

TODAY'S AGENDA

INTRODUCTIONS:
NAME, ORGANIZATION

PRESENTATION:
2025 E+E POLICY & PROGRAMMING UPDATES
UPCOMING EVENTS

PRESENTATION + Q&A:

MELISSA LAVINSON

EXECUTIVE DIRECTOR,

OFFICE OF ENERGY TRANSFORMATION

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GUEST SPEAKER: MELISSA LAVINSON

Executive Director, Office of Energy Transformation, Massachusetts Executive Office of Energy & Environmental Affairs

Melissa Lavinson serves as the Executive Director of the Office of Energy Transformation for the Commonwealth of Massachusetts. She is charged with the hands-on execution of the clean energy transition, including ensuring the availability and readiness of electrical infrastructure, electric and gas transition coordination, and a just and equitable transition for impacted workers, communities, and businesses. Lavinson is also charged with convening an Energy Transformation Advisory Board comprised of industry, labor, environmental justice, technology, consumer, and supply chain representatives, among others, to accelerate cooperation, understanding, and action.

Prior to joining the Healey-Driscoll Administration, she served as Head of Corporate Affairs for National Grid, New England, leading state and municipal government relations, community and stakeholder engagement, media relations, municipal customer management, strategic communications, and the company's philanthropic program in New England. Previously, Lavinson was Senior Vice President of Federal Government and Regulatory Affairs and Public Policy at Exelon Corporation and Senior Vice President of Governmental and External Affairs for Pepco Holdings, Inc., the parent company of Pepco, Delmarva Power, and Atlantic City Electric, which provide gas and electric service to Delaware, Maryland, New Jersey and the District of Columbia. Lavinson also spent more than 20 years at California-based PG&E Corporation, including as Vice President of Federal Affairs and Policy and Chief Sustainability Officer. Earlier in her career, she worked at MRW and Associates and in ICF Consulting's Climate Change Practice.







Overview of Office of Energy Transformation, Work to Date, and Energy Affordability

A Better City September 29, 2025

Office of Energy Transformation

- Established May 1, 2024, this first-in-the-nation Office of Energy Transformation (OET) is charged with enabling the hands-on execution of the clean energy transition, including:
 - Gas-to-electric transition,
 - o Electric grid readiness, and
 - o A just and equitable transition for workers, businesses, and communities.
- Established an Energy Transformation Advisory Board to accelerate cooperation, understanding, and action.
- Conducting work via focus area work groups (FAWGs) that are tackling individual issues:
 - Everett Marine Terminal LNG Facility
 - Decarbonizing the peak
 - Financing the transition
 - Enabling sustainable economic development
- Context for work is an evolving energy system, evolving energy demand, evolving customer expectations, evolving policy, and cost

Office of Energy Transformation: Mission and Structure

Energy Transformation Advisory Board (Advisory Board or ETAB)

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

Transitioning Away from Everett Marine Terminal (EMT)

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

Decarbonizing the Peak (DTP)

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

Financing the Transition (FTT)

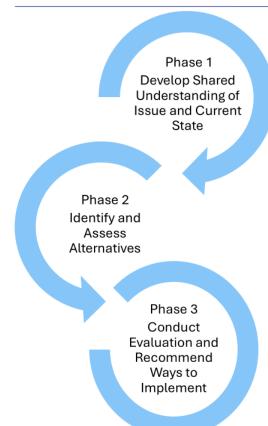
To identify alternative mechanisms for financing/funding electricity distribution system infrastructure upgrades needed to achieve Massachusetts's clean energy and climate mandates that minimize impacts on consumers' electricity bills, while providing an affordable, sustainable, and timely source of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

Enabling Sustainable Economic Development (ESED)

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



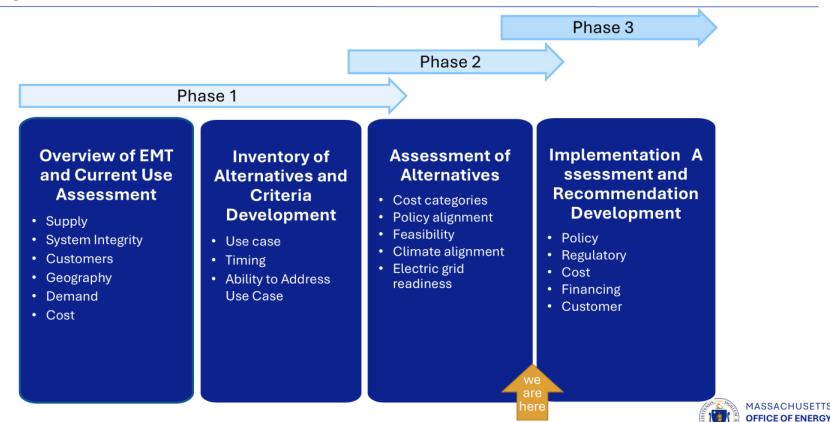
Approach: Focus Area Work Groups Move through Issues in Phases



