

# Peak Energy Demand Reduction Focus Area Work Group

Proposal and Draft Charter

June 11, 2026

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## **Background on the Office of Energy Transformation**

The [Office of Energy Transformation \(OET\)](#) was launched by the Healey-Driscoll Administration on May 1, 2024, to accelerate the energy transformation, with a focus on gas-to-electric transition, electric grid readiness, and an affordable and just transition for workers, businesses, and communities. An Advisory Board consisting of ~75 leaders from across the energy ecosystem in Massachusetts established and provides direction on the work of four Focus Area Working Groups (FAWGs). OET launched the first three FAWGs in the fall of 2024:

- **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.
- **Decarbonizing the Peak (DTP):** To demonstrate pathways to reduce reliance on and 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](#).
- **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 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*.

Additionally, the **Enabling Sustainable Economic Development** FAWG launched in May 2025 with a mission “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.”

## **Status of Current FAWG Findings and Recommendations**

The FAWGs each consist of approximately 40-90 stakeholders who meet regularly to 1) build a shared understanding of the issue being addressed, 2) develop a broad range of potential solutions and criteria against which to evaluate potential solutions, and 3) make recommendations to the Advisory Board for their consideration to inform policymaking.

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---

OET presented final findings and recommendations from the FTT, DTP, and EMT FAWGs at the June 11, 2026, Advisory Board meeting.

A common finding from each FAWG centered on peak demand reduction – both electric and gas. **The FAWGs found that reducing both peak electric and gas demand has substantial affordability, emissions reduction, and ratepayer cost avoidance benefits, and are priority solutions to help achieve the overall objective of each FAWG.**

As the FTT, DTP, and EMT FAWGs complete their respective work, a cross-cutting recommendation was to generally “sunset” each FAWG’s individual effort and launch a coordinated effort focused on peak energy demand reduction.

## **Recommendation to Launch Peak Energy Demand Reduction FAWG**

Massachusetts has leading clean energy and climate mandates and is seeking avenues to achieve those mandates affordably and reliably. Insights from multiple FAWGs highlight that reducing peak electric and gas demand can have a significant impact in meeting these mandates while driving affordability, providing cost savings for energy consumers and protecting them from price volatility, and maintaining reliable gas and electric service for all customers.

Governor Healey’s *Executive Order 654: To Secure Massachusetts’ Energy Future*, signed March 16, 2026, sets a target of achieving 3.5 GW of new electric load management by 2035, and called for identifying opportunities to accelerate gas demand reduction in strategic locations served by the EMT, reinforcing the priority of this focus area.

Because gas and electric demand management actions and integration require engagement from a wide range of stakeholders, a coordinated working group was identified by the FTT, DTP, and EMT FAWG’s as an important next step to achieving Massachusetts’ climate and clean energy mandates affordably, reliably and equitably. The FAWG’s found that demand reduction programs cannot be designed solely through traditional utility planning or state programs, as their success depends on customer’s overall and hourly energy use, equipment and broader building technology and energy choices, and participation in available programs.

The proposed working group will bring together critical stakeholders, including, for example, the gas and electric utilities, policymakers, business groups, community groups, technology providers, equity and environmental justice, building owners, and customers themselves. This is especially important because strategies to reduce peak gas demand

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will interact with and impact the electric system, both supply and infrastructure needs, so coordination is critical

## **Proposal New “Peak Energy Demand Reduction” FAWG: Scope, Mission, and Outcomes**

The Office of Energy Transformation proposes launching the Peak Energy Demand Reduction (PEDR) FAWG.

**Charter:** The work group will focus on identifying and prioritizing the most impactful strategies for:

- reducing system-wide peak gas and electric demand, and
- reducing locationally specific peak energy demand growth that would otherwise require electric infrastructure buildout and/or the need to maintain LDC contracting with EMT.

The PEDR FAWG will develop a coordinated set of recommended actions to reduce both electric and gas peak demand that avoid future infrastructure and supply costs.

**Scope:** The PEDR FAWG will:

1. Identify current Massachusetts strategies to reduce peak gas and electric demand and associated impacts.
2. Develop potential policy and program additions or improvements to existing policies and programs to lower peak energy demand, with a focus on equitable processes, access, and outcomes that reduce both supply and energy infrastructure investment needs.
3. Prioritize the highest impact strategies.
4. Develop recommendations to the Advisory Board.

As part of this work, the FAWG may evaluate both new demand reduction strategies and opportunities to increase customer adoption of existing programs. The FAWG’s initial work will build on recommendations and analysis identified in the Department of Energy Resources’ (DOER’s) *Peak Potential* report to help establish a common foundation and accelerate identification of high-impact opportunities and align with broader work to achieve *Executive Order 654*’s 3.5 GW goal. The FAWG may also identify areas where additional modeling or studies are needed. While future modeling may be outside the FAWG’s direct scope, it can be used to inform future *Clean Energy and Climate Plan (CECP)* development.

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**State:** OET (Lead), DOER, and CECP team at the Executive Office of Energy and Environmental Affairs (EOEEA).

**Working Group Members:** OET will conduct outreach for an informational webinar to all current FAWG members, plus additional groups identified by OET, DOER, and the CECP team. OET will then conduct a call to interested parties to sign up to participate in the FAWG after the informational webinar.

**Mission and Outcomes:** 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, including those established in *Executive Order 654* as related to load management and Everett Marine Terminal.

The FAWG should recommend policy, regulatory, and programmatic changes to existing strategies, and identify new opportunities and policies. The FAWG should assess expected demand reduction potential, implementation feasibility, cost and affordability implications, equity impacts, and implementation timelines of recommended actions, withing available budget, and outline where additional analysis or modeling is needed to support CECP planning.

## Schedule/Timeline:

Action	Timing
Approval of new FAWG by Advisory Board	June 11
FAWG launched with informational webinar	July
Phase 1: Build a shared understanding of the focus area, outcomes, and current gas and electric demand reduction strategies and programs in Massachusetts	August '26 – February '27
Phase 2: Identify additions or improvements to current strategies and programs and develop criteria against which to evaluate strategies/solutions	February '27 – June '27
Phase 3: Evaluate and prioritize proposed strategies and solutions and make recommendations to the Advisory Board	June '27 – September '27