grid LNG (Fields Point) agreement is for annual liquefaction capacity of 3.5 Bcf (up to 17,984 Dth/day) for 20 years.

10.1. EMT's Customer Base and Cost Responsibility

EMT can serve a diverse set of customers, but the distribution of cost responsibility across these categories is highly asymmetric. Table 12 summarizes the principal customer categories, their typical contract structures, the regulatory jurisdictions that govern each relationship, and whether each category contributes to EMT's fixed-cost recovery.

Table 12. Customer and off-taker comparison.

Category	Contract Type	Payment	Jurisdiction	Bears Fixed Costs?
Mystic (pre-COSA)	Internal sourcing agreement. EMT and Mystic were under common ownership	Intra-corporate	Unregulated commercial transaction	Yes
Mystic (COSA, June 2022 – May 2024)	COSA with ISO-NE	Electric ratepayers via ISO-NE charges (~$406M over 2 years)	FERC (Federal Power Act §205/206)	Yes — 91% of EMT costs allocated to the COSA.
MA Gas LDCs (current)	Typically long-term, currently instantiated as 6-year seasonal firm supply (take-or-pay)	Current instance includes: non-commodity demand charges, commodity demand charges, and commodity charges. (~$946M over 6 years)	State D.P.U. (G.L. c. 164, §94A)	Yes — bear all current fixed costs
Electric Generators	Long-term / short-term / spot	Depends on contract type	Largely unregulated	Only if under long-term contracts
Other Trucked LNG	Long-term / short-term / spot	Depends on contract type	Largely unregulated	Only if under long-term contracts

10.2. Review of Cost Management Strategies by the FAWG

Over the course of two meetings dedicated to cost mitigation, the FAWG evaluated four overarching strategies to broaden EMT's cost-recovery base and reduce the disproportionate burden on Massachusetts gas ratepayers. These strategies were generated through open discussion and reflect a range of approaches, from market-based incentives to direct public intervention:

1. **Firm fuel requirements for generators via ISO-NE CAR.** ISO-NE's ongoing redesign of its capacity market creates market-based incentives for gas-fired generators to secure firm fuel contracts—potentially with EMT—by introducing a winter gas capacity constraint that differentiates between generators with and without firm supply.
2. **Expanding the contracting parties.** Out-of-state LDCs, municipal gas companies, and other regional entities that benefit from EMT's reliability services could be brought into fixed-cost sharing

arrangements. Alternative uses, such as marine LNG bunkering, could further diversify the customer base.

3. **Pipeline peaking tariff.** The interstate pipelines interconnecting with EMT (AGT and TGP) could negotiate peaking option contracts with EMT and recover those costs through FERC-regulated tariff surcharges on their shippers.

4. **State ownership of EMT.** The Commonwealth could acquire EMT through a state authority or special-purpose entity, gaining direct control over cost allocation, the facility's transition timeline, and alignment with state energy policy.

Each strategy is assessed below against the evaluation framework developed and affirmed by the FAWG. The FAWG used a six-criterion evaluation framework (Table 13).[67] Each criterion is assessed using a qualitative signal: favorable (green), uncertain or mixed (yellow), challenging (red), or to be determined. The framework was intended to be directional.

Table 13. FAWG evaluation framework for cost mitigation strategies.

Criterion	Guiding Question
Cost Impact Magnitude	How much could this strategy reduce or fairly reallocate the approximately $158 million per year in fixed costs currently borne by LDC ratepayers?
Implementation Timeline	Can this strategy be in place before 2030, when the current LDC contracts expire?
Legal/Regulatory Pathway	What authority exists or needs to be created? Does the pathway require state action, federal action, or both?
Stakeholder Feasibility	Who supports or opposes the strategy, and can concerns be addressed?
Equity Implications	How does this strategy affect different customer classes, communities, and regions?
Climate Goal Consistency	Does this strategy align with or complicate the Commonwealth's decarbonization objectives?

10.3. Firm Fuel Requirements for Generators: ISO-NE Capacity Auction Reform (CAR)

The ISO-NE capacity auction is the region's mechanism for paying power plants and other resources to commit to being available to meet future electricity demand and maintain grid reliability. ISO-NE is undertaking reforms to its capacity auction, which aim to replace the current Forward Capacity Market that procures electricity three years in advance through a single annual auction, with a prompt seasonal auction

[67] Evaluation framework affirmed by the FAWG, February 24, 2026 meeting.

structure.[68] Under the proposed reforms, capacity commitments would be divided into separate summer (May-October) and winter (November-April) auctions. These reforms seek to create stronger market signals for generators to secure fuel and reliability services during the winter. ISO-NE filed the first phase of the reforms with FERC in December 2025, [65] with the first auction under the new framework expected in 2028.[66]

A key element of the CAR for EMT is the proposed winter gas capacity constraint. Under this approach, gas-fired generators without firm fuel arrangements would receive lower winter capacity payments when pipeline constraints increase the risk of fuel shortages during extreme cold weather. In contrast, generators with firm fuel contracts, including LNG supply agreements with facilities like EMT, would receive the full capacity market-clearing price. The reform is intended to create a market-based incentive for generators to invest in fuel security without imposing a direct mandate. Heightened demand for eligible resources ahead of the winter seasonal auction could drive more customers to sign contracts with EMT, offering the potential to reduce or credit a portion of the terminal's fixed costs back to ratepayers.

