Massachusetts Electric Company Nantucket Electric Company Each d/b/a National Grid D.P.U. 23-150 Exhibit EDF-CLF-MW-1 March 29, 2024 H. O. Tassone

COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF PUBLIC UTILITIES

Petition of Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid Pursuant to G.L. c. 164, § 94 and 220 C.M.R. § 5.00 for Approval of an Increase in Base Distribution Rates and Approval of a Performance-Based Ratemaking Plan	D.P.U. 23-150
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PRE-FILED DIRECT TESTIMONY OF

MARY WAMBUI

ON BEHALF OF

ENVIRONMENTAL DEFENSE FUND AND CONSERVATION LAW FOUNDATION

Massachusetts Electric Company Nantucket Electric Company Each d/b/a National Grid D.P.U. 23-150 Exhibit EDF-CLF-MW-1 March 29, 2024 H. O. Tassone

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1 I. INTRODUCTION

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- 2 Q. Please state your name.
- 3 A. My name is Mary Wambui.
- 4 Q. On whose behalf are you submitting testimony?
- 5 A. I am submitting testimony on behalf of the Environmental Defense Fund (EDF) and
- 6 Conservation Law Foundation (CLF).
- 7 Q. Please summarize your personal, educational, and professional background.

I spent the first 13 years of my life in one of Nairobi's shanties, Kangemi. These shanties were overcrowded, and I had limited access to basic amenities such as water, energy, and housing. As a young girl, I would shower in a bathroom full of holes and without a roof. These experiences during my childhood have influenced my commitment to addressing poverty and inequality in my adult life. I moved to the United States of America in 2002 after working in women's microenterprise development in some of the poorest towns and communities in Kenya. I moved to this country because I received a scholarship from Brandeis University for a Master of Arts in the Sustainable International Development Program at the Heller School. I did not study at Brandeis once I arrived; instead, I attended Southern New Hampshire University, where I received a master's in Community Economic Development. I later attended Tufts University, receiving a Master of Public Policy degree from the Urban and Environmental Policy Department. I am very grateful

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for the scholarships I received from these three institutions because I wouldn't have had the chance to pursue a career dedicated to combating poverty and inequality without them.

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I have worked as an affordable housing asset manager in Massachusetts for at least 16 years. My work is directly related to preserving affordable housing and promoting housing stability. I started my career in Roxbury, Massachusetts, working for a community development corporation called Nuestra Comunidad Development Corporation (Nuestra). Roxbury, where Nuestra is situated, has the highest proportion of families making under \$15,000 a year and the highest number of black residents in the City of Boston. From Nuestra, I moved to Dorchester Bay Economic Development Corporation and Opportunities Communities, preserving affordable housing in Chelsea, Dorchester, Roxbury, and Mattapan. In early 2020, I moved to the Planning Office for Urban Affairs (POUA), where I am currently employed. The POUA is a non-profit social justice ministry that strives to create vibrant communities by developing high-quality, affordable, and mixed-income housing where people of modest means can live with dignity and respect in homes they can afford. I am also a member of the Massachusetts Energy Efficiency Advisory Council (EEAC)—a body that oversees the development, implementation, and evaluation of investor-owned utilities' energy efficiency plans—where I represent residential consumers.

I have lived in Lowell, Massachusetts, for 21 years. Historically, Lowell is known as the cradle of the American Industrial Revolution because of its textile mills. Lowell is a

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Gateway City with a population of at least 115,000 people. Like me, most Lowell residents are renters. The percentage of those who rent in Lowell is 50% higher than those who rent in Massachusetts; 28% are foreign-born, and almost 40% speak another language other than English. The percentage of non-white residents in Lowell is almost twice that of Massachusetts; the median household income in Lowell is 26% lower than in Massachusetts, and the poverty rate in Lowell is nearly twice the rate of Massachusetts statewide. Like me, most Lowell residents receive electric service from National Grid. And while I receive gas service from National Grid, many Lowell residents use delivered fuels, such as propane and heating oil, to heat their homes.

II. PURPOSE OF TESTIMONY

11 Q. Are you familiar with National Grid's proposals in this rate case?

12 A. Yes, at a high level. However, even though I am an energy advocate, I found it difficult to
13 understand every detail of National Grid's proposals. That is partly because National Grid's
14 testimony and exhibits are not written in a way that is accessible. It is also partly because—
15 as I will discuss in more detail in my testimony—the Company's communications with
16 customers like myself ahead of its rate case filing were not helpful.

