



**MASSACHUSETTS
OFFICE OF ENERGY
TRANSFORMATION**

Peak Energy Demand Reduction Informational Webinar

July 20, 2026

Agenda

Time	Topic	Presenter
5 mins	Welcome, Agenda Review	Melissa Lavinson, OET
10 mins	Office of Energy Transformation Structure	Melissa Lavinson, OET
5 mins	Background and Context on Peak Demand Reduction	Katherine O'Malley, OET
10 mins	Completed Work and Current Programs on Demand Reduction	Katherine O'Malley, OET
10 mins	Proposal for New FAWG	Katherine O'Malley, OET
5 mins	Next Steps	Katherine O'Malley, OET
15 mins	Q&A	Melissa Lavinson, OET



Office of Energy Transformation Mission and Structure

Established May 1, 2024, the Office of Energy Transformation (OET) is charged with enabling the **hands-on execution** of the **clean energy transition**.

To support the transition, the OET established the **Energy Transformation Advisory Board** ("ETAB" or "Advisory Board") to accelerate cooperation, understanding, and action between a variety of key energy stakeholders.

The OET also established a series of **Focus Area Working Groups**, or FAWGs, each charged with investigating key challenge areas within the energy transition.



Office of Energy Transformation Mission and Original Structure

Energy Transformation Advisory Board (Advisory Board or ETAB)

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

Decarbonizing the Peak (DTP)

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

Transitioning Away from Everett Marine Terminal (EMT)

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

Financing the Transition (FTT)

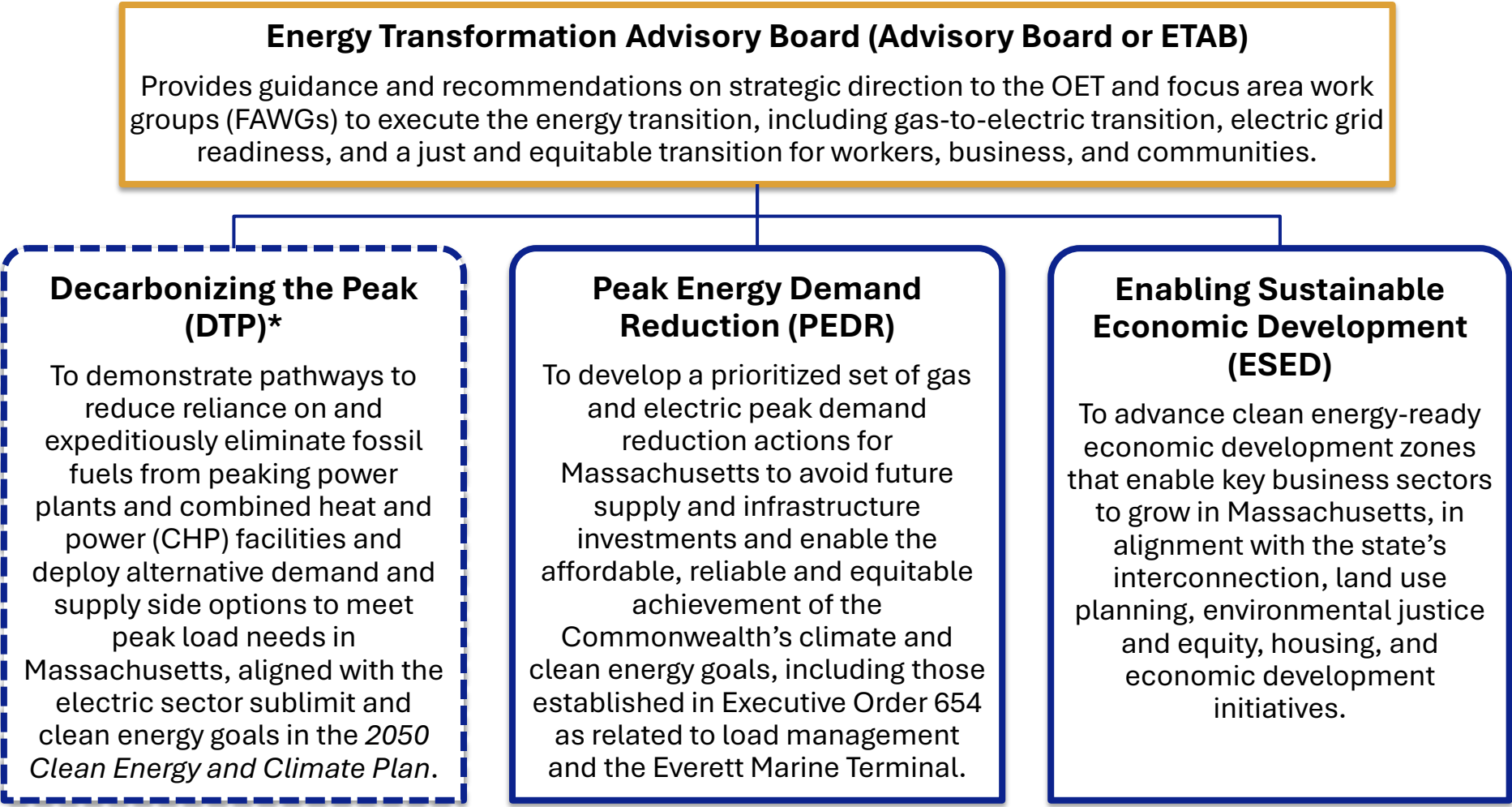
To identify alternative mechanisms for financing/funding electricity distribution system infrastructure upgrades needed to achieve Massachusetts's clean energy and climate mandates that minimize impacts on consumers' electricity bills, while providing an affordable, sustainable, and timely source of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

