Opportunities to Improve How Regulatory Agencies Address Climate Change in Massachusetts

September 28, 2022

Agenda

9:00-9:10 Welcome and Logistics

9:10-9:30 Briefing on the Project and Massachusetts Climate Goals, Progress, Best Practices, and Barriers

9:30-10:20 Breakout Session #1: Idea Brainstorming

10:20-10:30 Break

10:30-11:20 Breakout Session #2: Force Field Analysis & Idea Prioritization

11:20-11:50 Wrap Up & Next Steps

Our Team

Rachel Cerato, Co-op

Sophie Kelly, Program Manager

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Jen Stevenson Zepeda, Associate Executive Director

Amelia Verhar, Research Asst.

Elena Gonzalez, Volunteer

Prof. Timmons Roberts

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Grace Austin, Research Asst.

Pilar McDonald, Research Asst.

Juliana Merullo, Research Asst.

Callie Rabinovitz, Research Asst.

Susan Tang, Research Asst.

Emma Venarde, Research Asst

Jennifer Kallay, Senior Associate

Lamia Hossain, Intern

Establishing Group Norms

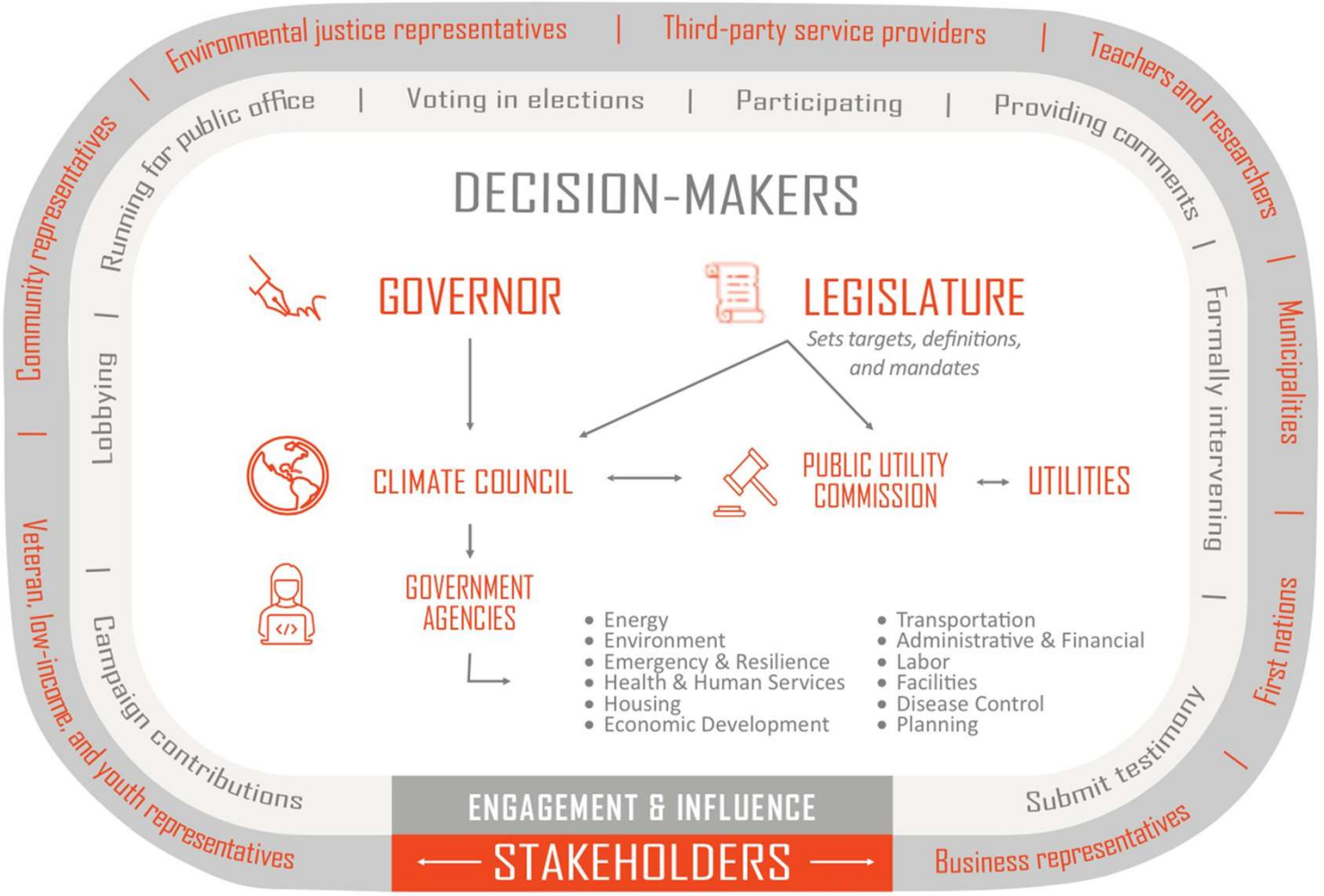
- The people who are here today want to engage in dialogue
- Collectively we value:
  - Honesty
  - Respect
  - Diversity of opinion, experience, and background
  - Creating space for everyone to participate
  - Being present
  - Sitting with and working through defensiveness, judgment, and discomfort
  - Questions—there are no bad questions
- We will attempt to speak from experience; use “I statements” when possible
- We will approach conversations from a place of care, remembering that people might be going through something you don't know

