

# EVALUATING MUNICIPAL LIGHT PLANTS



# Introduction

MCAN was intentional in developing the data collection process and scoring methods for this Scorecard. Recognizing the need to be transparent about our process, we refer to our methods in multiple instances and with varying levels of detail throughout this report. The following subsections present an overview of our data collection and scoring methods as well as a discussion of how these processes differ from those adopted in the prior Scorecard. Further information about our methods can be found in **Appendix A**, **Appendix B**, and in the Scoring Methods section of each performance category in **Chapter 4**.

## Data Collection

Most data for this Scorecard were obtained from three sources: government documents, MLPs' responses to MCAN questionnaires, and MLPs' websites. Government documents were retrieved from the Massachusetts Department of Environmental Protection (DEP), Department of Energy Resources (DOER), and Department of Public Utilities (DPU). Documents were either retrieved directly from the respective Department's website or through direct outreach to a Department officer. Government documents relevant to this Scorecard include but are not limited to 2019 DPU Annual Reports, 2019 and 2017 AQ31 Reports, 2020 Municipal Action Plans (MAPs), and Lists of Qualified Generation Units.

A second important source of information was a series of MCAN questionnaires sent directly to MLPs. In this process, we granted MLPs several opportunities to provide information to MCAN that would help us understand their light plant's progress in the categories included in this Scorecard. The questionnaire process spanned 9 months. In June 2020, all MLPs were notified that MCAN planned to send a questionnaire to inform our upcoming Scorecard. Questionnaires were distributed a week later on June 18, 2020. From June to August 2020, extensive outreach (via phone and email) was conducted to ensure that all MLPs were aware of the questionnaire and that their questions or concerns were addressed. Additional email and phone outreach was conducted in January 2021 to all MLPs that had yet to respond to the questionnaire.

During this second round of outreach, each MLP received at least two emails and one phone call. They were given a deadline of February 1, 2021 to complete the survey. Twenty-six of 40 MLPs considered in this Scorecard responded to our survey during this period. Gosnold Electric Light Company was not considered in this report because of its small number of customers and limited energy distribution relative to other small MLPs.

The 40 MLPs were again contacted on February 17, 2021 with a request to complete a follow-up questionnaire. For the 26 MLPs that had responded to the initial questionnaire, this follow-up survey consisted of four questions that clarified some areas in the original questionnaire. For the remaining 14 MLPs, the follow-up survey was a much shorter, less complex version of the original. MLPs were asked to submit their follow-up responses by February 26, 2021. Four MLPs that had not yet completed the original survey responded along with 22 MLPs that had completed the original survey. In total, 30 MLPs submitted information to MCAN for this report over the 9-month data collection period, representing approximately three-quarters of Massachusetts' MLPs.

In addition to government documents and questionnaire responses from MLPs, each MLP's website provided data for numerous categories. Websites enabled us to gather primary information directly from MLPs as well as to verify information reported in government documents and in the questionnaire. Website searches were conducted methodically for each category. The data collection process for the metrics in each of the four performance categories, along with a full description of each web search, is described in **Appendix B**.

## **Data Verification**

To ensure data accuracy to the fullest extent possible, MCAN conducted a two-week review process during which each MLP and its respective industry association (either MMWEC or ENE) could review and suggest revisions to the information we had collected. MCAN evaluated each of the suggested revisions and incorporated as many as possible while remaining consistent with our data collection methodology across all MLPs. Each MLP received a full description of MCAN's decision to either include or exclude each piece of information submitted for consider-

ation. Twenty-eight MLPs submitted revisions, of which MCAN accepted the vast majority. When suggested changes did not align with MCAN's methodology, MLPs were provided a description of why a revision could not be considered in this report.

In total, 32 of the 40 MLPs included in this report provided information and/or feedback on the data in this Scorecard.