Intersection with EMT

The timing of the CAR reforms will be informative but challenging. The first prompt auction is targeted for 2028. The current LDC supply contracts with Constellation expire in May 2030. Generators' contracting decisions under the new market framework will therefore coincide with the period in which EMT's contract structure is being renegotiated.

Additionally, the strength of this market signal remains uncertain. Generators retain other options for securing firm fuel, including contracts with Canaport LNG (operated by Repsol in Saint John, New Brunswick), dual-fuel capability, or distillate oil storage. The prompt-auction structure also allows shorter-term capacity commitments, meaning generators may opt for one-winter contracts rather than multi-year arrangements, limiting the revenue certainty that longer agreements would provide to EMT. Whether the price differential created by the winter gas constraint will be large enough to drive meaningful contracting with EMT is a question the market will answer over the 2028–2030 period.

[68] ISO New England. "Capacity Auction Reforms Key Project." *ISO-NE*, www.iso-ne.com/committees/key-projects/capacity-auction-reforms-key-project

Evaluation

Table 14. Evaluation: Firm fuel requirements for generators (ISO-NE CAR).

Criterion	Rating	Assessment
Cost Impact	● Uncertain	Directionally helpful: if generators contract with EMT for firm winter fuel, this would expand the customer base and distribute some fixed costs to the electric sector. However, the magnitude depends on the scale and length of contracts signed and the price differential created by the gas constraint. This mechanism alone is unlikely to offset a substantial share of the current LDC cost burden.
Timeline	● Uncertain	ISO-NE's first auction under the new framework is targeted for 2028. Phase 2 FERC filing (seasonal/accreditation) expected Q4 2026. Limited ability to assess the impact of this mechanism on EMT utilization before LDC contract renewal negotiations.
Legal / Regulatory	● Favorable	Requires ISO-NE tariff changes and FERC approval under Federal Power Act §205/206. Phase 1 has been filed; Phase 2 is pending. Operates through market design rather than a direct regulatory mandate on EMT.
Stakeholder	● Uncertain	Depends on how generators respond to the winter gas constraint price signal and whether the differential is sufficient to drive contracting. Generator participation in auctions will reveal stakeholder response.
Equity	● Favorable	Shifts some costs from Massachusetts gas ratepayers to electric ratepayers regionwide. Arguably more equitable than the current allocation, since EMT's reliability benefits extend to the electric system across New England states.
Climate Goals	● Favorable	Encourages generators to firm up fuel supply arrangements, which could support a transitional winter reliability role for gas generation.

Implications

The CAR reforms are the most significant external development affecting potential EMT cost allocation. The reforms may create market conditions that partially address the cost allocation problem by incentivizing generator contracting. However, the limited time to assess the CAR's impact before the LDC contract renewals in 2030 means that this mechanism cannot be relied on as the sole solution. Ongoing monitoring of the impact of the reforms will be necessary to inform future action or responses to this strategy.