Enabling Sustainable Economic Development (ESED)

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



Office of Energy Transformation Mission and Original Structure



*FAWG is planning to close in Fall 2026



‘Past’ and Present FAWG Contributions to PEDR

OET is launching this FAWG today in response to findings from three other FAWGs:

EMT: Peak gas demand reduction in EMT-reliant areas is critical to reducing or eliminating reliance on EMT by the Massachusetts LDCs. This FAWG recommended focusing on large C&I customers, like Boston’s academic institutions, to make the biggest impact on demand.

FTT: Alternative financing mechanisms can mitigate the impact of electric distribution system investment on ratepayers; but the biggest opportunity for savings comes from avoiding investments altogether, through peak demand reduction in grid-strained areas (for example via DER aggregation).

DTP: Peak electric demand reduction across the grid can reduce reliance on peaking power plants, mitigating both the high production costs and emissions associated with those facilities.

Governance of FAWG and Expectations of Participants

Governance

- Participation is open to anyone
- The full group meets at least every two months, with additional meetings as needed
- Work is organized into workstreams that meet as needed; participants can choose which workstreams to join
- FAWG meetings follow the Chatham House Rule; FAWG information and materials shared with the Advisory Board are public
- The group provides consensus recommendations to the Advisory Board; if consensus cannot be reached, differing views are documented

Expectations

- Commit to a one-year term
- Actively participate in and attend meetings (all meetings will have a virtual option)
- Have a level of decision-making authority, if participating on behalf of an organization
- Follow the workplans and process adopted by the Advisory Board
- Work in good faith to seek consensus
- Adhere to the Ground Rules and Remote Participation policies; failure to comply can result in removal