Briefing on the Project

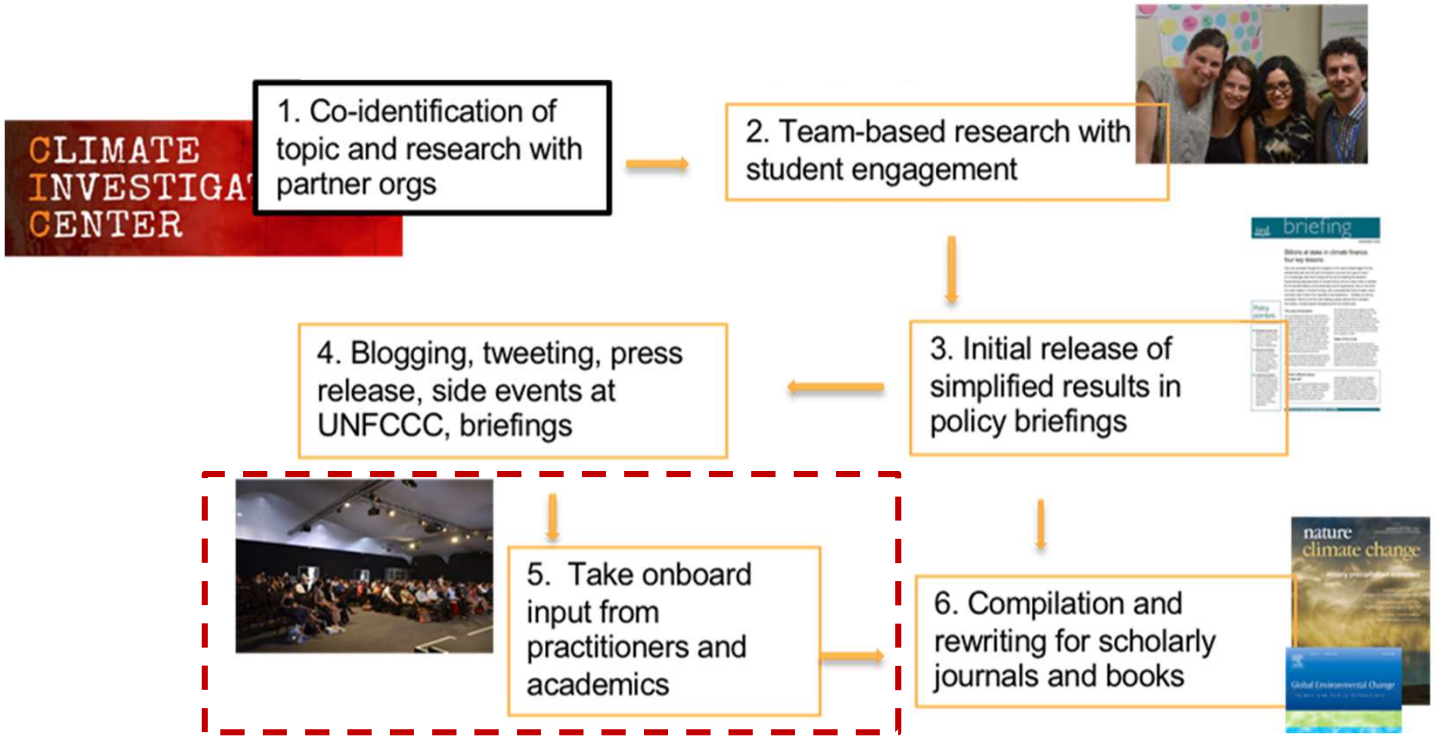
The Origins and Goals of this Project

To collaborate and crowdsource ideas on the opportunities and challenges for regulatory agencies implementing lasting and equitable climate and energy solutions in New England states

As core regulators of our monopoly gas and electricity suppliers, Public Utility Commissions are central to state climate action.



The Climate and Development Lab Model



Climate and Development Lab Reports on Utilities and their regulators: PUCs and Legislatures

Available at:

www.climatedevlab.brown.edu

CSSN Research Report 2

Who's Influencing Conn
Climate and Clean Energ
Five Questions

Policy Briefing
The Climate and Development Lab
Institute at Brown for Environment and Society
December 2021

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Institute at Brown for Environment & Society

CLIMATE & DEVELOPMENT LAB

CSSN Research Report 2021:1:

Who's Delaying Climate Action in Massachusetts? Twelve Findings

Policy Briefing
The Climate and Development Lab
Institute at Brown for Environment and Society
January 2021

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Deeper Decarbonization in the Ocean State:

The 2019 Rhode Island Greenhouse Gas Reduction Study

Can State Utility Commissions Lead in the Clean Energy Transition? Lessons from Six States

A Brown University Climate and Development Lab Report, October 2021

A report by **Cole Triedman**, lead researcher, and **Eve Lukens-Day**, **Amanda Hinh**, and **Noah Ball-Burack**, research team, with support from **Timmons Roberts**, Professor of Environmental Studies & Sociology at The Institute at Brown for Environment & Society (IBES)

PAPUC
PENNSYLVANIA PUBLIC UTILITY COMMISSION

FLORIDA PUBLIC SERVICE COMMISSION

New Hampshire PUBLIC UTILITIES COMMISSION

ALABAMA PUBLIC SERVICE COMMISSION GREAT SEAL

UTC
Washington Utilities and Transportation Commission

New Mexico
Public Regulation Commission

October 28, 2021

This report should be cited as: Triedman, Cole, Eve Lukens-Day, Amanda Hinh, & Noah Ball-Burack, "Can State Utility Commissions Lead in the Clean Energy Transition? Lessons from Six States." Brown University Climate and Development Lab. October 28, 2021.

BROWN CLIMATE AND DEVELOPMENT LAB FALL 2019 UTILITIES REPORT

American Utilities and the Climate Change Countermovement: An Industry In Flux

A report by Cole Triedman, Andrew Javens, Jessie Sugarman, David Wingate for the Brown University Climate and Development Lab (CDL)
Visuals by Derek Russell & Dana Kurniawan

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We welcome input. Contact us at climatedevlab@gmail.com

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Oregon, 2017
We have known about climate change for 35 years
but have failed to respond adequately.

The only major climate legislation at the national level (the Waxman-Markey bill) with a chance of passage was met with a tidal wave of lobbying spending.