10.4. Expanding the Contracting Parties

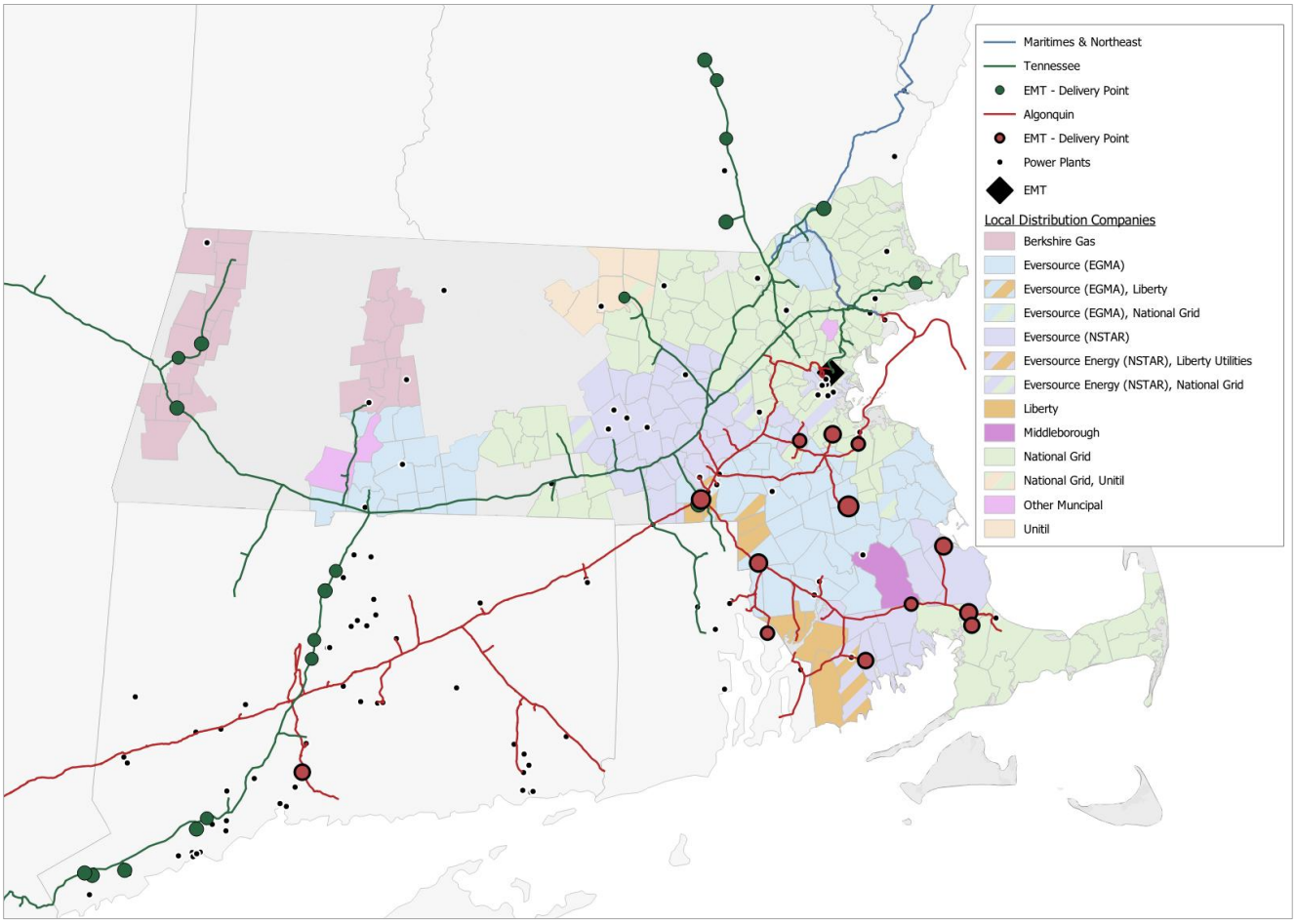

Figure 20. Location of EMT delivery points on AGT and TGP

EMT's existing supply infrastructure already extends beyond Massachusetts. Constellation holds two transportation contracts on the TGP (40,000 Dth/day) and AGT (90,000 Dth/day), providing access to 37 receipt points serving approximately 12 receipt entities across New England (Figure 20).[69] These receipt points include LDCs with EMT supply contracts, other LDCs in Connecticut, Rhode Island, New York, and New Hampshire, pipeline interconnection points, and at least one electric generator. These transportation contracts run through May 31, 2030, coinciding with the expiration of the LDC supply agreements, but also have extension provisions.

Competitive Pressures and Alternative Strategies

A significant challenge is that out-of-state LDCs have alternative supply options and may resist entering into fixed-cost sharing arrangements for EMT. Rhode Island Energy is participating in the AGT RARE project, which will provide alternative pipeline infrastructure by 2029.[70] New Hampshire utilities historically explored

[69] FERC Form 549B data, Constellation pipeline transportation contracts.

[70] AGT RARE project filings, FERC Docket No.PF26-7-000.

options for new intrastate and LNG infrastructure. These alternatives reduce the urgency for out-of-state utilities to contract with EMT, particularly if doing so would require them to assume a share of fixed-cost obligations.

Marine LNG bunkering represents a potentially distinct avenue for expanding the customer base. International shipping regulations increasingly limit the use of heavy fuel oil, improving the competitiveness of LNG as a marine fuel. EMT's marine terminal infrastructure positions it to serve this market. However, the scale and pace of adoption depend on fleet turnover in the shipping industry and the relative economics of LNG compared to low-sulfur fuel oil and other alternatives. Ultimately, the timeline to meaningful revenue is uncertain and likely well beyond 2030.

Evaluation

Table 15. Evaluation: Expanding the contracting parties.