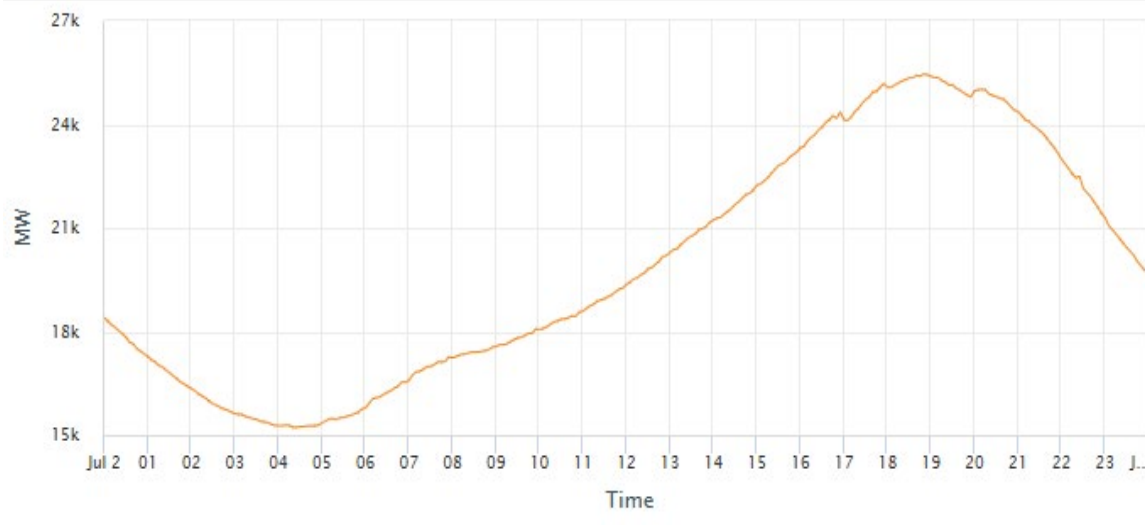


Background and Context on Peak Energy Demand Reduction



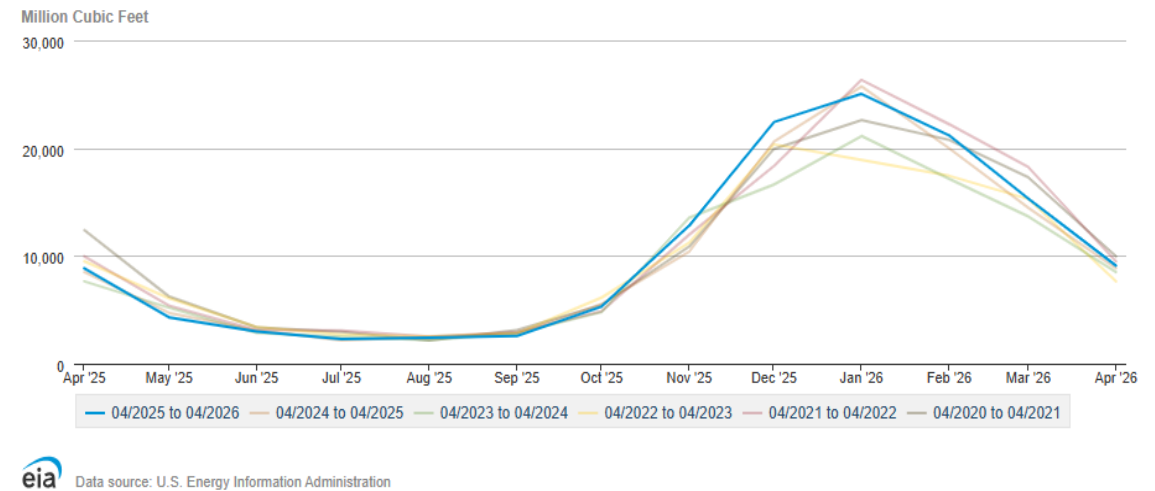
What is Peak Demand?

Peak demand is the **highest level of energy use during a specific period of time** (i.e. day, year). Utilities must maintain infrastructure and ensure sufficient supply to meet peak demand.



