

HOUSE No. 4152

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act relative to energy efficiency funds generated by municipal light plants.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 21A of the General Laws, as appearing in the 2012 Official
2 Edition, is hereby amended by inserting after Section 22 the following new section:-

3 Section 22A. (a) Subject to section 22 of chapter 21A, not less than 80 per cent of
4 amounts generated by the carbon dioxide allowance trading mechanism established under the
5 Regional Greenhouse Gas Initiative Memorandum of Understanding, as defined in subsection (a)
6 of section 22, and the NOx Allowance Trading Program shall be used to equitably fund (i)
7 electric energy efficiency programs reviewed and approved by the department of public utilities
8 under chapter 25; and (ii) electric energy efficiency programs administered by MLP Program
9 Administrators subject to section 16 of chapter 25A.

10 SECTION 2. Section 19 of Chapter 25 of the General Laws, as so appearing, is hereby
11 amended by striking out subsection (a) and inserting in place thereof the following subsection:-

12 (a) The department shall require a mandatory charge of 2.5 mills per kilowatt-hour for all
13 consumers, except those served by a municipal lighting plant, to fund energy efficiency
14 programs including, but not limited to, demand side management programs. The programs shall
15 be administered by the electric distribution companies and by municipal aggregators with energy
16 plans certified by the department under subsection (b) of section 134 of chapter 164. In addition
17 to the aforementioned mandatory charge, such programs shall also be funded, without further
18 appropriation, by: (1) amounts generated by the distribution companies and municipal
19 aggregators under the Forward Capacity Market program administered by ISO-NE, as defined in
20 section 1 of chapter 164; and (2) cap and trade pollution control programs, including, but not
21 limited to, and subject to section 22 of chapter 21A, funding allocated under section 22A of
22 chapter 21A; and (3) other funding as approved by the department after consideration of: (i) the
23 effect of any rate increases on residential and commercial consumers; (ii) the availability of other

24 private or public funds, utility administered or otherwise, that may be available for energy
25 efficiency or demand resources; and (iii) whether past programs have lowered the cost of
26 electricity to residential and commercial consumers. In authorizing such programs, the
27 department shall ensure that they are delivered in a cost-effective manner capturing all available
28 efficiency opportunities, minimizing administrative costs to the fullest extent practicable and
29 utilizing competitive procurement processes to the fullest extent practicable.

30 SECTION 3. Chapter 25A of the General Laws, as so appearing, is hereby amended by
31 inserting after Section 15 the following new section:-

32 Section 16. (a) The following term as used in this section shall have the following
33 meaning:

34 “MLP Program Administrator”, means the Massachusetts Municipal Wholesale Electric
35 Company established under Chapter 775 of the Acts of 1975, Energy New England LLC or their
36 successors as determined by participating municipal lighting plants.

37 (b) To be eligible for funding under section 22A of Chapter 25 a MLP Program
38 Administrator shall annually submit the following to the department: (1) a report of projected
39 program expenditures and program savings, and (2) upon completion of each program year, a
40 report of program activities, program expenditures and program savings. Such reports shall be
41 consistent with the evaluation, measurement and verification requirements of the energy
42 efficiency programs administered by the electric distribution companies and municipal
43 aggregators under chapter 25.

44 (c) MLP Program Administrators shall be responsible for ensuring that energy efficiency
45 programs funded from proceeds generated by the Regional Greenhouse Gas Initiative align with
46 those administered by the electric distribution companies and municipal aggregators under
47 Section 21 of Chapter 25, and are, thus, eligible to be counted toward the Commonwealth’s
48 overall energy savings goals, including those related to emissions reductions.

49 (d) Provided that a MLP Program Administrator has complied with subsections (b) and
50 (c), has not made an election under subsection (e), and has not otherwise poorly managed its
51 programs, the department shall transfer funds periodically to the MLP Program Administrators,
52 subject to sections 22 and 22A of Chapter 21A, in such manner, and within such time as the
53 transfer of funds for programs administered by electric distribution companies and municipal
54 aggregators under section 21 of Chapter 25. The department may adjust transfers to reconcile for
55 projected expenditures and actual expenditures in a previous program year.

56 (e) Any municipal light plant or MLP Program Administrator may annually, at its option,
57 elect not comply with the requirements of this section and not to receive funding for energy
58 efficiency programs under section 22A of Chapter 25. In the event of such election such

59 municipal lighting plant would not be subject to any energy efficiency and demand side
60 management programs requirements, if any, established under this section.

61 (f) Any amounts distributed under and received by municipal lighting plants or MLP
62 Program Administrators under this section and section 22A of Chapter 21A shall not subject
63 municipal lighting plants to any other general or special law except this section and section 22A
64 of Chapter 21A.