Criterion	Rating	Assessment
Cost Impact	● To Be Determined	Could meaningfully reduce per-customer costs if even two or three additional LDCs enter fixed-cost sharing arrangements. Marine bunkering could provide incremental revenue, though likely modest relative to the fixed-cost base.
Timeline	● Challenging	Requires multi-state coordination and potentially new regulatory frameworks. Unlikely to be in place before 2030 unless negotiated in conjunction with LDC contract renewal discussions.
Legal / Regulatory	● Challenging	Massachusetts lacks jurisdiction over out-of-state utilities. No clear existing mechanism for compelling cost sharing across state lines.
Stakeholder	● Challenging	Out-of-state LDCs have alternative supply options and limited incentive to voluntarily assume fixed-cost obligations. Resistance is likely without countervailing regulatory or economic pressure.
Equity	● Favorable	Socializes the costs of EMT's reliability services more broadly across the entities and regions that benefit from them. Reduces the disproportionate burden on Massachusetts ratepayers.
Climate Goals	● Uncertain / Mixed	Neutral with respect to emissions. Does not materially change the trajectory of gas system decarbonization. Marine bunkering may enable fuel switching in the shipping sector, with uncertain net climate implications.

10.5. Pipeline Peaking Tariff

This strategy would have AGT and TGP, the two interstate pipelines that interconnect with EMT, negotiate peaking option contracts with EMT and recover those costs from their shippers through the existing FERC-regulated tariff structure. The concept treats EMT's peaking supply capability as a system reliability service analogous to compression, storage, or no-notice service, the costs of which pipelines routinely recover through their tariff rates.

The mechanism would operate in three steps. First, a pipeline would negotiate a peaking option contract with EMT: a reservation fee for the right to call on LNG deliveries during high-demand winter days when

pipeline capacity is constrained. Second, the pipeline would file a tariff amendment with FERC under NGA Section 7 to recover the peaking option costs from its shippers—as a surcharge on firm transportation rates, a separate peaking charge, or an optional elected service. Third, those costs would be allocated across pipeline shippers who benefit from system reliability, with design options to target firm shippers only, non-firm shippers only, or both at differentiated rates. LDCs with existing EMT contracts would need to be credited to avoid double-counting.

The core complication is jurisdictional. Pipeline transportation is regulated under NGA Section 7, but EMT's LNG commodity sales are authorized under NGA Section 3. A pipeline tariff that bundles the cost of Section 3 commodity purchases into Section 7 transportation rates would reintroduce rate regulation to EMT's distinct services.

Additional design challenges include the risk of double-counting LDC costs, the need for coordination between AGT and TGP to balance the mechanism across pipelines, and resistance from pipeline shippers, particularly non-firm interruptible shippers, who may object to paying for a peaking option they did not request. If one pipeline adopts the tariff and the other does not, it could distort shipper behavior between the two systems.

Evaluation

Table 16. Evaluation: Pipeline peaking tariff

Criterion	Rating	Assessment
Cost Impact	● Uncertain / Mixed	Moderate. Pipeline shippers represent a meaningful customer base, but peaking tariff revenues would likely cover only a portion of EMT's fixed costs, depending on rate design. The magnitude depends on how the tariff is structured and how broadly costs are allocated.
Timeline	● Uncertain / Mixed	FERC pipeline tariff proceedings typically take 12–24 months. Would need to be initiated in the near term to be in place before the current LDC contracts expire in 2030.
Legal/Regulatory	● Challenging	Complex jurisdictional split between NGA Section 7 (pipeline transport) and Section 3 (EMT commodity). Although pipeline peaking tariffs have been applied elsewhere, a peaking tariff bridging these frameworks is novel and would face regulatory uncertainty.
Stakeholder	● Challenging	Pipeline operators and shippers, particularly non-firm shippers, may resist the additional costs. Firm shippers may argue they already pay a premium for reliable service.
Equity	● Favorable	Allocates costs to parties that directly benefit from EMT's peaking capability through their pipeline connections. More targeted than broad-based approaches.
Climate Goals	● Uncertain / Mixed	Neutral. Does not directly affect EMT's emissions profile or the broader gas system.

10.6. State Ownership of EMT

The FAWG discussed the option of Massachusetts acquiring EMT and its NGA Section 3 authorization, through a state authority or special-purpose entity. Public ownership would give the state direct control over the facility's cost allocation, transition timeline, and alignment with energy and climate policy.

If the state were to acquire EMT, it could do so by acquiring the corporate entity holding the facility's Section 3 authorization, the terminal's original parent company Distrigas of Massachusetts LLC (DOMAC).[71] FERC notification would likely be required, although the transfer could potentially avoid a FERC proceeding if federal approval is ultimately not required.[72] The acquisition could be negotiated directly with Constellation, or Massachusetts could explore the ability to exercise its eminent domain authority under M.G.L. c. 79. That said, practical and legal considerations could complicate this approach. For example, just compensation for an asset generating $158 million in guaranteed revenue annually through 2030 would likely be significant. In addition, condemnation would trigger substantial litigation over valuation, contractual rights and public purpose, and increase complexity, timeline and overall transaction costs.