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¹ See City of Lowell Proposal to Serve as a Program Administrator for Mass Save, 2019-2021 (Apr. 30, 2018), available at: https://ma-eeac.org/wp-content/uploads/City-of-Lowell-Proposal-to-Serve-as-Mass-Save-Program-Administrator-4-30....pdf; United States Census Bureau, Lowell city, Massachusetts, available at: https://www.census.gov/quickfacts/fact/map/lowellcitymassachusetts/RHI825216.

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That said, I understand the Company is proposing to increase its rates. I also understand it is proposing to spend a lot of customer dollars on its system in the coming years. Finally, I understand the Company is proposing new "performance incentive mechanisms" in this rate case.

What is the purpose of your testimony?

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First and foremost, the purpose of my testimony is to make sure the Department hears the voices of customers like myself in this rate case. The last time National Grid filed a rate case, I did not know what the Company was proposing and did not feel included in the process, even though the case directly impacted my life. I want things to be different this time around.

Second, I want to ensure the Department is aware of the realities that National Grid customers like me face. The energy bills of National Grid's customers—including customers like myself living in small apartments—are already very high. I hear from my neighbors in Lowell that they, like myself, are already having a hard time affording their energy bills while also paying for rent, food and other daily necessities.

Third, I want to ensure that customers like myself and other residents of Lowell, who have paid our energy bills for years and contributed to National Grid's infrastructure and programs, get our share of the benefits from National Grid's spending. I do not believe the benefits of National Grid's infrastructure and programs are currently fairly or equitably

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distributed, and I would like to make sure National Grid is held accountable for its service to income-eligible and moderate-income households.

Finally, I would like to encourage National Grid to do more to help low- and moderate-income residential customers currently using delivered fuels for heating move towards electrified heating. To date, only a small fraction of the heat pumps installed in Massachusetts have been installed in income-eligible and moderate-income households using delivered fuels. Installing heat pumps in those households would not only save those households money, but would also help the Commonwealth achieve its greenhouse gas reduction targets.

10 III. CONCERNS WITH NATIONAL GRID'S RATE CASE PROPOSALS

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11 Q. Please summarize your experiences as a National Grid electric customer.

As mentioned above, I am a National Grid electric and gas customer. Even though I rent a small apartment in a naturally occurring affordable housing property, my monthly bill average for the past 12 months is about \$144, which has steadily increased. While I am currently not income-eligible, I can quickly identify with the struggles of low- and moderate-income households since I worked for years as a direct care staff member, earning 10-14 dollars an hour. A monthly bill of 144 dollars is an entire day of work for a home health aide. There are other significant financial and social obstacles for an immigrant household like mine, especially for those living in cities like Lowell. Another

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increase in utility bills will make life more challenging. I also believe my home is not energy efficient, so I am spending more on electricity than I should be.

Q. Do you believe other Lowell residents share your experiences?

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Yes, I do, based on my conversations with several Lowell residents. I know many others in Lowell struggle to afford their energy bills. I understand National Grid has shut off the electric service of other Lowell residents who failed to pay their electric bills. Even those who have not experienced shut offs owe too much on their bills, and that is a very stressful situation to be in. Some who may benefit from National Grid's discount rate or other assistance programs do not know about the programs, or may be immigrants who lack access due to the program's design.

Beyond those affordability concerns, I believe other Lowell residents have also found it difficult to access or benefit from National Grid's energy efficiency programs and, therefore, continue to live in energy-inefficient homes, a fact presented to the EEAC in the development of the 2019-2021 energy efficiency plan where the City of Lowell presented a proposal to serve as program administrator for the Mass Save program. While there have been new programs that aim to increase participation by low- and moderate-income communities; these communities have been left behind for so long that there is now a need for aggressive accelerated action so that they can benefit equitably.

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Q. What concerns you about National Grid's proposals in this rate case?

I have several concerns. I am concerned that National Grid is proposing to make major investments in its system but that people like me will not receive the benefits of that spending and will only see our bills increase. I am concerned that National Grid's proposed "performance incentive mechanisms" will not benefit customers like me and my community, and will instead benefit the Company's shareholders, a point that was recently delivered very well in a Lawrence hearing by a National Grid customer who is also a shareholder. I am also concerned about the lack of transparency from National Grid. The Company has not provided information about its proposals in a manner that is easy to understand, nor has it incorporated customer feedback into its proposals meaningfully. In short, I do not think the Company's rate case proposals promote equity.

