



Liberty  
36 Fifth Street  
Fall River, MA 02721

April 13, 2022

Hon. Michael Rodrigues  
Chair, Senate Committee on Ways & Means  
State House  
24 Beacon Street, Room 212  
Boston, MA 02133

### **Comments Regarding Senate Bill 2819, An Act Driving Climate Policy**

Dear Chair Rodrigues:

On behalf of Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty ("Liberty"), I write to thank you for your past support of our organization and to raise concerns for your consideration as the Senate prepares to debate and vote to adopt Senate Bill 2819, An Act Driving Climate Policy. Liberty joins the comments raised separately by the Northeast Gas Association on Senate Bill 2819, and appreciates this opportunity to highlight how this legislation could affect the communities we serve.

As you are well aware, Liberty is a natural gas distribution company, comprised of the former North Attleboro Gas Company, the former Fall River Gas Company, and the former Blackstone Gas Company. Liberty provides natural gas distribution service to approximately 60,815 customers in the nine southeastern Massachusetts communities of Fall River, North Attleboro, Plainville, Swansea, Somerset and Westport (the Company's Fall River and North Attleboro service area) and Blackstone, Bellingham and Wrentham (the Company's Blackstone service area).

Liberty seeks to be a partner for the Commonwealth's goals, not an impediment. However, the communities we serve, particularly Fall River, are emblematic of the need for a balanced portfolio of building sector decarbonization policies, in order to avoid forcing the most vulnerable citizens to continue bearing a disproportionate share of the costs and externalities associated with the energy system. One-in-five of Liberty's customers qualify as "low income," and two-thirds of Fall River residents live in Environmental Justice block groups. The median income in our service territory is 35% lower than the statewide average. Older buildings and multifamily housing are prevalent, as shown in the fact that in Fall River only 26% of housing units are single family homes, compared to 76% statewide. As written, Senate Bill 2819 is not consistent with achieving a just, equitable, and cost-effective energy transition for the communities we serve.

Liberty supports the transition to a low-carbon economy, and stands with the goals of the Senate's legislation in Senate Bill 2819. With more than 30 years of experience developing and operating renewable and clean energy facilities, and our own enterprise-wide commitment of going net-zero by 2050, Liberty is a leader on climate action and energy system transformation. We intend to continue bringing that leadership to southeastern Massachusetts to support the Commonwealth's net-zero by 2050 requirement.



Experts including Columbia University,<sup>1</sup> the Brattle Group,<sup>2</sup> and the University of Massachusetts-Lowell,<sup>3</sup> agree that an integrated approach to decarbonization which leverages the resiliency, flexibility, and reliability of gas networks and gas utilities to deliver low-carbon fuels and support expanded energy efficiency will enhance the value of the energy transition for consumers and help ensure vulnerable communities are not left behind by the energy transition. Liberty aims to put our infrastructure, workforce, expertise, and capital to work to help the communities we serve achieve a just, equitable, and cost-effective transition to a low-carbon future. Liberty is already putting this commitment into practice by developing local sources of low-carbon renewable natural gas (“RNG”), and by advancing crucial energy efficiency initiatives including incentives for high efficiency gas equipment, weatherization, and installation of air source heat pumps. With that background, Liberty notes that several provisions of Senate Bill 2819 would be steps in the wrong direction.

Liberty is mindful of the impact that sections 11, 48, 49, and 52, in particular, can have on Liberty’s customers. These provisions would, respectively, roll back gas utilities’ ability to support energy efficiency programs for customers; constrain the Department of Public Utilities’ ability to oversee the ongoing “future of gas” docket in DPU 20-80; establish a working group to make changes to gas utilities’ gas system enhancement plan (“GSEP”) framework without the full participation from the gas utilities themselves; and begin allowing communities to ban gas utility hookups without regard for whether gas infrastructure could provide a better pathway to deep decarbonization. Each of these measures seeks to advantage one decarbonization technology pathway – that is, government-mandated universal electrification. Despite the good intentions of the authors of these provisions, and the good goals towards a decarbonized future that they seek to achieve, they determine at the outset and without compelling evidence that gas utilities should have no role in the Commonwealth’s transition to a net-zero carbon future. These provisions create a dynamic where vulnerable communities, like those Liberty serves, risk being left behind for inability to keep up with wealthier communities, increasing the disparity between economically empowered and economically challenged communities.