## Data Limitations

Our data collection and verification processes ensured an overall high level of accuracy. However, constraints exist in the data and our analysis. Most notably, when MLPs declined to respond to either of MCAN's questionnaires, limited resources were available from which to gather the data required for a select number of categories. Our data verification process provided MLPs that had not responded to either questionnaire an opportunity to suggest corrections to our results; however, not all MLPs responded. **Appendix C** describes our data limitations in more detail.

# Scoring Methodology

MCAN evaluated MLPs in four categories for this report: (1) Energy Transition; (2) Energy Efficiency; (3) Transparency and Community Engagement and (4) Policy Context. MLPs could earn up to 100 points across all categories. Possible bonus points worth 21 points (with the potential for additional points) were allocated across the four categories. **Table 3** summarizes the point distribution, including bonus points.

The scoring methodology for each category was developed based on the broad set of criteria outlined below; a more detailed description appears in **Appendix A**. These criteria were used to assign a score to each MLP. Our data are generally current as of **early January 2021**. Certain categories, such as those used to determine an MLP's energy mix, were informed by the most recent data from 2020 or 2019.

**TABLE 3**

# SCORING DISTRIBUTION BY CATEGORY

CATEGORY	TOTAL POINTS	POSSIBLE BONUS POINTS
ENERGY TRANSITION	50	8
ENERGY EFFICIENCY	25	3+
TRANSPARENCY AND COMMUNITY ENGAGEMENT	15	8
POLICY CONTEXT	10	2
TOTAL	100	21+

Note: + Indicates that additional bonus points are available

## Energy Transition (50 points)

MLPs could receive up to 50 points for their energy transition efforts. Points were awarded based on nine subcategories intended to determine whether MLPs were transitioning to clean energy at a pace comparable to the rest of the state; measure the extent to which non-emitting sources constituted MLPs' energy mixes; and identify the extent to which MLPs have adopted, and enabled their residents to adopt, clean energy technologies while transitioning away from polluting and harmful technologies. Bonus points were available for programs and factors that were relevant to these categories but not factored into the nine subcategories.

## Energy Efficiency (25 Points)

MLPs could receive up to 25 points for their efforts to increase energy efficiency. Points were awarded based on the availability and strength of free audits, energy rebates, and loans; the level of MLPs' investment in energy efficiency efforts; the effectiveness of MLPs' programs based on the energy saved; and, importantly, the extent to which energy effi-

ciency programs were responsive to issues of accessibility for low-income residents, non-English speakers, and renters. Bonus points were awarded for energy efficiency promotion, commercial energy efficiency programs, efforts to enhance energy efficiency for local municipalities, and any additional program(s) focused on energy efficiency or demand response that was not included in our methodology.

### **Transparency and Community Engagement (15 Points)**

MLPs could receive up to 15 points for the steps they took to be transparent and engage their residents, particularly on issues of renewable energy and energy efficiency. Points were primarily distributed between subcategories indicating whether MLPs provided important information (e.g., light board meeting minutes) and materials on their websites; and whether MLPs had recently engaged their community on issues of renewable energy or energy efficiency, including the extent to which such information had guided or affected MLP policy. Several bonus points were awarded to MLPs that were transparent about REC retirement and the renewable nature of their portfolio based on the number of RECs retired in 2019.

### **Policy Context (10 Points)**

This category, in which MLPs could receive up to 10 points, reflects MLPs' and local governments' efforts to create a policy context that facilitates the transition to a clean energy future. Points were awarded based on whether MLPs and MLP-served municipalities participated in opt-in statewide programs that enhance capacity for action on climate change as well as whether MLPs had adopted comprehensive climate plans focused on reducing greenhouse gas emissions. Bonus points were awarded to MLPs whose municipalities had opted into Mass Development's Property Assessed Clean Energy (PACE) program and to MLPs whose municipalities had standing committees that addressed issues related to energy and climate change.