State ownership of EMT could provide unique advantages for advancing climate goals and reducing ratepayer costs. Under NGA Section 3, FERC cannot require a facility to remain in operation or prevent its retirement, allowing Massachusetts to manage the asset's transition timeline directly. The Commonwealth could operate EMT through a public agency, third-party contract, or transfer ownership to a non-profit entity like the Massachusetts Municipal Wholesale Electric Company (MMWEC), ensuring the facility is operated in the public interest.

Under a public ownership model, operating costs and revenues would have an added level of transparency and can flow directly to ratepayers and/or taxpayers. For example, additional revenues from spot-market sales to out-of-state LDCs or electric generators could offset fixed costs and lower overall costs to ratepayers. Similarly, any excess revenue could also be returned to ratepayers or used to benefit local communities.

[71] Under standard FERC practice for corporate M&A involving Section 3 facilities, the authorization is held by the entity, not the parent. Post-Hackberry (2002), FERC's oversight of upstream ownership changes of Section 3 facilities is more limited than for Section 7 pipeline assets.

[72] NGA Section 7(h) grants federal eminent domain authority to holders of FERC pipeline certificates. Section 3 has no analogous provision.

Evaluation

Table 17. Evaluation: State ownership of EMT.

Criterion	Rating	Assessment
Cost Impact	● Uncertain / Mixed	A public entity operating at cost (no shareholder returns) could reduce the long-run cost structure relative to private ownership. Existing LDC contracts would transfer with the entity, providing revenue continuity. However, the acquisition price could be substantial given guaranteed EMT revenue through 2030. The net financial benefit to ratepayers depends on the funding model and sale price.
Timeline	● Challenging	Requires legislative authorization, entity creation/identification of existing entity to leverage, negotiation or condemnation proceedings, and operational transition. Even an entity purchase that avoids a FERC transfer proceeding would require a multi-year process.
Legal / Regulatory	● Uncertain / Mixed	Entity purchase likely avoids formal FERC transfer proceedings. The state has eminent domain authority as an alternative to negotiation, which is possible but unprecedented.
Stakeholder	● Uncertain / Mixed	Views likely divided. Some may support public ownership if tied to a defined closure date; others would oppose any state investment in fossil infrastructure. Legislative dynamics are uncertain.
Equity	● Favorable	Public ownership provides the most flexibility in cost allocation of all strategies considered. A state entity could restructure cost recovery across all beneficiaries, integrate EJ considerations directly into facility transition planning, and operate on a cost-recovery basis rather than a profit-maximizing basis.
Climate Goals	● Uncertain / Mixed	Depends entirely on how the acquisition is structured. If framed as a managed transition vehicle with a legislated closure date, public ownership could directly align EMT operations with state decarbonization milestones. Without such constraints, it risks extending the life of fossil infrastructure under public sponsorship.

11. Alignment with Other State Policy Initiatives

The FAWG's work on EMT has proceeded in parallel with several significant state energy policy developments. While the FAWG's mandate is focused on the LDCs' reliance on EMT, the strategies and findings in this report intersect with broader policy initiatives addressing energy supply, demand management, system planning, and the gas-to-electric transition. This chapter identifies those points of intersection and notes their relevance to the FAWG's findings and recommendations.

11.1. Executive Order No. 654: Securing Massachusetts' Energy Future

On March 16, 2026, Governor Healey signed Executive Order(EO) No. 654, establishing the 10×10×10 Plan: a directive to develop 10 GW of new energy resources over the next 10 years, deliver $10 billion in consumer savings, and bring 5 GW of energy storage online or under development by 2035. The EO directs state agencies to pursue solar, wind, geothermal, and other energy sources, demand-side resources, and energy storage. The EO also recognizes the continued role that natural gas plays in meeting energy needs and calls on state agencies to evaluate the future role of gas and associated infrastructure, including EMT.

Natural Gas System Reliability and Reducing Bills. The EO addresses EMT and OET explicitly, seeking to leverage the work of the FAWG to meet broader goals outlined in the Order. It directs the Commonwealth to pursue targeted demand-reduction opportunities, evaluate alternative gas supply options, assess storage and delivery capabilities and future needs, and "create fairer ways of paying for [EMT] that [reflect] its regional value in meeting winter energy needs." These objectives directly align with those of the FAWG, and the Findings and Recommendations in this report will inform the Commonwealth's future work toward those aims.

Demand-Side Resources. The EO targets 3.5 GW of new electric demand reduction through energy efficiency, virtual power plants and microgrids, managed EV charging, DR programs, and other load management strategies. This target aligns with findings of the DOER's *Peak Potential* report,[73] which accompanied its load management study *Evaluating Load Management Strategies for a Net Zero Grid in Massachusetts*.[74] The emphasis on demand-side resources reflects that reducing peak demand is among the most cost-effective and immediate strategies for managing rising electricity demand. This approach aligns with Finding 8 of the EMT FAWG that peak gas demand reduction in EMT-reliant areas is a foundational strategy which needs to be coordinated with efforts related to peak electric demand reduction.