Electric Peak: ISO-NE System Load Graph from 7/2/26

25,453 MW peak at 6:50PM



Gas Peak: MA Natural Gas Residential Consumption 5-Year Seasonal Analysis

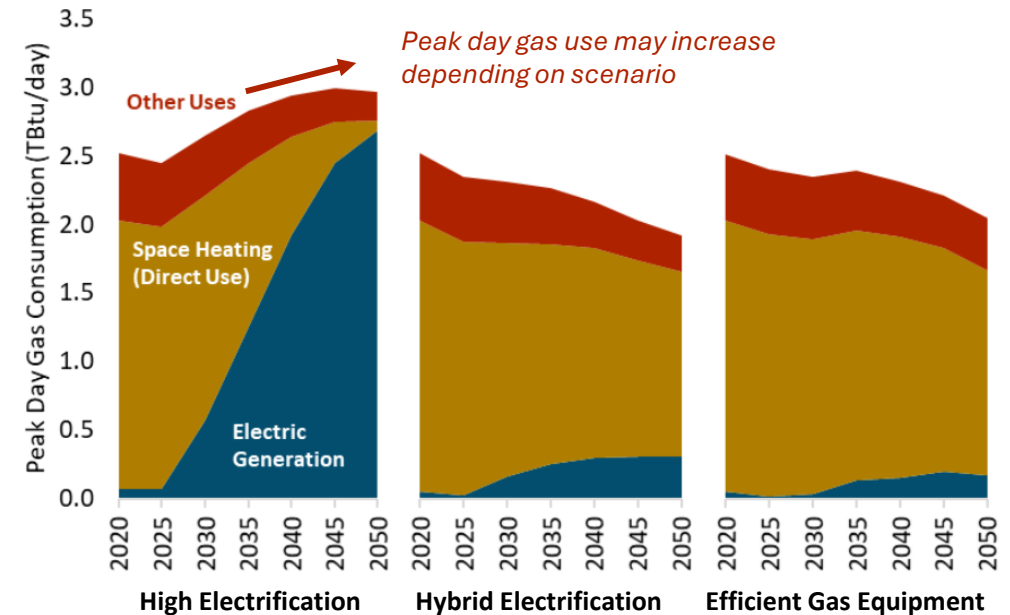


Importance of Evaluating Gas & Electric Systems Together

- Existing studies demonstrate that heating electrification reduces overall gas consumption. However, annual gas volumes are not necessarily correlated with peak gas infrastructure needs.
- Under some electrification scenarios, natural gas use may shift from homes and businesses to power plants to meet peak winter electricity demand and support grid reliability.
- These findings indicate the importance of evaluating gas and electric systems together to provide a more complete picture of future infrastructure and reliability needs.