## **Limitations in Scoring**

MCAN firmly believes that our scoring methods are comprehensive and provide an accurate snapshot of MLPs and the progress that has

been made. However, limitations exist in our approach. Most notably, our methodology did not sufficiently score MLPs' efforts to address environmental justice, energy justice, and equity. While steps were taken to introduce these concepts into parts of this assessment, MCAN is committed to highlighting these issues in following iterations of this Scorecard. Limitations are discussed further in the following sections as applicable and in **Appendix C**.

## Updates from 2019's Scorecard

As a result of countless discussions with MLP staff, experts, and advocates, several steps have been taken to update the methodology and data collection process compared to MCAN's 2019 MLP Scorecard. These adaptations were intended to (1) enhance the value of MCAN's Scorecard for advocates, light boards, MLP staff, MLP associations, and state officials; (2) clearly articulate MLPs' progress; and (3) provide a more in-depth understanding of the efforts that have been made in each MLP district.

### Updates to the Methodology

Our methodology was updated in several areas to achieve the desired objectives. First, when possible, MCAN converted prior binary variables to categorical variables to better distinguish MLPs. When examining programs or policies, MCAN aimed to incorporate more attributes and details of each policy and program into the scoring. Second, MCAN added categories that have become more relevant and removed categories deemed less important. These decisions were based on changes to the policy context within which MLPs operate, the emergence of new areas of focus in environmental advocacy, and developments in MCAN's understanding of best practices in measuring the efforts being made in MLP districts. Finally, MCAN altered the overarching categories to be more explicit about our general areas of interest. In particular, we combined the categories of "Clean Energy" and "Dirty Energy" from the 2019 report into one category, "Energy Transition." We also divided the 2019 "Transparency and Leadership" category into two for this report: "Transparency and Community Engagement" and "Policy Context."

## Updates to Data Collection

To realize our overall objectives, MCAN's data collection process was altered in a few significant ways from the 2019 report. First, we increased the amount of data taken directly from government resources that had not been available for the 2019 Scorecard. Such resources include the unreviewed AQ31/32 Reports and MAPs. Second, we increased the number of formal opportunities for MLPs to provide information while greatly limiting the amount of information included based on meetings, unrecorded conversations, pamphlets, and other less reliable sources. When MLPs did not respond to MCAN's questionnaire, we were explicit about the process by which we conducted searches to obtain relevant information not available through government documents.

Importantly, the changes to our methodology and data collection render the current scoring results **incomparable to MCAN's 2019 Scorecard**. Our methodology is likely to evolve further in subsequent iterations of the Scorecard. However, we are confident that our present advancements will enable future iterations to be directly comparable to this report.

# Diversity of Municipal Light Plants

MLP districts are incredibly diverse. They vary, sometimes substantially, in their governance structure and processes, resources, services provided, and service area size (i.e., number of customers and total energy distributed). In addition, the districts served by MLPs differ in their needs, priorities, municipal policies, resident demographics, and economic profiles.

The variation in MLP size is especially important to consider. Simple linear regressions of other measurable differences between MLPs, such as median district income and financial reserves, showed that these factors were not statistically significant in determining scoring outcomes. MLP size (measured by number of customers and energy distributed) was found to be somewhat significant. However, the regression also demonstrated a poor fit, indicating that other factors (e.g., information

included in scoring) were more important than size in determining our results (see **Appendix D**)

Residential MLP electricity rates did not appear to have a statistically significant impact on MLPs' overall scores. This observation dispels the frequently stated notion that MLPs cannot effectively increase energy efficiency or transition to clean energy without increasing rates significantly. While some policies and practices undoubtedly affect rates overall, initial models indicate that ambitious steps to combating climate change can be taken without drastically increasing the costs that customers pay for their electricity.

Despite the diversity of districts, evaluating MLPs as a group of actors provides insight into specific contributions these public utilities are making in key performance areas – including energy efficiency, a just transition, and transparency. The unique characteristics of individual MLP districts also provide the local context through which our final scoring can be better understood, district by district.