- ✓ Phase 1: FAWGs built a shared understanding of the issues to be addressed and identified preliminary lists of potential alternatives for consideration.
- Phase 2: Each FAWG launched Phase 2 and determined how its members would assess potential alternatives. Objectives for Phase 2 include:
 - ✓ Develop an agreed upon assessment framework and associated criteria.
 - ✓ Use the framework to examine list of potential alternatives.
 - Determine which alternatives warrant further, detailed evaluation in Phase 3.
- Alternatives that emerges from Phase 2 will include an appropriate level of information for each identified solution to enable the FAWG to make recommendations during Phase 3.



Everett Marine Terminal FAWG: Workplan and Status



TRANSFORMATION

Everett Marine Terminal FAWG: Review of Gas System Peaking Needs

On the coldest days, pipelines into New England reach their maximum capacity to deliver gas.

To manage this, discrete parts of the system have developed or utilized various forms of gas storage, mostly through LNG.

storage, mostly

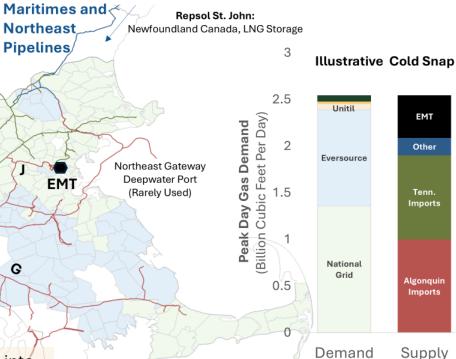
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Algonquin

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EMT is the region's largest resource that directly injects into the system and serves as a source for LNG to be trucked to various ends of the system that face supply challenges.

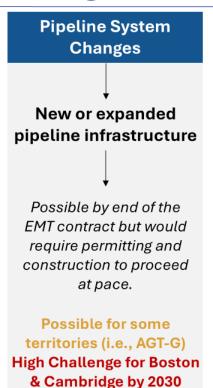


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TRANSFORMATION

Everett Marine Terminal FAWG: Initial Assessment High Level Findings



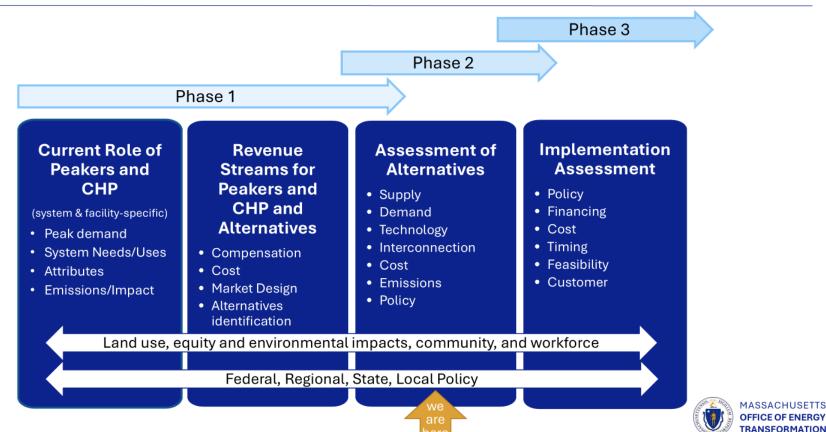


Electrification, efficiency, demand Response Aligned with climate goals but the equivalent of up to 125,000 strategically-located homes would need to be electrified at a substantial pace. High Challenge by 2030