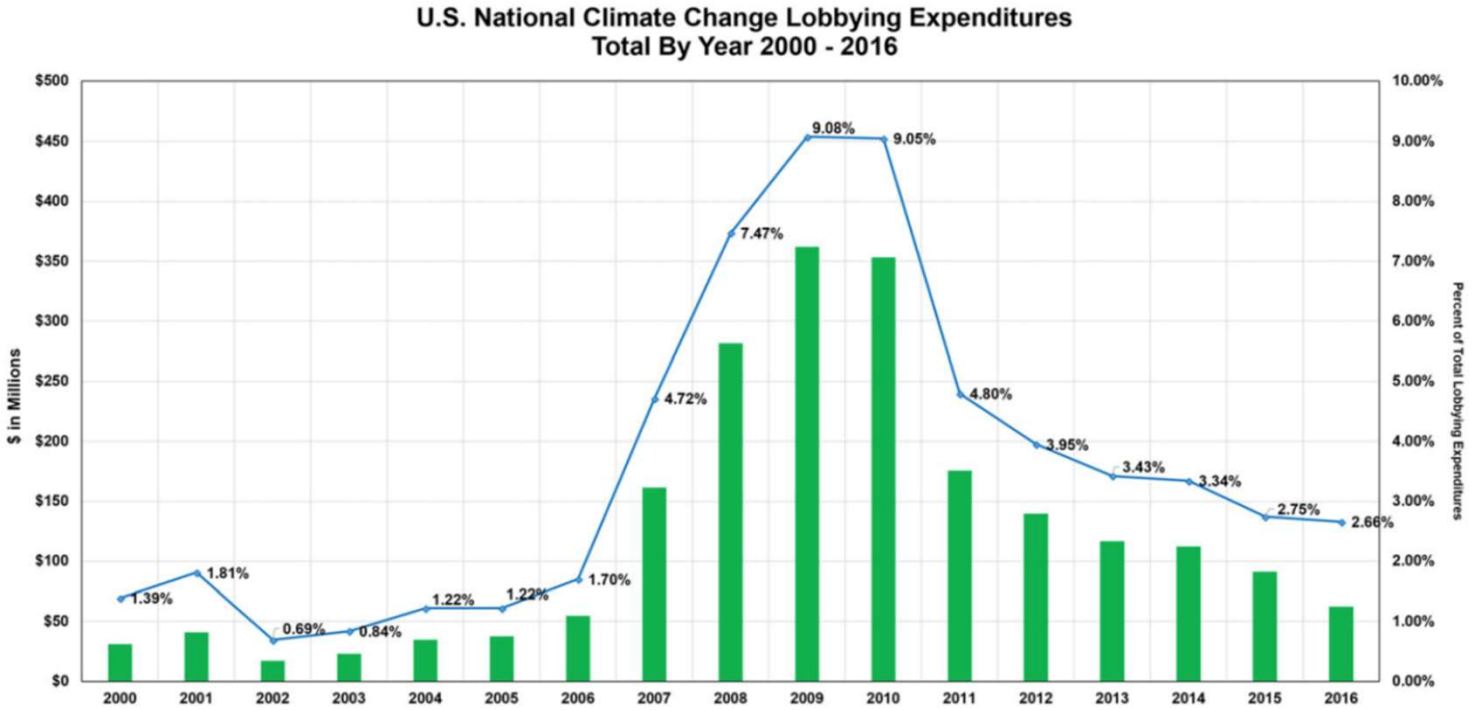
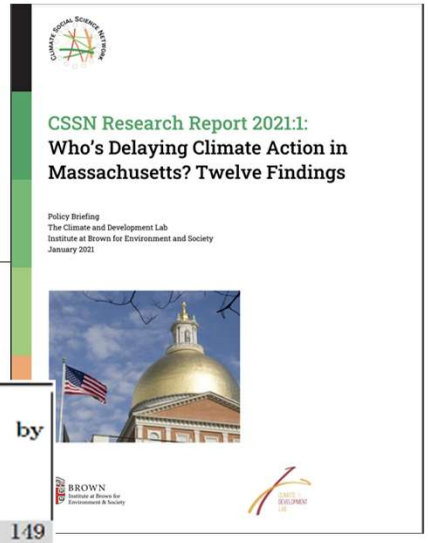


Fig. 2 US national climate change lobbying expenditures total by year 2000–2016

Source: Brulle 2020.

The situation at the state level is similar: the top ten anti-climate action lobbying groups in Massachusetts spent 6.4 times more than the ten most pro-climate groups.



Lobbying spending anti-climate action 2013-2018, Massachusetts

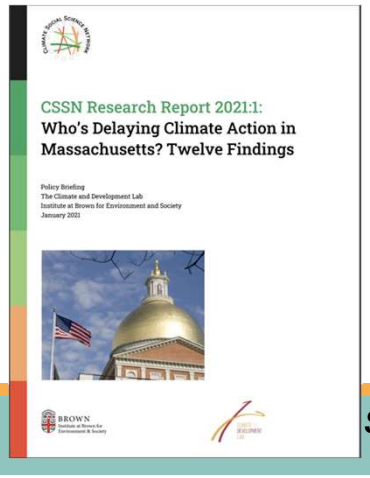
Interest group	Net agreements with renewable and environmental interest groups	avg. yearly spending, 2013-2018	top-paid lobbyist, 2013-2018	lobbyist rank by revenue
American Petroleum Institute	-76	$ 145,222	John E Quinn	149
Naiop Mass.	-59	$ 193,140	David Begelfer	96
Associated Industries Of Mass.	-53	$ 359,080	John R Regan	124
National Grid	-53	$ 227,761	Joyce & Joyce	24
Exxon Mobil Corporation	-53	$ 46,593	William F. Coyne Jr., Esq. P.C.	23
New England Power Generators Assn.	-53	$ 29,069	O'Neill & Associates	2
Greater Boston Real Estate Board	-48	$ 108,539	Delaney & Associates, Inc	41
American Chemistry Council	-48	$ 86,553	William F. Coyne Jr., Esq. P.C.	23
Mass. Energy Marketers Assn.	-34	$ 19,005	Michael Ferrante	971
Exelon Corporation	-34	$ 134,557	Foley & Lardner Llp	240
Mass. Assn. Of Realtors	-34	$ 154,828	Delaney & Associates, Inc	41
Transcanada Power Marketing Ltd.	-34	$ 24,023	Locke Lord Public Policy Group Llc	33
Retailers Assn. Of Mass.	-32	$ 189,121	Jon B Hurst	168
Eastman Chemical Company	-32	$ 34,486	William F. Coyne Jr., Esq. P.C.	23
Koch Companies Public Sector, Llc And Affiliates	-29	$ 54,935	Serlin Haley Llp	12
Mass. Chemistry & Technology Alliance	-27	$ 76,434	Katherine Robertson	367
New England Convenience Store & Energy Marketers Assn.	-26	$ 76,512	Kearney Donovan & Mcgee, P.C.	4
Entergy Nuclear Generating Company	-24	$ 143,026	Joyce & Joyce	24
Consumer Specialty Products Assn.	-22	$ 29,176	Serlin Haley Llp	12
Grocery Manufacturers Assn.	-21	$ 40,684	Kearney Donovan & Mcgee, P.C.	4

