

Regulatory Assistance Project Electric Long-range Planning Survey¹

State: **Massachusetts** Date: 5/23/03 (Matthews) 7/16/03 (LeComte)
Name of Agency: Department of Telecommunications and Energy (DTE)
Source: Phone interviews, email
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Policies

1. Is any form of long-range electrical resource and/or investment planning required?

Yes

2. What is it called?

The process in effect until now was called the Long Range Forecast and Supply Plan. The new process that has been ordered by DTE, is known as the "Alternative Process," because the law requiring the Long Range Plan allowed the DTE to order an Alternative Process instead. The new plans will be known as the Annual Planning Report (focus on distribution analysis) and the Annual Transmission Report.

3. What is the process?

The DTE has not committed to a particular level of review yet. Plans will be filed with the DTE annually (January 1) by utilities. No other parties are required to be part of the process. Ms. Matthews assumes the Siting Division/Siting Board Staff will have access to the plans. The Attorney General's office may be involved because they have taken an interest in reliability issues. The DTE has not decided yet if these plans will be docketed. Mr. LeComte believes the decisions will be made on a case-by-case basis.

4. Describe the analysis required by the regulatory body.

The focus is on infrastructure adequacy, not generation. The Annual Planning Report will provide a detailed distribution analysis given a ten-year peak-demand forecast, along with a description of significant infrastructure projects within a 5-year horizon.

¹ All responses written from notes compiled and edited by Cathie Murray at RAP. Corrections to the draft document, suggested by the contact persons, have been incorporated.

Transmission plan: Planning horizon: 10 years
Energy and Demand forecasts: 10 years
Short-term Action Plan: 10 years, but utility may not be responsible.

12. How often do utilities have to file plans? Update plans?

Annually

13. What monitoring or other processes are used to determine consistency of investments with plans?

DTE will monitor utility investments through the annual submission of utility plans, and subsequent comparison with previous plans. Rate proceedings will also be used.

Agency Process (Note: the DTE hasn't decided on the level of review yet. The process will evolve.)

14. Agency holds public hearings on utility plans?

Not sure yet. One set of plans was filed already and no public hearing was scheduled.

15. Other ways public participates and comments on plans are:

At this point, any plans filed would be public documents. Anyone could review plans and submit written comments to the DTE. Nothing else has been specified yet.

16. Agency Authority over Plans: To be determined.

17. Have resource acquisition decisions changed as a result of the planning process?

This is not a resource-oriented process. Also it is too new to speak to its impact.

18. Are competitive processes used to acquire new resources? Not applicable.

19. How are Energy Efficiency resources acquired? Not applicable.

20. Does regulatory agency have open dockets or is it considering opening a docket investigating any long-range electrical investments? No

21. Citation and description: Not applicable.

22. Are filed plans available on-line?

Not yet. If the DTE decides to docket them, they will be.

23. Citation and description of State policies (legislation, rules/regs, PUC orders) governing planning:

General Laws Chapter 164 Section 69I required the detailed forecast and supply plans, and allowed for utility exemption if DTE ordered an Alternative Process. Docket 98-84 focused on the Alternative Process. The 4/22/03 Order approved the Alternative Process. It can be viewed at www.state.ma.us/dpu/electric/98-84/422order.pdf

24. Does your state do performance-based regulation? Yes

According to Mr. LeComte, the state is moving in this direction. They presently use service quality measures and a penalty-based mechanism. Approximately half of the measures for electric utilities relate to the duration and frequency of outages (SAIDI and SAFI). The other measures relate to consumer services.

State Energy Plan

25. Is there a State Energy Plan? Yes
26. Is it connected to the planning described above? No
27. If yes, who is responsible for the Plan? Not applicable
28. What is included in the Plan, apropos of long-range electrical planning? N/A

Note: The Massachusetts Energy Facilities Siting Board regulates long-range investment planning re: generation. However, they do not analyze need or alternatives at this point. They look at the chosen site and any environmental issues there. However, if a proposed generator has a worse emissions/MW ratio than a conventional combined cycle gas generator, the developer has to show why. The backdrop to the emphasis on distribution planning is the occurrence of multiple power outages in recent years. The new system gave distribution companies incentives to underbuild.