RMI

ELECTRICITY AFFORDABILITY TOOLKIT

Better Alignment Between Electric and Gas Planning

COST CONTROL

AT A GLANCE

TARGET COST DRIVERS

The policy can help to ease customer cost pressures created by these drivers

- **Aging grid infrastructure**
- **Misaligned utility incentives**

IMPACT TIME HORIZON

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How long it typically takes before changes materialize in utility behavior or customer bills

Medium-term (2–5 years)

POTENTIAL COST SAVINGS

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The level of cost savings that can reasonably be expected to result from this policy

Variable

CONTEXT AND BACKGROUND

Electric and gas utilities have traditionally planned their systems separately, leading to higher costs and missed savings, but aligning their planning helps optimize investments, reduce duplication, and support affordability through demand-side and distributed resources, along with targeted electrification.

Alignment also enables better targeted customer programs, like efficiency measures, varied electrification measures, and targeted distributed energy resource (DER) deployment that avoid costs associated with unnecessary capacity expansions of gas or electric systems, coupled with changing demand patterns.

Alignment can take the form of or be benefited by initiating new or refining existing gas planning processes, coordination between electric and gas planning assumptions and results, and integration of state policy goals into planning processes.

REAL-WORLD EXAMPLES

In December 2023, the **Massachusetts** Department of Public Utilities (DPU) issued an order setting a new regulatory framework for the future of gas distribution. It requires local gas distribution companies to file Climate Compliance Plans and coordinate with electric utilities on targeted electrification and decarbonization strategies, and to consider non-gas alternatives to gas expansion projects. Massachusetts General Laws Chapter 25 authorizes the DPU to undertake a variety of activities, including issuing orders.

In October 2024, the **Minnesota** Public Utilities Commission (PUC) approved a new gas utility integrated resource planning framework that requires the state's three largest gas utilities to conduct long-term planning with stakeholder input and commission oversight. Under Minnesota state statute, the PUC is authorized to undertake a variety of activities, including approving such frameworks.

The **Washington** Utilities and Transportation Commission is required by state law to adopt rules for consolidated planning by large combination electric and natural gas utilities. The Commission must also establish a cost-effectiveness test for emissions reduction measures taken by these utilities to comply with Washington's energy and climate policies.

IMPACT TIME HORIZON

Medium-term (2–5 years)

Policy and regulatory changes can be implemented within a few years, with cost impacts realized as new investments are approved and executed.

POTENTIAL COST SAVINGS

Variable

While cost savings will vary based on policy design and implementation, avoiding redundant infrastructure and optimizing investments across both systems can yield substantial long-term savings for utilities and customers, as well as more fairness in allocation of costs across fuels and customers.

FURTHER READING

- "Opportunities for Integrating Electric and Gas Planning," Regulatory Assistance Project, 2025
- "A Strategic Framework for Utility Cost Control," RMI, 2025