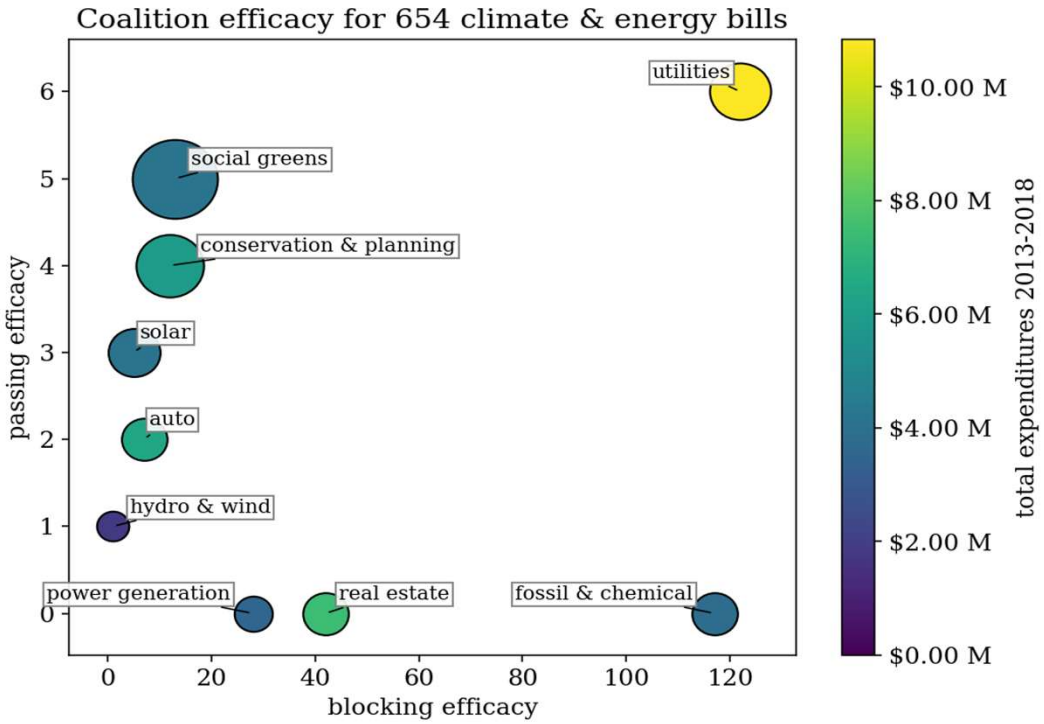
Source: CDL/CSSN 2020.

Utilities were uniquely successful in both blocking bills (>120 over the three legislative sessions) and in getting bills passed (major “omnibus” energy bills). They also spent the most by far on lobbying.

Blocking efficacy = number of bills that were opposed and failed.

Passing efficacy = number of bills that were supported and passed.





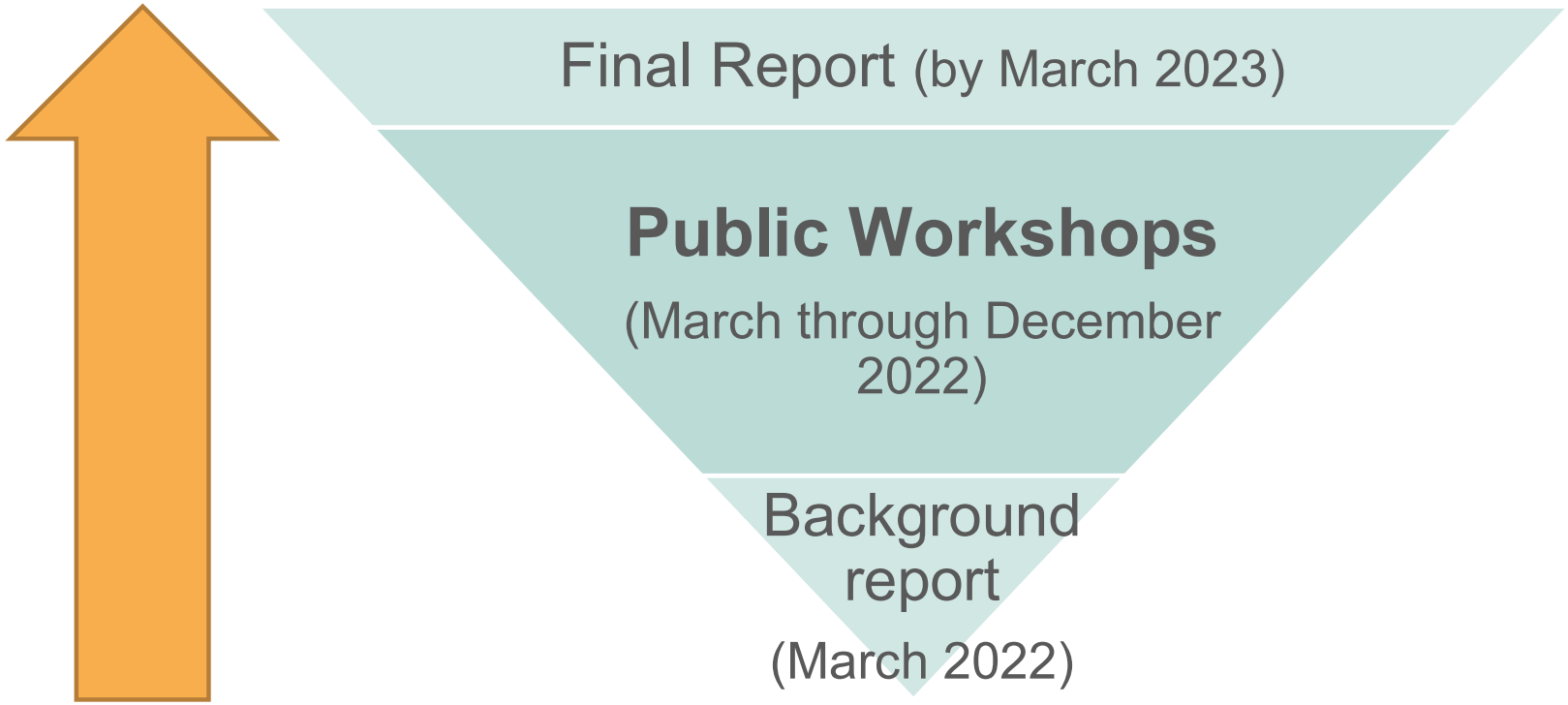
Source: CDL/CSSN 2020.