Utility-administered efficiency programs are essential tools in our decarbonization toolkit. But Section 11 of Senate Bill 2819 would eliminate the role of gas utilities like Liberty in providing energy efficiency services for high efficiency gas equipment to customers. We find that these provisions would disproportionately harm Liberty’s most vulnerable customers, making the energy transition less equitable. As filed and approved in the Company’s 2022-2024 energy efficiency plan, D.P.U. 21-123, Liberty remains committed to serving over 6,400 residential and low-income customers over the next three years, resulting in projected savings of over 10.4M lifetime therms. We urge the Senate not to weaken this highly effective set of programs. Further, for these same reasons, Liberty

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<sup>1</sup> <https://www.energypolicy.columbia.edu/research/report/investing-us-natural-gas-pipeline-system-support-net-zero-targets>

<sup>2</sup> <https://www.brattle.com/insights-events/publications/the-future-of-gas-utilities-series/>

<sup>3</sup> <https://futureofhydrogen.org/wp-content/uploads/2022/02/The-Viability-of-Implementing-Hydrogen-in-Massachusetts.pdf>



notes the Amendments filed on energy efficiency, particularly Amendments 23, 148, and 152 should be rejected.

Similarly, Liberty remains concerned with efforts to change the Commonwealth's GSEP programs. Modernizing distribution infrastructure through GSEP is a proven method for reducing emissions, and it enhances the safety, reliability, and affordability of critical infrastructure. Liberty has been working earnestly to accelerate its pipe replacement efforts, and opposes any effort to slow down the modernization and enhancement of gas distribution networks. Modernizing distribution infrastructure not only reduces emissions of methane, a highly potent greenhouse gas, but also enables the transformation of gas networks to store and deliver renewable energy, including renewable natural gas and hydrogen, while continuing to meet customers' needs in a safe, reliable, and affordable way. Liberty has no issue with reviewing the mission of the GSEP, but notes that the working group as proposed only allows for one member from the natural gas distribution companies. With five very different service providers all with different viewpoints and abilities to implement their GSEP programs, such a limitation fails to take into account the unique needs and service territory challenges that should be considered before making any sweeping changes. Liberty finds that GSEP is a critical tool for reducing emissions, and is essential for the safety and reliability of the distribution system. We urge the Senate to take every step to ensure GSEP moves forward.

Liberty appreciates the Senate's thoughtful approach to the implementation of a municipal fossil fuel ban pilot approach, rather than the implementation of a one-size-fits-all, statewide policy. As noted by NGA, mandates and bans can have unintended and regressive consequences, and Liberty remains concerned that implementation of this provision outside of a limited set of municipalities, until more information is available, could create the unintended consequence of adversely affecting less wealthy communities, like those served by Liberty, who will end up paying a larger share of the costs of maintaining the natural gas infrastructure. As such, Liberty urges rejection of Amendments 63, 89, and 118, which seek to expand this municipal ban approach beyond that which is proposed in Senate 2819.

Liberty notes that Amendment 99, relative to gas leaks and infrastructure, is identical to the standalone legislation offered in Senate Bill 2163, which was sent to study by the Joint Committee on Telecommunications and Energy following the Committee's careful review of this bill. As such, Amendment 99 should be rejected.

Lastly, Liberty is concerned with proposed amendments that would limit the ability to approve contracts for hydrogen, biomethane, and other viable renewable resources for use in the natural gas system. Liberty stresses that the natural gas industry, and Liberty itself, have a role to play in this transition, a role that cannot be achieved if the language proposed in Amendments 33, 66, 67 become law. At a time when the best available climate science tells us we must reduce emissions as much and as fast as possible to avoid the worst consequences of climate change, we can't afford to take low-, zero-, and even negative-emissions technology pathways like these off the table. As such, Liberty urges that these amendments are not adopted.

As the Commonwealth moves toward deep, economy-wide decarbonization, we urge the Senate to consider the important role gas utilities can play in the transition to a net-zero future. We implore that the Senate remain sensitive to customer preferences, energy affordability for



residents and businesses, and the equitability of the energy transition. There is no one-size fits all solution to our energy challenges, and each Massachusetts community deserves to have all available decarbonization options on the table to support the unique needs of its citizens.

Thank you again for your past support and partnership with Liberty and its predecessors in the Fall River area. We look forward to the opportunity to continue to partner with the Commonwealth as it continues its progress in moving towards a low-carbon economy with increasing reliance on renewables and clean energy technologies, during which we at Liberty believe that gas infrastructure and gas utilities will remain a key sustaining part of the state's energy portfolio. We look forward to working together on creating a reliable, affordable and clean energy future for the Commonwealth.

Sincerely,

*Tatiana Roc*

Tatiana Roc  
President, Liberty-Massachusetts

cc: Senator Karen E. Spilka, President  
Senator Cynthia Stone Creem, Majority Leader  
Senator Michael J. Barrett, Chair, Telecommunications Utilities and Energy