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[73] Massachusetts Department of Energy Resources, *Peak Potential Report and Policy Recommendations* (2024), https://www.mass.gov/doc/doer-peak-potential-report-and-policy-recommendations/download.

[74] Energy and Environmental Economics, Inc. (E3), *Technical Potential of Load Management in Massachusetts: Evaluating Load Management Strategies for a Net Zero Grid in Massachusetts*, prepared for the Massachusetts Department of Energy Resources (2024), https://www.mass.gov/doc/e3-technical-potential-of-load-management-study-report/download.

Geothermal and Other In-State Thermal Sources. The EO identifies geothermal and other thermal systems as a pathway to cost-effective, low-carbon heating and cooling and a means of reducing gas heating demand. Since EMT's peak-day supply function peak-day gas demand in those areas. Deployed at scale, geothermal and other non-fossil thermal resources could mitigate the gas system's continued reliance on EMT to meet peak-day supply needs.

11.2. The Decarbonizing the Peak Focus Area Working Group

OET convened the DTP FAWG in parallel with the EMT FAWG to examine the challenges of reducing reliance on fossil-fuel-fired peaking electric generators and combined heat and power (CHP) facilities. The DTP FAWG's analysis and findings align strongly with those of the EMT FAWG. Specifically, the third draft finding of the DTP FAWG states that: "Targeted load management and DR during net peak periods can play an important role in 2030 and is expected to remain valuable through 2050..."[75] Peaking generators serve a similar role for the electric system that EMT does for the gas system, so a targeted and coordinated approach to demand reduction will be crucial.

11.3. The Non-Pipeline Alternative Framework and Integrated Energy Planning

Pursuant to D.P.U. Order 20-80, the Massachusetts gas local distribution companies engaged with stakeholders through 2024 and early 2025 to develop an NPA framework. NPAs are broadly defined to include electrification, targeted energy efficiency, DR, and other decarbonization solutions that can avoid or defer traditional gas infrastructure investments. The framework establishes a cost-benefit analysis methodology to evaluate NPA candidates against proposed gas pipeline projects, ensuring that non-gas alternatives are systematically considered before cost recovery for new gas infrastructure is approved.

Concurrently, the LDCs and their electric utility affiliates are developing IEP capabilities through the CCP proceedings (D.P.U. 20-80-B) and the Electric Sector Modernization Plan process. IEP aims to coordinate gas and electric system planning so that electrification, demand reduction, and infrastructure investment decisions account for cross-system effects, ensuring that investments to reduce gas demand in a particular area are coordinated with the electric distribution capacity needed to serve the resulting new electric load.

These planning processes are directly relevant to the EMT FAWG's mandate, as there is conceptual alignment between the goals of IEP and the goal of reducing or eliminating LDC reliance on EMT. However, nascent IEP efforts are largely being focused on projects that avoid gas and electric distribution infrastructure. Still, targeted demand reduction in EMT-reliant operational areas is the type of intervention that an NPA framework and IEP process should be designed to identify, evaluate, and implement. The large commercial,

[75] Peak Potential: Load Management for an Affordable Net-Zero Grid (2026) https://www.mass.gov/info-details/peak-potential-load-management-for-an-affordable-net-zero-grid

industrial, and institutional customers that drive peak demand in National Grid's Metro-Boston service territory and NSTAR Gas's Cambridge-Somerville territory (Chapter 9, Chapter 7) represent high-priority candidates, given their concentrated load profiles and, in many cases, their institutional interest in decarbonization.

The NPA framework and IEP processes are in early stages of development. The inaugural CCPs were filed in April 2025, and the NPA framework was still under stakeholder review as of early 2025. The operational deployment of IEP will take time to mature. Given this, it is unlikely that IEP or NPA efforts can play a significant role in shaping reliance by 2030, but will likely be instrumental for longer term efforts