Why isn't faster climate action happening in New England?

1. With deadlock in Washington, states are now the focus of most climate legislation
2. Public Utilities Commissions (who regulate monopolies) are the key gatekeeper
3. PUCs were created with mandates from a century ago (cost, reliability)
4. PUCs and their importance are poorly understood
5. Participation in PUC cases is difficult and expensive--highly technical and legal
6. Utilities have a vastly imbalanced influence

We wish to open dialogue of routes forward.

Project Outcomes



Briefing on Massachusetts Climate Goals, Progress, Best Practices, and Barriers

Background Report

Available at:
https://www.synapse-energy.com/project/study-climate-action-and-public-utility-commissions-new-england-states

General Best Practices

Clarity and Transparency in Climate Legislation	• Setting and achieving economy-wide, legally binding greenhouse gas emission reduction targets and other supportive policies
PUC Authority	• Requiring PUC to address climate change in its mission and decision-making
Promoting Equity and Environmental Justice	• Enacting environmental justice legislation and policies and defining environmental justice
Strengthening Interdepartmental and Interagency Coordination	• Establishing a Climate Change Coordinating Council and collaborating on action

Massachusetts' Climate Policies and Goals

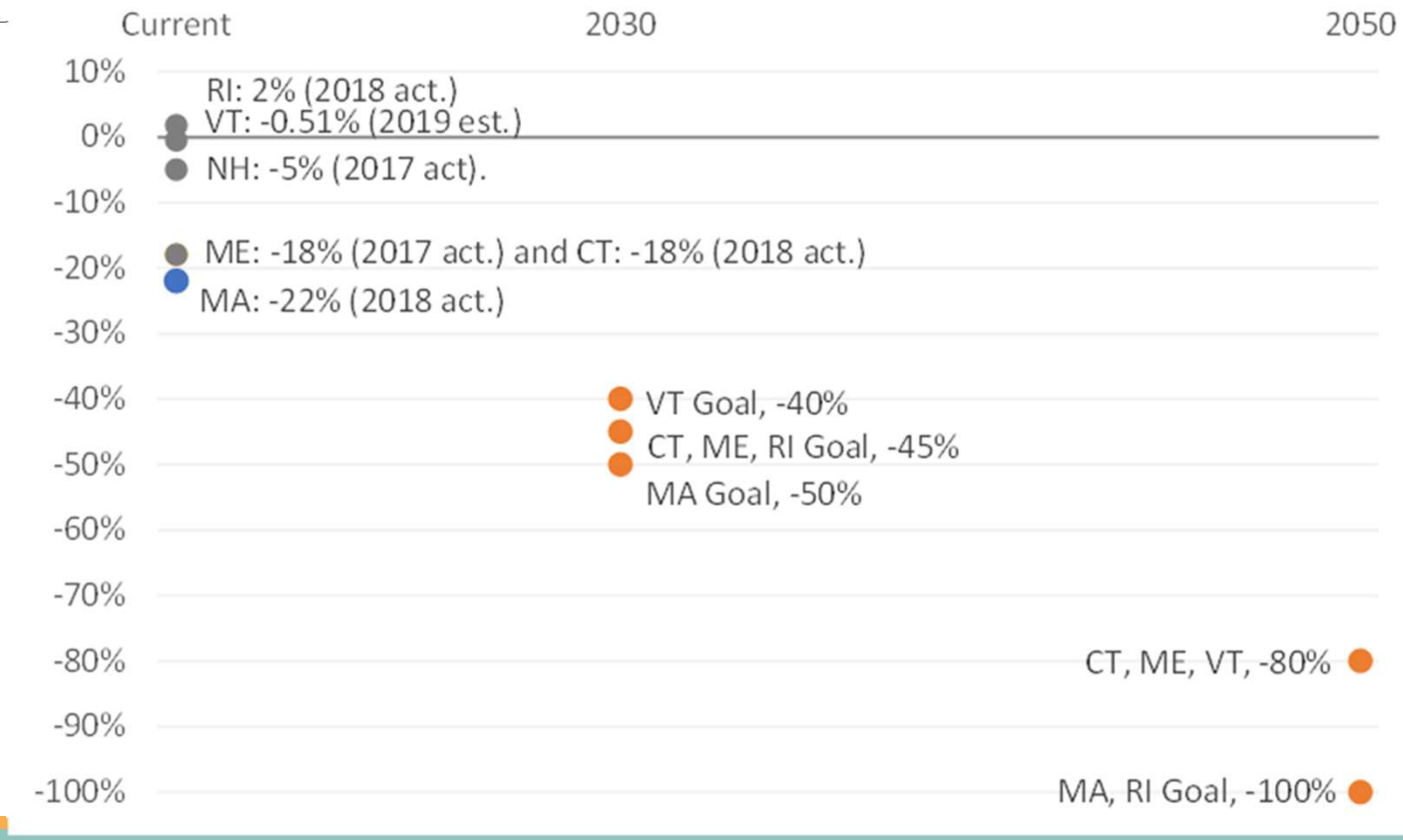
Massachusetts has the highest economy-wide, legally binding goals to reduce emissions of the New England states and stringent supportive policies.

