

HOUSE No. 2694

The Commonwealth of Massachusetts

PRESENTED BY:

Thomas A. Golden, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to aggregated gas power.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|------------------------------|-----------------------|------------------|
| <i>Thomas A. Golden, Jr.</i> | <i>16th Middlesex</i> | <i>1/19/2017</i> |
| <i>Paul Brodeur</i> | <i>32nd Middlesex</i> | |
| <i>Colleen M. Garry</i> | <i>36th Middlesex</i> | |

HOUSE No. 2694

By Mr. Golden of Lowell, a petition (accompanied by bill, House, No. 2694) of Thomas A. Golden, Jr., Paul Brodeur and Colleen M. Garry relative to aggregated gas power. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to aggregated gas power.

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. Section 134 of chapter 164 of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended by striking out subsection (a) and subsection (b) in their
3 entirety and inserting therein the following subsections:-

4 (a) Any municipality or any group of municipalities acting together within the
5 commonwealth may aggregate the electrical load of interested electricity consumers or the
6 natural gas load of interested gas consumers within its boundaries; provided, however, that such
7 municipality or group of municipalities shall not aggregate electrical load or natural gas load if
8 such are served by an existing municipal lighting plant or an existing municipal gas plant. Such
9 municipality or group of municipalities may group retail electricity customers to solicit bids,
10 broker, and contract for electric power and energy services for such customers and may group
11 retail gas customers to solicit bids, broker, and contract for the supply of natural gas for such
12 customers. Such municipality or group of municipalities may enter into agreements for services

13 to facilitate the sale and purchase of electric energy and other related services and agreements for
14 services to facilitate the sale and purchase of natural gas. Such service agreements may be
15 entered into by a single city, town, county, or by a group of cities, towns, or counties.

16 A municipality or group of municipalities which aggregates its electrical load or natural
17 gas load and operates pursuant to the provisions of this section shall not be considered a utility
18 engaging in the wholesale purchase and resale of electric power or natural gas. Providing electric
19 power or energy services to aggregated electric customers or natural gas supply to aggregated
20 gas customers within a municipality or group of municipalities shall not be considered a
21 wholesale utility transaction. The provision of aggregated electric power and energy services as
22 authorized by this section shall be regulated by any applicable laws or regulations which govern
23 aggregated electric power and energy services in competitive markets. The provision of
24 aggregated natural gas supply as authorized by this section shall be regulated by any applicable
25 laws or regulations that govern aggregated natural gas supply in competitive markets.

26 A town may initiate a process to aggregate electrical load or natural gas load upon
27 authorization by a majority vote of town meeting or town council. A city may initiate a process
28 to authorize aggregation by a majority vote of the city council, with the approval of the mayor, or
29 the city manager in a Plan D or Plan E city. Two or more municipalities may, as a group, initiate
30 a process jointly to authorize aggregation by a majority vote of each particular municipality as
31 herein required.

32 Upon an affirmative vote to initiate said process, a municipality or group of
33 municipalities establishing an electric or gas load aggregation pursuant to this section shall, in
34 consultation with the department of energy resources, pursuant to section 6 of chapter 25A,

35 develop a plan, for review by its citizens, detailing the process and consequences of aggregation.
36 Any municipal load aggregation plan established pursuant to this section shall provide for
37 universal access, reliability, and equitable treatment of all classes of customers and shall meet
38 any requirements established by law or the department of public utilities concerning aggregated
39 electric or gas load or electric energy service. Said plan shall be filed with the department of
40 public utilities, for its final review and approval, and shall include, without limitation, an
41 organizational structure of the program, its operations, and its funding; rate setting and other
42 costs to participants; the methods for entering and terminating agreements with other entities; the
43 rights and responsibilities of program participants; and termination of the program. Prior to its
44 decision, the department of public utilities shall conduct a public hearing.

45 Participation by any retail customer in a municipal or group aggregation program shall be
46 voluntary. Within 30 days of the date the aggregated entity is fully operational, such retail
47 customers shall be transferred to the aggregated entity according to an opt-out provision herein.
48 Following adoption of aggregation through the votes specified above, such program shall allow
49 any retail customer to opt-out and choose any supplier or provider such retail customer wishes.
50 Once enrolled in the aggregated entity, any retail customer choosing to opt-out within 180 days
51 shall do so without penalty and shall be entitled to receive their electricity supply through the
52 local electric utility's basic service or their gas supply through the local gas utility's default
53 service, as if he was originally enrolled therein. Nothing in this section shall be construed as
54 authorizing any city or town or any municipal electric or gas load aggregator to restrict the
55 ability of retail customers to obtain or receive service from any authorized provider thereof.