Demand Reduction

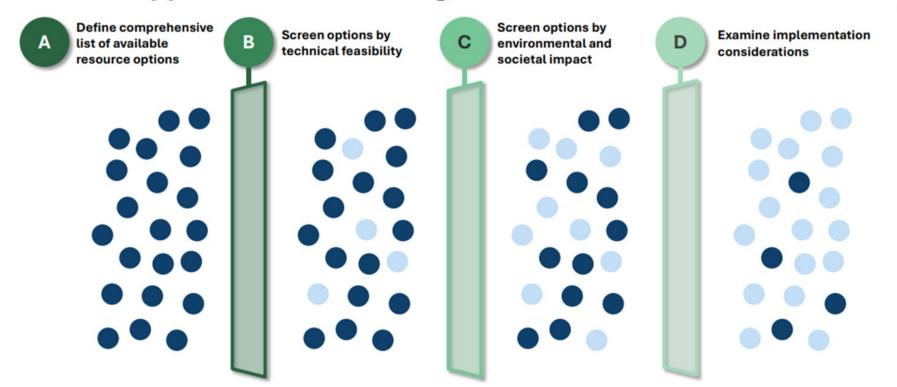


Decarbonizing the Peak FAWG: Workplan and Status



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Decarbonizing the Peak FAWG: Overall Approach for Screening Alternatives





Financing the Transition FAWG: Workplan and Status

Phase 3

Phase 2

Phase 1

Quantification and
Categorization of
Electric
Distribution
System
Investments and
Associated Bill
Impacts

 Based on ESMP review and other relevant proceedings

Inventory and Assessment of Existing CapEx Cost Recovery Models

- In Massachusetts
- Outside of Massachusetts

Inventory Review of Other Infrastructure Financing Models

- Utility and Non-Utility
- Structures
- Considerations
- Applicability to Distribution Infrastructure

Assessment of Costs and Impacts of Alternative Financing Structures

- Capital
 - · Access to Capital
 - · Cost of Capital
- Revenue
 - Sources
 - Mechanisms
- Customer Impacts
- Other Considerations

Recommendations and Policy and Regulatory Requirements to Support Alternatives

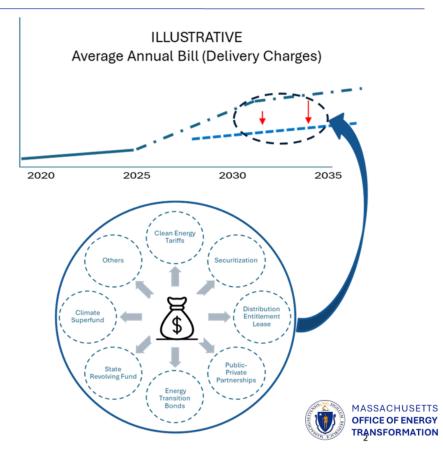






Financing the Transition FAWG: Mitigating Future Electricity Costs

- Innovative financing mechanisms can mitigate the magnitude and "lumpiness" of potential rate increases by, for example:
 - De-risking investment (and lowering the cost of capital)
 - Smoothing in rate increases
 - Assigning costs to beneficiaries in more direct, tailored ways
 - Alternatives to the status quo were identified and considered.



Financing the Transition FAWG: Key Takeaways from Phase 2 and Next Steps for FAWG

- Many impacts of financing alternatives are dependent on design and implementation.
- Alternative financing mechanisms can shift and/or smooth costs over time but not eliminate them.
- Multiple alternatives could be combined and/or be used in concert.
- Overall impacts on utility financing costs, total costs over time, etc., of combinations of approaches are important to understand alongside assessments of each individual alternative.



Enabling Sustainable Economic Development FAWG: Workplan and Status

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Phase 3 Phase 2 Phase 1 **Implementation Assessment** Assessment of Identification of Recommendations **Business Needs** of Businesses and Location-**Related Priorities Barriers** by Sector Administrative Policy Siting barriers · Energy supply, Grid capacity resilience, and Regulatory · Interconnection and Planned grid/resilience other attributes Cost recovery other energy upgrades related barriers Location · Alignment with business Financing Workforce Business engagement needs Community engagement/benefits Economic Transportation · Alignment with state development goals policy goals/priorities Amenities Existing site opportunities Financial Community impact Alignment with Interconnection, Land Use, Housing, EJ & Equity, Econ Development Efforts



Enabling Sustainable Economic Development FAWG: Overall Takeaways and Next Steps for FAWG

- Need for proactive grid planning to mitigate risk gap that exists between utilities and businesses and can stall development.
- Massachusetts lacks sufficient sites over 100 acres with adequate power to attract large business;
 strategic alignment of energy supply and site development is needed.
- Massachusetts has success stories and proven models from which to leverage learnings, including: BioReady Communities, ReadyMass 100, and the Devens Community, among others.

Near-Term Next Steps: Synthesize background information, identify gaps, and discuss strategy for clean energy-ready zones including potential sites, economic development rate offerings, and ways in which to support the proactive build out of clean energy and related infrastructure.