Peak Day Gas Consumption Across Heating Strategies

All Scenarios Consistent with Net Zero Future

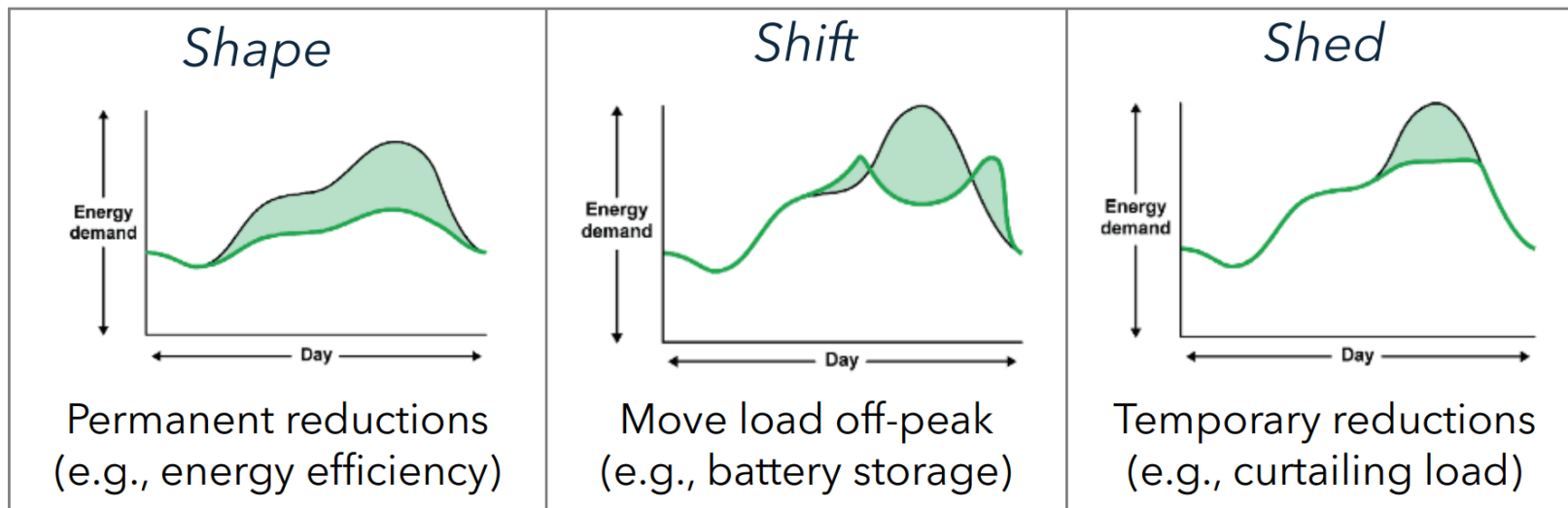


Source: Figures from 20-80 Proceeding, E3 Independent Consultant Report for Gas LDCs



What is Electric Load Management?

- Policies and technologies that help reduce the need for energy at peak hours or in constrained areas of the grid, through one of the following mechanisms:
 - **Shape:** Permanently reducing demand (e.g., using energy efficiency)
 - **Shift:** Shifting demand to off peak times (e.g., delaying EV charging)
 - **Shed:** Temporarily curtailing energy use during peak hours (e.g., turning a thermostat down a few degrees)





Completed Work and Current Programs on Demand Reduction



Peak Potential: Load Management for an Affordable Net-Zero Grid

E3 Technical Potential of Load Management

4.5 GW, \$0.95 bn/yr saved

2030

13.8 GW, \$4.8 bn/yr saved

2050

Peak load reduction and annual avoidable electric system costs in Massachusetts from load management tools like energy efficiency and demand flexibility.¹

DOER Peak Potential Report



EE

Double-down on permanently reducing load in both retrofits and new construction.



EVs

Actively manage charging & vehicle-to-everything can deliver huge benefits.



Price signals

Give customers tools to manage energy costs through TOU rates and demand response.



Aggregation

Support innovation in new technologies and products through customer-centric aggregations.



Equity

Minimize cost shift & reduce barriers to access for renters and LMI customers.



Utility regulation

Provide incentives for peak load reduction and require load flexibility in utility planning.

Everett Marine Terminal FAWG Report

- Recommends accelerating **strategic gas demand reduction** as the primary strategy for reducing EMT dependency, with a near-term focus on **commercial and institutional customers**
 - Evaluate supply-side solutions where cost-effective
 - Advance non-fossil thermal resources
 - Leverage the Boston Area Thermal Energy Network (BosTEN) Feasibility Assessment
 - Improve LDC reporting in EMT annual reports to DPU
 - Identify targeted electrification opportunities for Everett
- Full report available on OET website with findings and recommendations