Climate Goals		CT	ME	MA	NH	RI	VT
Greenhouse Gas Emissions Reduction Goals	Baseline	2001	1990	1990	None	1990	1990
	By 2030	45% (18%, 2018 act.)	45% (18%, 2017 act.)	50% (22%, 2018 act.)		45% (-2%, 2018 act.)	40% (0.51%, 2019 est.)
	By 2050	80%	80%	100%		100%	80%
Renewable Portfolio Standards		40% (by 2030)	80% (by 2030) 100% (by 2050)	40% (by 2030)	25% (by 2025)	100% (by 2033)	75% (by 2032)
Energy Efficiency Savings Targets (% of Total Sales)		1.1% (2019-2021)	2.3% (2020-2022)	2.7% (2019-2021)	0.6% (2022 est.)	2.5% (2018-2021)	2.4% (2018-2020)
Energy Storage Requirements		1,000 MW (by 2030)	300 MW (by 2025) 400 MW (by 2030)	1,000 MWh (by 2025)	None	None	None

Source: *Synapse Energy Economics. (2022). A Better New England Regulatory Framework for Mitigating Climate Change. Available at: https://www.synapse-energy.com/project/study-climate-action-and-public-utility-commissions-new-england-states. Updated 8/31/22.*

Massachusetts' Progress

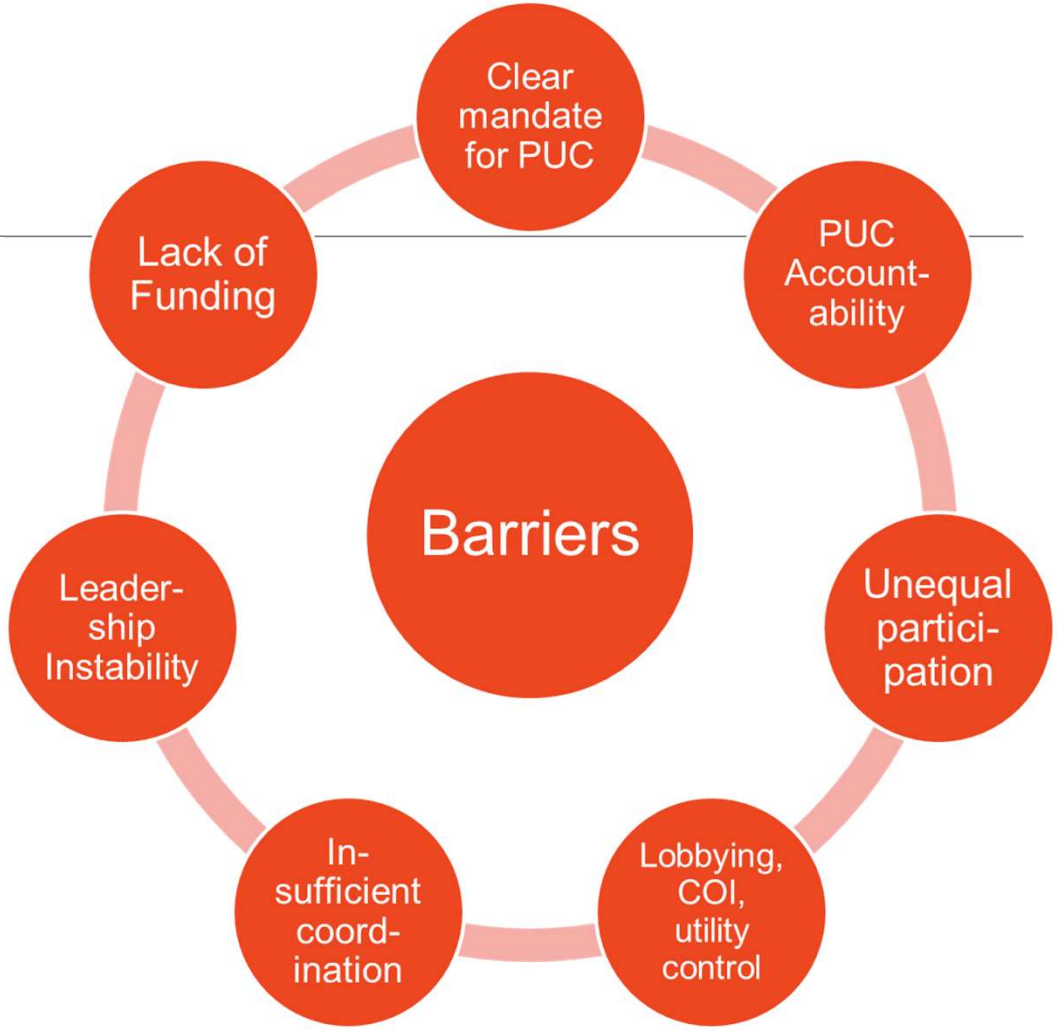
In 2018, Massachusetts was nearly halfway to its 2030 greenhouse gas emission reduction goal and had demonstrated more progress towards this goal than other New England states.



***Source**: Commonwealth of Massachusetts. (2021). GHG Emissions and Mitigation Policies. Available at: www.mass.gov/info-details/ghg-emissions-and-mitigation-policies*

Barriers

- Many significant barriers were identified, and many are likely relevant to many states.
- Every barrier was not explicitly identified in each state.