12. Next Steps for the Office of Energy Transformation

Entity	Action	Reference
LDCs via EMT Annual Report to DPU	Report annual utilization patterns reflecting daily liquid and vapor draws, corresponding EDDs, end of season and out-of-season use and refills.	Rec 1F; Findings 2, 9
LDCs via EMT Annual Report to DPU	Report annually on changes to on-system LNG infrastructure, satellite peak-shaving facility capacity, and the evolving operational role of EMT in each LDC's service territory, including any modifications to contracted volumes, service points, or alternative supply arrangements.	Findings 4, 8; Rec 1
OET	Continue convening stakeholders and disseminating information on EMT-related issues as part of broader efforts to advance targeted demand reduction in EMT-dependent load pockets.	Findings 8, 10; Rec 1
OET	Review and analyze findings from the BosTEN Feasibility Assessment's large-load user data, and assess their implications for the scale and timeline of demand reduction achievable.	Finding 10; Rec 1E
OET	Report annually to the ETAB on progress toward reducing LDC reliance on EMT, drawing on LDC annual reports, BosTEN findings, and the gas supply study.	Findings 9, 12
OET/ DOER/FREA	Oversee an independent study on the long-term role of gas supply, pipeline capacity, and interstate transportation in the regional energy system, including investigation of the feasibility and design of a pipeline peaking tariff mechanism. Issue RFI for alternatives to gas peaking.	Rec 3; Rec 2C
FREA (DOER)	Monitor implementation outcomes of ISO-NE's Capacity Auction Reform, with particular attention to winter gas constraint pricing, generator firm-fuel contracting behavior.	Rec 2A; Finding 11
EEA	Integrate EMT-related findings and demand reduction strategies for EMT-dependent load pockets into the 2035 Clean Energy and Climate Plan.	Findings 5, 6, 8; Rec 1
MassCEC	Monitor opportunities to work with Constellation on alternative commercial uses of EMT's LNG supply that displace existing fossil fuels in new markets, including marine bunkering and other emerging applications.	Rec 2B
DPU	Provide an overview of its policies, procedures, and approach to confidential pricing information as allowed by 220 CMR 1.04(5)(e), resource and contract acquisition per G.L.c. 164, section 94A, and the findings and directives contained in orders related to D.P.U dockets 24-25, 24-27, 24-28, 25-133, and 25-134 in advance of future EMT supply contract proceedings.	
ETAB	Formally review and consider findings and recommendations in the report.	—

Glossary of Key Terms

This glossary defines technical, regulatory, and operational terms that recur in the EMT Policy Report. Definitions are tailored to the report's context, Massachusetts gas distribution, the Everett Marine Terminal, and the Commonwealth's energy transition, rather than to general industry usage.

Term	Definition
Boiloff	Vapor that naturally evolves from cryogenic LNG storage as heat enters the tank. EMT uses boiloff compressors (BOCs) to recover this vapor and protect tanks from over-pressurization.
City Gate	The metered interconnection between an interstate pipeline and an LDC's distribution system. City-gate entitlements define an LDC's contracted firm delivery capacity at a specific point.
Climate Compliance Plan (CCP)	Filing required of Massachusetts gas LDCs under D.P.U. 20-80-B that documents how the LDC's investments and operations align with statewide GHG emission limits. EMT-related reporting is required annually through 2030.
Cost-of-Service Agreement (COSA)	A FERC-regulated contract that allows a generator (e.g., the former Mystic Generating Station) to recover its full operating costs, including fuel-supply costs, from regional electric ratepayers via ISO-NE charges. EMT operated under a Mystic COSA from June 2022 through May 2024.
Decarbonizing the Peak (DTP)	An OET Focus Area Working Group, parallel to the EMT FAWG, examining strategies to reduce reliance on fossil-fueled peaking electric generators.
Dekatherm (Dth)	Standard unit of natural gas energy used in U.S. LDC tariffs. One Dth equals approximately 1,000 cubic feet of pipeline-quality natural gas at standard conditions.
Demand Response (DR)	Programs that compensate end-use customers (residential, commercial, industrial) for voluntarily reducing gas or electric consumption during peak periods to relieve system stress.
Design Day	The coldest weather event an LDC plans its system to serve, expressed as a return-period EDD value (e.g., a 1-in-30-year design day). Design-day standards set the size of firm supply portfolios.
Designated Port Area (DPA)	A Massachusetts coastal-zoning classification that reserves waterfront parcels for water-dependent industrial use. EMT sits within the Mystic River DPA, which constrains alternative future uses of the site.
Effective Degree Day (EDD)	A composite weather index incorporating HDDs plus wind-chill and other adjustments; used by LDCs to forecast gas demand and benchmark peak events.
Electrification	Replacement of natural-gas end uses (space heat, water heat, industrial process) with electricity, typically via heat pumps. A foundational decarbonization strategy and a primary candidate Non-Pipeline Alternative for reducing EMT reliance.
Environmental Justice (EJ)	The principle that no community should bear a disproportionate share of environmental burdens. EJ analysis around EMT addresses cumulative pollution exposure in host neighborhoods, equitable distribution of energy costs, and just-transition outcomes for affected workers and communities.
Firm Capacity / Firm Transportation	Pipeline or storage capacity contracted on a non-interruptible basis. Firm entitlements are essential for LDC design-day reliability and bear higher fixed costs than interruptible service.