Q. What do you mean by "equity"?

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I agree with the definition of "equity" adopted by the Global Warming Solutions Act Implementation Advisory Committee Climate Justice Working Group. That working group defined equity as "treating an individual or community according to their needs, thereby ensuring that historically marginalized people and historically disinvested people and historically disinvested communities, especially people of color, low-income residents, and Language-isolated residents gain access to opportunities and resources and discharge the negative consequences of unsustainability. Unless justice, equity, and worker rights are

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central components of our equitable climate agenda, the inequality of the carbon-based economy will be replicated in the new pollution-free economy."

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In the context of National Grid, I believe equity is a measure of how fairly the benefits of National Grid's investments and programs are distributed. Those benefits include jobs, safety, reliability, resilience, access to clean energy technologies, and bill savings, among other things. Customers in Lowell, including me, want to know: will Lowell benefit from the clean energy transition? When can we anticipate seeing these changes take place, and how will National Grid help us get there?

Equity is about more than the distribution of benefits, however. Equity is not possible without accountability, transparency, and a balance of power. Unless National Grid brings the voices of community members to the table, includes those voices in its decision-making process, and reduces the information asymmetry that currently exists between the Company and its customers, I do not believe it can truly achieve equity.

Q. Does the Company's proposed low-income discount rate address your concerns?

I am glad the company has proposed changes to its low-income discount rate. A discount rate helps moderate-income households. However, I think the discount rate must be deeper to help the lowest-income households. More broadly, while a discount rate helps, I think it is insufficient to address the equity concerns I mentioned earlier.

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- 1 Q. What are some examples of concrete actions the Department can take to address your
- 2 concerns?

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- A. First and foremost, the Department should encourage National Grid to provide more heat pumps to low- and moderate-income households currently using delivered fuels to heat their homes. The Department can do so by adopting the performance incentive mechanism that EDF-CLF expert witness Castigliego describes in his testimony.
- Q. Why should the Department encourage National Grid to provide heat pumps to low-and moderate-income households currently using delivered fuels to heat their homes?
 A. Delivered fuels are expensive and extremely polluting. Households using delivered fuels could save money by switching to electric heat pumps. Those savings can be very

meaningful for low-and moderate-income households, and can help free up money to spend on food, medicine, and other daily needs. However, National Grid must empower those customers to switch from delivered fuels to electricity by offering heat pumps at no cost

and making electric rates affordable.

Unfortunately, to date, I believe National Grid has not done a good job of installing heat pumps in low- and moderate-income households—instead, the vast majority of heat pumps through National Grid's electrification program have gone to market-rate customers. While National Grid may want to achieve the lowest-cost greenhouse gas emissions reductions by providing heat pumps to market-rate customers, that approach risks leaving low- and moderate-income customers—like many who live in Lowell—

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behind. That is why, in my opinion, the Department must step in and push National Grid to perform better, and specifically to improve its performance in terms of providing heat pumps to low- and moderate-income customers currently using propane and heating oil for home heating.

Q. Are there other actions the Department can take to address your concerns?

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A. Yes. The Department should encourage National Grid to prioritize and advance equity across its operations. To that end, the Department should consider adopting an additional performance incentive mechanism targeted at improving workforce diversity. EDF-CLF expert witness Castigliego describes that mechanism in his testimony. Finally, the Department should encourage National Grid to be more inclusive before filing its next rate case or other tariff proposal. The Company should give its customers more notice of its filing and give them more opportunities to provide input that shapes that filing.

Q. Didn't the Company host public workshops to present its performance incentive mechanisms prior to filing its rate case?

Yes. I attended those workshops in October of 2023. I found the workshops to be rushed and poorly facilitated. National Grid presented a number of performance incentive mechanisms at those workshops, but it seemed like those proposals had been finalized and the Company was not genuinely interested in stakeholder input to shape those proposals. I also found the language used during the workshops highly technical and far too complex for non-expert customers to understand.

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- 1 Q. What are some concrete ways in which National Grid might improve its
- 2 communications with you and other customers?
- 3 A. First, National Grid should start its community engagement process far earlier than it did
- 4 before filing this rate case, both in terms of time and in terms of procedural steps. Second,
- National Grid should try to genuinely incorporate stakeholder feedback into its proposals
- 6 rather than present stakeholders with finalized proposals.
- 7 Q. Is there anything else you want the Department to know?
- 8 A. I want the Department to know that equity is a process, an outcome, and a goal. I hope the
- balance of power will be restored between ratepayers like me and National Grid by
- prioritizing, including, and reflecting community voices in this rate case.
- 11 Q. Does this conclude your direct testimony?
- 12 A. Yes, it does.