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March 12, 2025

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: D.P.U. 20-80 – Request for Comments - Draft Line Extension Policy for Natural Gas

Dear Secretary Marini:

The Massachusetts Chemistry and Technology Alliance (MCTA) is pleased to offer comments to the Department of Public Utility's ("Department") February 5, 2025, Request for Comments to a draft line extension policy for natural gas services ("Draft Policy").

MCTA is the professional organization representing manufacturers, users, and distributors of chemistry in the Commonwealth. Our membership ranges from small, multi-generational family-owned businesses operating with a handful of employees to large global companies employing thousands. More than 96% of all manufactured goods are touched by chemistry, including those used in biotech, pharmaceuticals, clean energy, and other important sectors.

The draft policy would end the existing Department policy that allows Local Distribution Companies (LDCs) to pay the total cost of new natural gas extensions for businesses if certain financial conditions are met (the project generates more revenue for the LDC than the cost of the extension). If not, the company may pay partial costs of the extension through a CIAC – contribution in aid for construction – so that the project may proceed.

Under the new policy, the ability to have the LDC pay the total cost of the project - or cost share through a CIAC - will disappear, replaced by an outright prohibition on any contribution at all by the LDC unless three exceptions are met. The reason for this draft policy is to reduce the use of natural gas in order to meet the Commonwealth's greenhouse gas reduction goals.

MCTA opposes this draft policy outright. It is arbitrary and will have an outsized impact on manufacturing companies. Many MCTA members operate outside of the Greater Boston area in the central, western, or southeast portions of the state in areas where new investment is needed. This draft policy seems directly aimed at those areas. Manufacturing provides jobs in these areas and the state has identified these communities as crucial to our economic vitality – making the draft policy even more puzzling.

Outside of Greater Boston, installing a new natural gas line (or even a new electric service) can be a years-long affair since capacity is not always available for either choice. It is already expensive and time consuming, making it hard for manufacturers to consider locating or expanding here when there are choices elsewhere.

This policy addresses none of these concerns. Our interpretation of this draft policy means that no new natural gas will be available unless the customer pays or meets exceptions (which are themselves undefined in any way to provide certainty). Our manufacturers need help and that means they need financial help with infrastructure improvements to their facility, including natural gas. Many are not in the financial position to pay for this type of service outright. By this action, the Department has deliberately abandoned entire areas of the state and closed the doors to new manufacturing or manufacturing expansions in Massachusetts.

Manufacturing relies on the availability of large volumes of energy available in a cost effective manner and in a timeframe that meets their business needs. Electrification, the default choice here, is not an option due to the high cost of electricity, technological requirements and the amount of electricity that would be needed – likely not available in sufficient quantities in more remote areas. The current policy meant that the facility had an honest chance to present their *business* case to the LDC and the Department without engaging in subjective or political discussions. With that type of certainty, the company could make informed business decisions as to the process and outcome.

Under the draft policy all of that is gone. If a company cannot afford to pay for the line extension themselves (or convert to full electrification), they are relegated to some unknown, unfamiliar procedural black hole that may or may not result in them receiving any assistance – and it may take months or years to get a decision. Few companies will choose to go that route and will likely forgo expansion here.

Oddly, the Department is also closing the door to what would be environmental improvements. In past years, many MCTA members have used the existing line extension policy to upgrade their fuel use from old inefficient boilers and equipment – some using coal – to much cleaner natural gas. Documented reductions are in the hundreds of tons of carbon dioxide. Without the current policy providing a clear path (since it is unclear even if this outcome would meet all three exceptions in the draft policy), it is unlikely that some or all of these would have occurred – forcing the companies to use outdated equipment as long as possible or relocate.

In addition to these fundamental flaws, the outreach for such a wide reaching policy was, at best, insufficient for companies not intimately familiar with Department proceedings.

The first notice of this policy was in a Department memo dated June 14, 2024. That notice went out to a service list and distribution list for D.P.U. 20-80. As far as we can tell we are not on either list. Even if we were, D.P.U. 20-80 has been ongoing for five years and a search of the procedural history on the Department website shows hundreds of emails, notices, and thousands of pages of extremely technical documents. It would be impossible for anyone who isn't intimately involved in Department proceedings to understand the importance of this one notice buried among all others.

The Department should have come to this conclusion themselves when only seven commenters replied to the June 14, 2024, notice - all of whom are regular participants in DPU proceedings (mostly environmental advocates opposed to any gas use), or state agencies. Not one represents an actual gas user – a red flag that the notice did not reach the intended audience. At that point, the Department should have regrouped and worked with DOER or other state agencies to do active outreach to business groups and others to be stakeholders to have an open discussion.

As to the comments on the language of the draft policy itself, we would prefer to save major comments for what we hope will be renewed outreach as the issues are far too complex to be written in comment form. However, just by way of making a small point, the exceptions to the policy are insufficient to work for the people who need it the most. They are at best window dressing to give the appearance there is a way around this draconian measure when in fact there is none. The exceptions are not clear, and they are not transparent as to how any filings to the Department to use the exceptions are reviewed or analyzed.

MCTA remains a partner with the Department and understands the obligation to be good stewards for our environment. We support the greenhouse gas goals of the Commonwealth provided the concerns of businesses are addressed so our members may grow here and provide crucial materials and components for products that are vital to the Massachusetts economy. Many of our members are leaders in lowering their greenhouse gas emissions and adopting other sustainability options.

But in order to avoid anyone being left behind, that cooperative approach must extend both ways. For whatever reason, that did not occur here. Rather than dwell on the past, MCTA urges the Department to start fresh and delay the issuance of this policy – even in any modified form – and adopt a true stakeholder process outside of the confusing confines of D.P.U. 20-80. It is a complex undertaking, but the importance of getting this right cannot be overstated. A good-faith cooperative approach is the best way to ensure all of the commonwealth goals are met. MCTA stands ready to help in any way we can.

Thank you for your consideration of the concerns raised by MCTA and our members. If you have any questions, please do not hesitate to call Katherine Robertson at 508-572-9113 or via email at katherine@masscta.org.

Respectfully,



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