Other Ongoing Stakeholder Efforts on Demand Reduction

Group	Information	Focus
Energy Efficiency Advisory Council (EEAC)	Led by Department of Energy Resources (DOER); Meets once a month; Created by Green Communities Act of 2008	Guides the development of state- and nation-leading energy efficiency and demand management plans by the Commonwealth's investor-owned gas and electric utilities and energy providers; develops a long-term vision for the Commonwealth's energy future.
Grid Modernization Advisory Council (GMAC)	Led by DOER; Meets once a month; Created by 2022 Climate Law	Encourages least-cost investments in the electric distribution system through feedback on the electric utility's Electric Sector Modernization Plans (ESMPs) and increases transparency and stakeholder engagement in the grid planning process.
Integrated Energy Planning (IEP) Working Group	Hosted by Electric Distribution Companies (EDCs); Led by APEX (Consultant); Started in 2025	Cross-sector regulatory initiative; creating framework for all gas and electric utilities to jointly plan infrastructure investments in alignment with MA's clean energy goals.
Clean Energy and Climate Plan (CECP)	Led by Energy and Environmental Affairs (EEA); Published for 2025/2030 and 2050; 2035 CECP under development	Massachusetts's comprehensive roadmap for greenhouse gas emissions reduction and the transition to a clean energy future in pursuit of Net Zero by 2050.



Other Efforts on Demand Reduction

Group	Information	Focus
Mass Save	Collaborative between all Investor-Owned Utilities	Ratepayer funded energy efficiency program providing customers of participating program administrators with rebates, incentives, and 0% financing to save energy, lower bills, and reduce emissions.
Electric Sector Modernization Plans (ESMPs)	Submitted by EDCs to the DPU every 5 years	Roadmaps for utilities to modernize and upgrade the electric grid, with the goal of enabling an affordable and just transition.
Interagency Rates Working Group (IRWG)	Led by Department of Energy Resources (DOER); Completed in 2025	Long-Term Ratemaking Recommendations included Time of Use Rates, resulting in DOER petition to the Department of Public Utilities (DPU) on Time-of-Use (TOU) rates (now an active docket). Demand response depends heavily on these rate structures.
Grid Services Study	Led by MassCEC; Roadmap published in Sep 2025, authored by E3 and RMI	Provided recommendations to inform the Electric Distribution Companies' (EDCs') development of Grid Services offerings and identifies methodologies for determining the locational value that distributed energy resources (DERs) can provide to the distribution grid.





Proposal for New FAWG



PEDR: Issue Overview and FAWG Mission

- Massachusetts is pursuing affordable, reliable pathways to achieve its clean energy and climate mandates while reducing costs and emissions.
- Executive Order 654 (March 2026) set a target of **3.5 GW of new electric load management by 2035** and called for identifying opportunities to accelerate gas demand reduction in strategic EMT-served locations.
- The PEDR focus area working group will identify and prioritize strategies to:
 1. reduce system-wide peak gas and electric demand, and
 2. reduce peak demand growth in targeted locations where it could otherwise require electric infrastructure upgrades or continued LDC contracting with the EMT.



To develop a prioritized set of gas and electric peak demand reduction actions for Massachusetts to avoid future supply and infrastructure investments and enable the affordable, reliable, and equitable achievement of the Commonwealth's climate and clean energy goals.



Proposed Workstream with Tentative Timing

Phase 1

Fall 2026 – Winter 2027

Develop a shared understanding of peak energy demand (system-wide vs. locational)

Review key findings from the Peak Potential Report and EMT FAWG report

Inventory existing programs, policies, and incentives impacting peak energy demand

Phase 3

Summer 2027

Prioritize high-impact strategies and develop implementation pathways

Develop recommendations for the Advisory Board

Document consensus and, where needed, differing viewpoints

Phase 2

Spring 2027

Assess the effectiveness of existing peak demand reduction programs

Identify barriers to participation and program success

Develop potential new strategies to reduce peak energy demand



Next Steps

- If interested in participating, please sign up for the FAWG using the link in the chat (also linked on the Office of Energy Transformation website)
- Registration for the FAWG closes on **August 7, 2026**
 - After that, requests to join the FAWG will be accepted on a case-by-case basis by reaching out to energytransformation@mass.gov
- The first FAWG convening is on **August 11, 2026** from 1-3PM

Expectations

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Questions?



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Thank You!