Long-Term Next Steps: Make recommendations to the Advisory Board on mechanisms to advance clean energy-ready economic development zones in Massachusetts, in alignment with broader state goals.





Energy Affordability, Independence, and Innovation Act

More than \$10 Billion in Savings Over 10 Years

- Filed on May 13, 2025.
- Holistic approach to driving affordability, with a focus on:
 - Lowering bills
 - Stabilizing prices
 - Avoiding spending
- Took a hard look at existing policies, spending, and regulations and what other states are doing.



Get Costs Off Bills | Saves \$6.9 Billion

- · Phase out alternative portfolio standard bill charge
- Reduce net metering credit
- Pay for programs like Mass Save differently
- · Reform existing rates and charges



Create Accountability | Saves \$2.5 Billion

- · Provide more oversight of costly transmission projects
 - Restrict costs that utilities can recover from ratepayers
- Authorize utility management audits
- · Require utilities to comprehensively plan and minimize grid costs



Bring More Energy into Massachusetts | Saves \$200 Million

- Expand state energy procurement authority
- Provide flexibility to set supply rates
- · Allow customers to connect faster to the grid
- Reduce barriers to small nuclear technologies



Empower Customers to Lower Bills | Saves \$900 Million

- · Protect customers from predatory electricity marketing and pricing
- · Reduce upfront costs to building geothermal
- · Reform low- and moderate-income discount rates
- · Establish new financing tools for customers to efficiently heat and cool buildings
- · Make Mass Save more efficient and responsive



Power Innovation and Growth

- · Create clean energy ready zones to accelerate development
- Share benefits of infrastructure investments with ratepayers and communities



THANK YOU!



2025 POLICY UPDATES

Climate and Clean Energy Policy (related to the <u>2025-2026 E+E Policy Agenda</u> approved in February):

- BERDO updated regulations and policies and procedures; approved September 17
- Boston <u>amended Zero Net Carbon zoning regulations</u> in July
- BEUDO Phase II is completed; Phase III draft will be released soon
- Boston City Council unanimously passed heat worker safety protections (for city workers and contractors only, goes into effect 2/27/26)
- Boston releases draft Climate Action Plan for 2030 update (comments due 9/30 tomorrow!)
- MEPA: draft regulatory updates released and open for public comment (due by 10/31)
- ABC submitted multiple comment letters: Mass Ready Act, Governor Healey's energy affordability bill, emergency shutoff protections bill, and a bill seeking to establish a regional resilience authority (others we are tracking include climate superfund "polluters pay" bill, insurance surcharge for climate funding bill)



2025 PROGRAMMING UPDATES

Equitable Workforce Development:

 Launched 4th cohort of PowerCorps Boston building operations training to begin in-service learning on October 8-mid March 2026

Extreme Heat:

- <u>Feeling the Heat Report</u> released: key takeaways from 2024 B-COOL temperature sensor pilot
- <u>2025 B-COOL monitoring</u>: impact of shade interventions (green roof bus shelters, playground shade structures, pop-up shade tents at construction sites)
- Community Adaptations to City Heat (CATCH) project across Boston, New Orleans, and Phoenix

Built to Lead Panel Series

 Built to Lead: Lessons in Building Decarbonization and Resilience kicked off 09/24 with panel on existing buildings



UPCOMING EVENTS

- 1. Wednesday, October 1st (virtual), 2-3PM: BERDO Commercial Real Estate Working Group
- 2. Wednesday, October 8th (hybrid), 10-11:30AM: ABC Extreme Heat Working Group: Heat-Resilient Design (speakers: CBT Architects, Cambridge's Shade as Social Justice Project, MIT Urban Risk Lab)
- 3. Wednesday, October 8th (in-person), South Station Tower Building Tour (680 Atlantic Ave)
- 4. Thursday, October 9th (in-person), 9-11:30AM: Emerging Leaders: Fall Greenway Cleanup (please nominate 1-2 emerging leaders from your organization, if you have not done so already)
- 5. Wednesday October 22-Friday October 24th (in-person): Climate Beacon Conference
- 6. Thursday October 23, 12-5PM (in-person): BERDO Fest (Artists for Humanity)
- 7. Thursday, October 30th (in-person), 10-11:30AM, Built to Lead Panel #2: Decarbonization in New Construction Decarbonization (One Financial)
- 8. Built to Lead Panel #3: New Technologies and Opportunities (time and place TBD)
- 9. Built to Lead Panel #4: Deconstruction and Embodied Carbon (time and place TBD)
- 10. Built to Lead Panel #5: Lessons in Resilience (time and place TBD)