Focus Area Working Group (FAWG)	A multi-stakeholder body convened by OET to evaluate a specific energy-transition challenge, develop findings, and report recommendations to the Energy Transformation Advisory Board (ETAB).
G-System	AGT's southeastern Massachusetts lateral system, serving NSTAR Gas, EGMA Southeast, and other LDCs. EMT's vapor sendout supplements G-System supplies during winter peaks.
Hackberry Doctrine	FERC policy (originating in the 2002 Hackberry LNG order) that LNG import terminals are not regulated as common carriers under NGA Section 3 — they retain commercial control over capacity, services, and pricing. Frames EMT's market-based commercial posture.
Henry Hub	The Louisiana physical natural-gas trading hub whose NYMEX futures contract is the benchmark price index for North American gas markets, including EMT's commodity pricing.
Heating Degree Day (HDD)	Daily measure of how far average temperature falls below a 65 °F reference. Higher HDD totals correspond to greater heating demand.
Integrated Energy Planning (IEP)	A coordinated planning framework, under development by Massachusetts gas and electric utilities, that jointly evaluates investments across both systems so that electrification, demand reduction, and gas-system right-sizing are considered together.
J-Lateral / J-System	AGT's lateral system serving Cambridge and Somerville (NSTAR Gas) and adjacent communities. Single-feed configuration creates particular reliance on EMT for peaking and contingency support.
Linepack	The volume of compressed natural gas held within pipeline segments at operating pressure; a short-term operational buffer that absorbs imbalances between deliveries and withdrawals.
Liquefied Natural Gas (LNG)	Natural gas cooled to roughly –260 °F, reducing its volume by ~600× for storage and transport. Re-vaporized to deliver into pipelines or distribution systems.
Local Distribution Company (LDC)	A state-regulated retail gas utility that operates the distribution system serving end-use customers. The four MA LDCs party to EMT contracts are Eversource (EGMA and NSTAR Gas), National Grid (Boston Gas), and Unitil (Fitchburg Gas and Electric).
Maximum Daily Quantity (MDQ)	Contractual cap on the volume an LDC may take on a single day, expressed in Dth. Sized to peak-day requirements.
Maximum Seasonal Quantity (MSQ)	Contractual cap on cumulative volume an LDC may take across the heating season. The MSQ defines the contract's seasonal scale alongside daily peaking obligations.
Mystic Generating Station	The former 1,400 MW gas-fired power plant in Everett, MA that retired in May 2024. EMT was historically sited to fuel Mystic; the station's closure transferred EMT's primary-customer role to the LDCs.
Natural Gas Act (NGA) Section 3	Federal statute under which FERC authorizes the siting and operation of LNG import/export terminals such as EMT. Section 3 authorizations are held by DOMAC for the EMT facility.
Non-Pipeline Alternative (NPA)	An investment or program that meets a forecasted gas-system need without traditional pipeline or LNG infrastructure — e.g., targeted electrification, energy efficiency, demand response, or thermal networks. Massachusetts LDCs are required to develop and apply NPA evaluation frameworks under D.P.U. 20-80-B.
Operational Flow Order (OFO)	A pipeline operator directive that imposes balancing requirements, restricts secondary nominations, or assesses penalties (often multiples of the day's gas price) on shippers whose flows deviate from contractual entitlements.
Peaking Resource	A supply source dispatched to meet short-duration, high-demand events (typically the coldest hours of the coldest days). Peaking resources carry high fixed costs relative to their utilization, but are critical to reliability.

Peak-Shaving	Use of stored or alternative supply (typically on-system LNG or propane-air) to reduce peak draws on upstream pipelines, lowering the firm pipeline capacity an LDC must hold year-round.
Pressure Support	Gas injected into the distribution system at strategic points to maintain delivery pressure during high-demand events; one of EMT's two operational roles for the LDCs (alongside vapor delivery).
Reliable, Affordable, Resilient Enhancement (RARE)	An AGT pipeline enhancement project (approximately 73,500 Dth/day, in service November 2029) under contract by EGMA and NSTAR Gas to substitute for EMT's G-System supply function.
Sendout	The volumetric or energy rate at which a facility delivers gas into a pipeline or distribution system, typically expressed in MMSCFD or Dth/day.
Section 94A	M.G.L. c. 164 § 94A — the Massachusetts statutory provision governing DPU review and approval of long-term gas supply contracts entered into by LDCs.
Take-or-Pay	A contract structure obligating the buyer to pay for a minimum specified volume regardless of actual offtake. EMT's six-year LDC contracts include take-or-pay components for seasonal firm supply.
Thermal Network	A district-scale shared loop that delivers heating and cooling to multiple buildings via circulating water (often ground-coupled), enabling collective electrification of heat at neighborhood scale.
Vapor Delivery	EMT's operational mode in which LNG is re-gasified on site and injected directly into the regional pipeline system as natural gas — distinct from truck-loaded liquid LNG dispatched to satellite peak-shaving plants.
Vaporizer	Process equipment that converts cryogenic LNG back into gaseous natural gas through controlled heat exchange, prior to pipeline injection or city-gate delivery.