What We Learned

1. No states appear to be on track to achieve their 2030 goals.
2. There is a trend towards establishing Climate Councils, which may be necessary to ensure sustained focus and collaboration. It is unclear how these bodies are performing and what changes may be needed to improve performance.
3. PUCs are particularly important in achieving goals but may not be well-integrated in actions and solutions.

What We Learned (cont'd)

4. Massachusetts is a leader in climate legislation. In 2021, An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy:
   - mandated the Department of Public Utilities (DPU) to consider climate change as part of its official mission,
   - required the DPU to develop official state language on environmental justice and classify environmental burdens, and
   - established a new precedent specific to regulation of gas utilities that directs the DPU to expand its existing priorities of system safety, security, reliability, and affordability to include equity and reductions in greenhouse gas emissions.
5. The 2022 Act Driving Clean Energy and Offshore Wind includes additional support for renewables and transportation electrification and further limits the use of fossil fuels.

What We Learned (cont'd)

6. Massachusetts was the first state in New England to combine energy and environmental agencies under one cabinet secretary.
7. Coalitions of utilities, fossil and chemical companies, real estate companies, and fossil fuel power generation companies frequently oppose climate and clean energy bills through legislative lobbying and active involvement in DPU regulatory proceedings.
8. Conflicts of interest and utility control over the identification and selection of solutions are barriers to creating a climate resilient Massachusetts.
9. While the PUC must consider climate change in its decision-making, there is currently no accountability for the PUC if climate goals are not met.

What We Learned (cont'd)

9. The absence of a climate council may result in gaps in coordination with and between state agencies.
10. Massachusetts may also experience issues mentioned in other states such as a lack of technical support for decision-makers, lack of funding and staff capacity, and low public awareness and participation (especially by EJ communities) in PUC proceedings.

Questions?

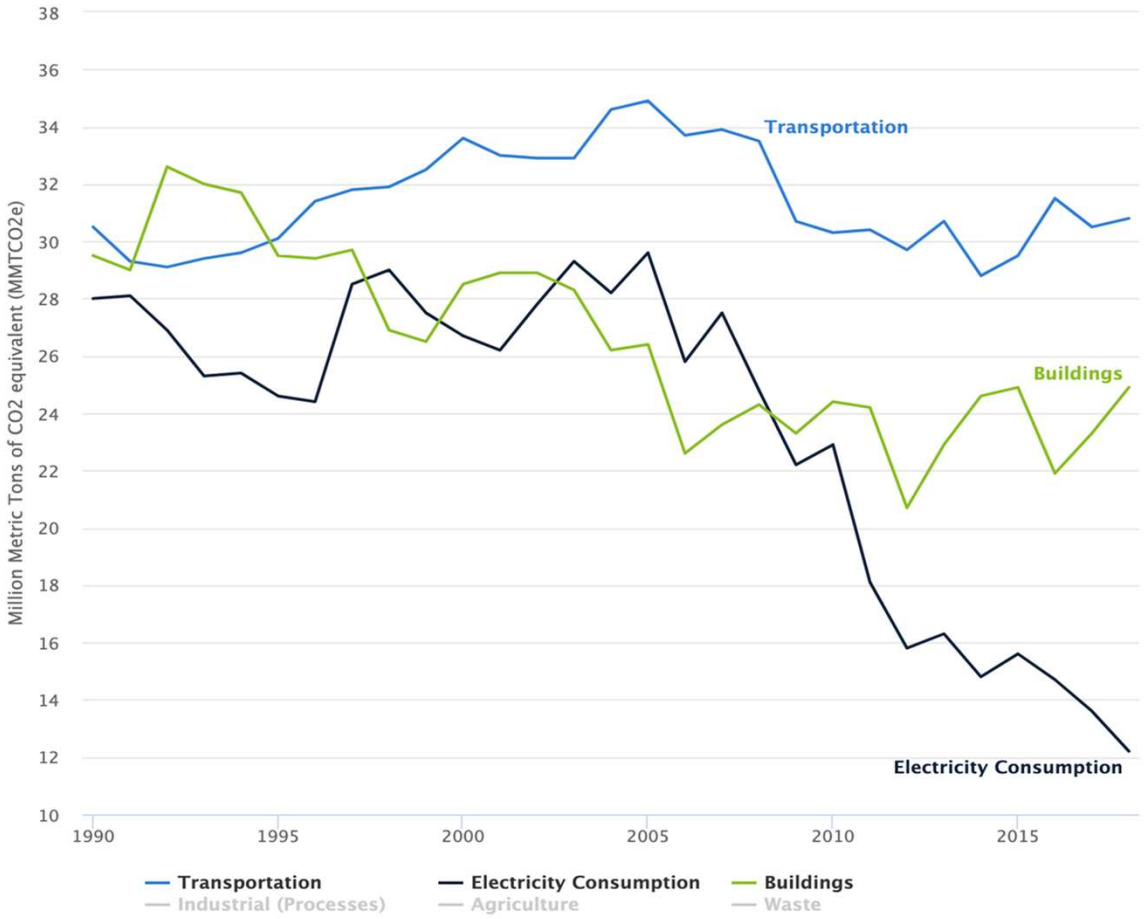
Breakout Session #1:
Idea Brainstorming

Breakout Discussion #1

In your opinion and experience...

- In addition to what is already underway, what else can be done to meet Massachusetts' climate goals? How does equity fit in with these ideas?
- What policies and programs need to be in place to support the development of equitable utility regulation and climate action in Massachusetts?

