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conservation law foundation

For a thriving New England

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Via U.S. Mail and Email
Mark D. Marini, Secretary
Department of Public Utilities
One South Station
Boston, MA 02110
dpu.efiling@state.ma.us

Re: Comment on D.P.U. 21-03; Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid: Storm Cost Recovery for Eight Qualifying Events between January 2019 to December 2019

Dear Secretary Marini and Hearing Officer Phillips:

Conservation Law Foundation ("CLF") respectfully submits these comments regarding National Grid's 2019 Storm Cost Recovery docket. CLF urges the Department to use this opportunity to consider requiring investor-owned utilities to undergo climate vulnerability and hazard mitigation planning, to incorporate anticipated climate change risks into Emergency Response Plans, and to invest more in preparing for known impacts of climate change. Moreover, CLF urges the Department to require National Grid to conduct an analysis of how they can pro-actively address future storm recovery costs before allowing cost recovery on the current docket.

Climate change poses a severe and increasing threat to the health and safety of Massachusetts residents and our economy. The Commonwealth is already experiencing warmer temperatures, increased storm intensity, rising sea levels, and more extreme precipitation events, all of which are projected to get worse over the next century.[1] In recognition of the growing threat that climate change poses, the state has ramped up its climate adaptation efforts. This includes Governor Baker's 2016 Executive Order 569 (E.O. 569), which requires, among other things, that all state agencies assess the vulnerability, adaptive capacity, and resiliency of infrastructure and other assets.

In 2019, as part of the last National Grid ratemaking proceeding, D.P.U. 18-150, the Department examined the shortfalls of the Storm Cost Recovery program and attributed them in part to the unforeseeable nature of severity and frequency of storms. ("The frequency and severity of these storms could not have been anticipated when the Company's storm fund mechanism was developed, or when it was most recently refined in D.P.U. 15-155.") While the exact severity or number of storms each year cannot be predicted, the fact that storms have become more frequent and severe over the years and will continue to do so in coming decades is now unavoidable and undeniable.

[1] EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS AND EMERGENCY MANAGEMENT AGENCY, *Massachusetts State Hazard Mitigation and Climate Adaptation Plan* (Sept. 2018), https://www.mass.gov/files/documents/2018/10/26/SHMCAP-September2018-Full-Plan-web.pdf

National Grid is now requesting $55 Million in cost recovery for damages sustained during eight storms in 2019. The storms that resulted in the highest recovery costs during that time were categorized as wind storms, which caused downed lines and interruption of service. Although wind for all of these storms fell short of hurricane speeds, wind storms of this magnitude are expected to increase in frequency due to climate change, as are hurricanes. Though Massachusetts has not been hit by a hurricane in recent years, the cost of recovery from these much less significant storms reveals significant vulnerability and should raise concern about the possible level of damage and cost of recovery from the next hurricane.

National Grid should not be permitted to continue to recover these costs without conducting an analysis of how to prevent and minimize them in the future, and incorporating the results of this analysis into operations. This analysis should include how much it would have cost to prevent the damage and ways in which National Grid will invest to prevent similar levels of damage and necessary recovery in future years. Modifications to National Grid's operations and infrastructure should include a revision of their Emergency Response Plan or creation of a more future-focused planning document, along the lines of the Hazard Mitigation and Climate Adaptation Plans CLF has recommended.

National Grid's emergency planning, as set forth in their Emergency Response Plan, is almost exclusively focused on actions after an emergency has occurred, hence Emergency *Response* Plan. Even "long-term" emergency planning as outlined in the incident storm cost recovery docket (i.e. Exhibit NG-4-A Page 21) fails to include any prediction or modeling of anticipated emergencies or strategies to minimize or mitigate the impacts of inevitable emergencies. This not only ignores increasing risks posed by climate change, but fails to even address or prepare for emergencies under current climate conditions. The current Emergency Response Plan fails to consider the full scope of emergency preparation activities that are needed; infrastructure relocation and hardening, more frequent and intensive testing and inspection of systems, system redundancy, more aggressive vegetation management, among other strategies.

The changing nature of emergencies that utilities will face due to climate change compounds this failure to engage in long-term emergency planning; not only are utilities failing to adequately prepare and mitigate against the current level of emergency threat, they are also failing to plan adequate response to the threat of increasing frequency and intensity of emergencies due to climate change. CLF has recommended ways in which the Department could work with utilities and other stakeholders to perform long-term emergency planning that includes consideration of climate change, which would help avoid storm cost recoveries like this from being an annual problem. (see i.e. CLF Utility Adaptation Rulemaking Petition of March 1, 2021; CLF Comments on D.P.U. 20-ERP-09)

As CLF has noted in the past, increasing frequency and intensity of storms poses a significant threat to the utility's energy distribution infrastructure, and the Department has an obligation to require utilities to address and plan for these threats and to avoid excessive recovery costs. For example, National Grid should be required to review the continued appropriateness of their inspection schedule of ensuring distribution and transmission systems are inspected at least every five years, as well as standards of their vegetation management system. Inspection frequency and vegetation management plans created based on historical trends and models no longer reflect current and near-future conditions and risks.

The Department, as the primary regulator of the state's investor-owned electric, gas, and water utilities, is charged with ensuring that safe and reliable service is provided by Massachusetts utilities, and with ensuring rates do not incorporate unreasonable costs. In general, the Department has broad authority to regulate utility planning requirements and rates with regard to public safety and convenience of the public:

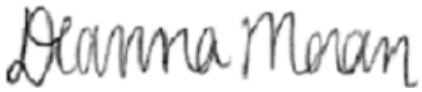
> The department shall have the general supervision of all gas and electric companies and shall make all necessary examination and inquires and keep itself informed as to the condition of the respective properties owned by such corporations and the manner in which they are conducted with reference to the safety and convenience of the public, and as to their compliance with the provisions of law and the orders, directions, and requirements of the department . . .

G.L. c. 164, § 76.

In light of these obligations and authorities, the Department can and should require National Grid to undergo analysis and modify operations in response to changing weather conditions to ensure that National Grid is investing to prevent unnecessary and excessive repair costs. Continued approval of storm costs of this magnitude without requiring modifications to National Grid's operations or infrastructure serves to push unreasonable costs of failing to prepare onto the customer.

Given the clear impact of climate change on the frequency and intensity of emergency events, and the resulting costs and loss of service, utility planning must include consideration of and planning for climate change. This Storm Cost Recovery is just one of several examples of how a lack of planning or analysis of system vulnerability contributes to higher costs and diminished system safety and reliability. We therefore respectfully urge the Department to take this opportunity to consider CLF's previous Petition for Climate Adaptation Rulemaking, as well as Comments on Utility ERPs to address and plan for the impacts of climate change.

Thank you for your consideration of these comments,



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