56 It shall be the duty of the aggregated entity to fully inform participating retail customers
57 in advance of automatic enrollment that they are to be automatically enrolled and that they have

58 the right to opt-out of the aggregated entity without penalty. In addition, such disclosure shall
59 prominently state all charges to be made and shall include full disclosure of the electric basic
60 service rate and gas default service rate, how to access it, and the fact that it is available to them
61 without penalty. The department of energy resources shall furnish, without charge, to any citizen
62 a list of all other supply options available to them in a meaningful format that shall enable
63 comparison of price and product.

64 (b) A municipality or group of municipalities establishing an electric load aggregation
65 program pursuant to subsection (a) may, by a vote of its town meeting or legislative body,
66 whichever is applicable, adopt an electrical energy plan which shall define the manner in which
67 the municipality or municipalities may implement electric demand side management programs
68 and renewable energy programs that are consistent with any state energy conservation goals
69 developed pursuant to chapter 25A or chapter 164. After adoption of the electrical energy plan
70 by such town meeting or other legislative body, the city or town clerk shall submit the plan to the
71 department of public utilities to certify that it is consistent with any such state energy electrical
72 conservation goals. If the plan is certified by the department of public utilities, the municipality
73 or group of municipalities may apply to the Massachusetts clean energy technology center for
74 monies from the Massachusetts Renewable Energy Trust Fund, established pursuant to section 9
75 of chapter 23J, and receive, and if approved, expend moneys from the electric demand side
76 management system benefit charges or line charges in an amount not to exceed that contributed
77 by electric retail customers within said municipality or group municipalities. This will not
78 prevent said municipality or municipalities from applying to the Massachusetts clean energy
79 technology center for additional funds. If the department of public utilities determines that the
80 electrical energy plan is not consistent with any such state-wide goals, it shall inform the

81 municipality or group of municipalities within six months by written notice the reasons why it is
82 not consistent with any such state-wide goals. The municipality or group of municipalities may
83 re-apply at anytime with an amended version of the electrical energy plan.

84 The municipality or group of municipalities shall not be prohibited from proposing for
85 certification an electrical energy plan which is more specific, detailed, or comprehensive or
86 which covers additional subject areas than any such state-wide conservation goals. This
87 subsection shall not prohibit a municipality or group of municipalities from considering,
88 adopting, enforcing, or in any other way administering an electrical energy plan which does not
89 comply with any such state-wide conservation goals so long as it does not violate the laws of the
90 commonwealth.

91 The municipality or group of municipalities shall, within two years of approval of its
92 electrical energy plan or such further time as the department of public utilities may allow,
93 provide written notice to the department of public utilities that its electrical energy plan is
94 implemented. The department of public utilities may revoke certification of the electrical energy
95 plan if the municipality or group of municipalities fails to substantially implement such plan or if
96 it is determined by independent audit that the funds were misspent within the time allowed under
97 this subsection. The department of public utilities shall promulgate regulations consistent with
98 subsection (a) and subsection (b), allowing sufficient time for a local gas company to plan for
99 and implement billing systems that can accommodate the requirements of this section.

100 SECTION 2. Section 1D of Chapter 164, as appearing in the 2014 Official Edition, is
101 hereby amended by inserting after the words “as approved by the department” in line 57 the
102 following words:

103 For natural gas suppliers who have chosen the complete billing method, the local gas
104 company shall make timely payments to such suppliers in accordance with this paragraph. The
105 gas company shall: (a) bill all of the natural gas supplier's customers in a service class according
106 to complete billing; (b) pay such suppliers the full amounts due from customers for natural gas
107 supply in a time period consistent with the average payment period of the participating class of
108 customer, less a percentage of such amounts that reflects the average of the uncollectible bills for
109 the participating customer classes of the local gas company and other reasonable development,
110 operating or carrying costs incurred, as approved by the department of public utilities. The
111 department of public utilities shall promulgate regulations consistent with this section, allowing
112 sufficient time for a local gas company to plan for and implement billing systems that can
113 accommodate the requirements of this section.