Figure 3: Massachusetts Greenhouse Gas Emissions for Major Sectors, 1990 - 2018[1]



***Source**: Commonwealth of Massachusetts. (2021). GHG Emissions and Mitigation Policies. Available at: www.mass.gov/info-details/ghg-emissions-and-mitigation-policies*

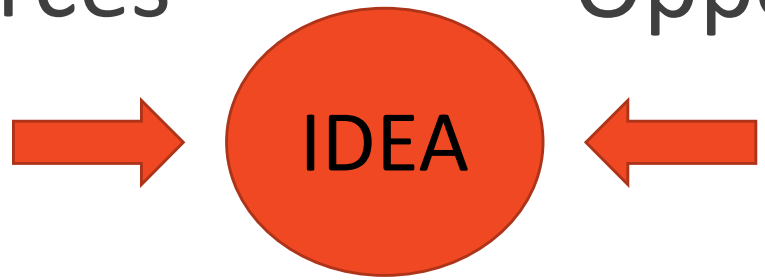
Breakout Session 1: Report Back Ideas

1. Bridge gaps in knowledge of various stakeholders
2. ~~Limit additional gas system investment and encourage retirement of aging assets~~
3. Start conversations with more stakeholders to improve future legislation
4. Hold state agencies accountable for achieving goals
5. Enable electrification by addressing costly upgrades to the outdated grid
6. Account for the benefits of reduced climate change and health impacts in evaluation of solutions
7. Fix DPU file room to make it easier to use
8. Enlist third parties in evaluating what is going on and calling out disinformation
9. Pull decision making away from utilities/centralize the decision making across electric/gas at the state level
10. Ensure community input is provided upfront, identify community representatives (including local elected officials) that the DPU and others should consult with, and expand the ability for these groups to intervene proactively
11. Increase specificity in legislation regarding actions and authority
12. Reform fossil fuel and electricity/renewable infrastructure siting

Breakout Session #2:
Force Field Analysis & Idea Prioritization

Force Field Analysis

Driving Forces



Opposing Forces

- Why does this change need to be made?
- Who is requesting this change and why?

- What factors will affect this moving forward?
- Who will oppose moving forward or making changes?

Force Field Analysis Example

Driving Forces

Why does this change need to be made?
Who is requesting this change and why?

- Bikers who want safer conditions
- Vehicle owners/ operators who want safer conditions
- City planners

Opposing Forces

What factors will affect moving forward?
Who will oppose moving forward or making changes?

- Budget limitations for municipalities
- Other projects taking precedence
- Vehicle owners and operators annoyed by bikers

Bike Paths

Processing the Force Field Example

Opposing side idea:

Budget limitations for municipalities to invest in bike paths

What are the steps to move forward?

Who are the key people that need to be brought to the driving side?

- Re-allocating city budget for biker & pedestrian safety
- Seek grant funding for the muni for city planning and community safety
- Bike safety interest groups can target key legislators with a pro-bike lane campaign
- City councilor/ legislators who can advocate for re-allocating the budget in order to prioritize new bike paths

Contact Information

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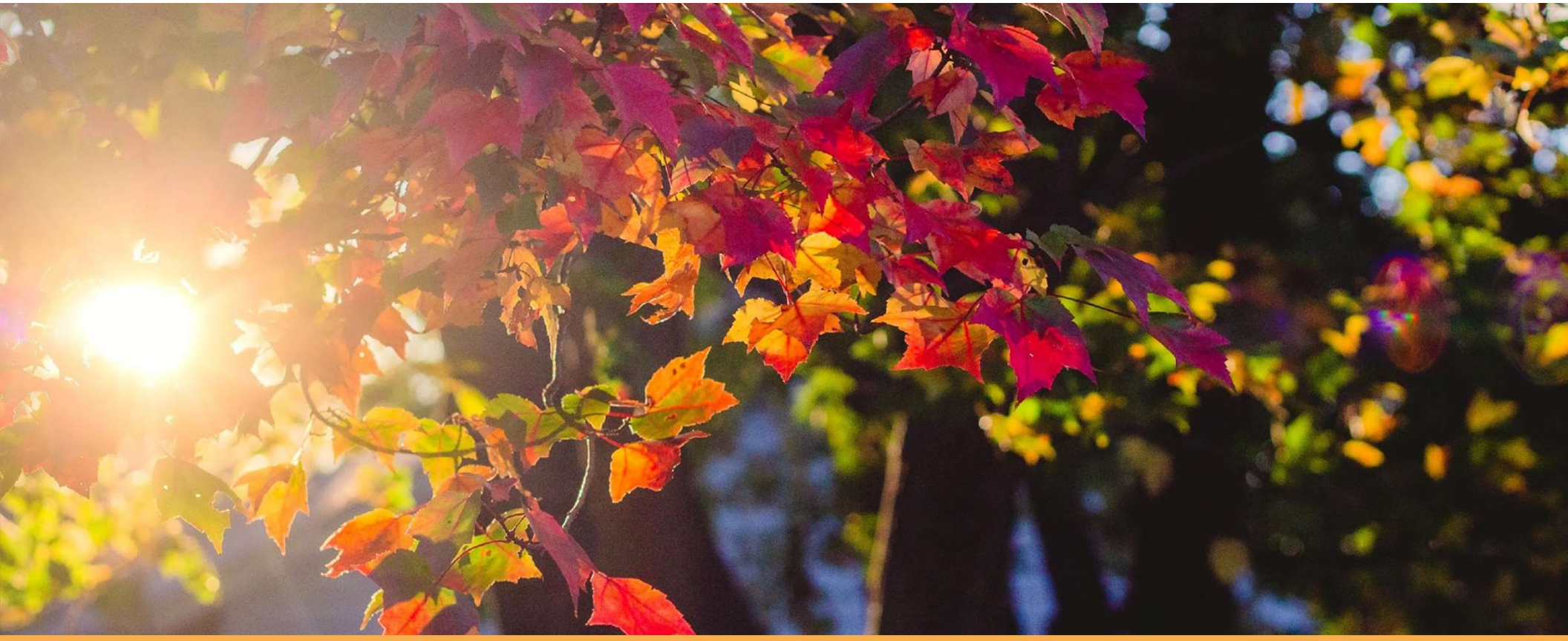

This presentation is an educational resource to help facilitate conversation amongst stakeholders around opportunities and challenges associated with advancing climate action in New England.