

HOUSE No. 4045

The Commonwealth of Massachusetts

PRESENTED BY:

Erika Uytterhoeven

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 establishing an arrearage relief fund.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>2/19/2021</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>3/19/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>7/29/2021</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>8/5/2021</i>
<i>Steven C. Owens</i>	<i>29th Middlesex</i>	<i>8/10/2021</i>
<i>Danillo A. Sena</i>	<i>37th Middlesex</i>	<i>10/6/2021</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>10/6/2021</i>
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>	<i>1/21/2022</i>

HOUSE No. 4045

By Ms. Uytterhoeven of Somerville, a petition (accompanied by bill, House, No. 4045) of Erika Uytterhoeven, Mike Connolly and Lindsay N. Sabadosa for legislation to provide universal arrearage relief to the ratepayers of the Commonwealth to address utility debts as a result of the COVID-19 pandemic emergency. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act establishing an arrearage relief fund.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith universal arrearage relief to the ratepayers of the commonwealth to address mounting utility debt as a result of the COVID-19 pandemic emergency, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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 164 of the General Laws is hereby amended by adding the
2 following section:-

3 Section 149. (a) As used in this section, the following words shall, unless the context
4 clearly requires otherwise, have the following meanings:-

5 “Fee”, the greenhouse gas pollution fee established in subsection (c).

6 “Fossil fuel generated electricity”, electricity used in the commonwealth that is generated
7 by oil, coal, natural gas, petroleum products or biomass.

8 “Fund”, the Utilities Arrearage Relief Trust Fund established in subsection (b).

9 “Low income”, a household income of not more than 80 per cent of the area median
10 income, adjusted for household size, as periodically determined by the United States Department
11 of Housing and Urban Development.

12 “Non-transportation fossil fuel”, oil, coal, natural gas, petroleum products and biomass
13 for combustion of any purpose except transportation

14 (b) There shall be established and set up on the books of the commonwealth a separate
15 fund to be known as the Utilities Arrearage Relief Trust Fund. There shall be credited to the fund
16 all amounts collected pursuant to subsection (c) and any income derived from the investment of
17 amounts credited to the fund. All amounts credited to the fund shall be held in trust and shall be
18 available for expenditure, by the department for providing utilities arrearage relief, including
19 utility costs, benefits and arrearages, pursuant to subsections (e) and (f). No monies in the fund
20 shall be expended fund government operations of the commonwealth, except to pay for
21 reasonable administrative costs as provided under this section.

22 After the payment of utility costs, benefits and arrearages pursuant to said subsections (e)
23 and (f), any remaining monies in the fund shall be expended annually to low income residents of
24 the commonwealth in the form of rebates until December 31, 2025. The department shall set the
25 amount of the individual rebates to residents; provided, that each eligible resident shall receive
26 an equal rebate. The department shall coordinate with the department of revenue, the executive
27 office of health and human services, the executive office of housing and economic development
28 and other agencies in making all reasonable efforts to identify the names and addresses of all
29 eligible residents.

30 On January 1, 2026, after the payment of utility costs, benefits and arrearages pursuant to
31 said subsections (e) and (f), any remaining monies in the fund shall be expended to fund
32 renewable energy projects through the commonwealth's climate roadmap.

33 Any unexpended balance in the fund at the close of a fiscal year shall remain in the fund
34 and shall be available for expenditure in the following fiscal year. Annually, not later than
35 December 1, the department shall issue a report to the clerks of the senate and house of
36 representatives and to the chairs of the senate and house committees on ways and means on the
37 fund activities including, but not limited to, amounts credited to the fund, amounts expended
38 from the fund, and any unexpended balance.

39 (c) There shall be a greenhouse gas pollution fee imposed on non-transportation fossil
40 fuel. The fee shall be assessed pursuant to the following schedule:

41 (1) until December 31, 2025, \$60 per ton of carbon dioxide equivalent;

42 (2) for calendar year 2026, \$65 per ton of carbon dioxide equivalent;

43 (3) for calendar year 2027, \$70 per ton of carbon dioxide equivalent;

44 (4) for calendar year 2028, \$75 per ton of carbon dioxide equivalent;

45 (5) beginning calendar year 2029, \$80 per ton of carbon dioxide equivalent;

46 The fee shall be collected at the initial point of sale of the non-transportation fossil sale in
47 the commonwealth. The fee collected pursuant to this section shall not be passed on as a direct
48 cost to an end user of a fossil fuel. The department shall not approve an increase in rates on the
49 basis of the fee collected pursuant to this section.

50 Using the best information and science reasonably available, the department shall, in
51 consultation with the executive office of energy and environmental affairs and its divisions,
52 departments, offices and bureaus, determine whether to identify any greenhouse gas-emitting
53 substance or source intended for any purpose other than transportation, in addition to natural gas,
54 petroleum, coal and their derivatives, as being a fossil fuel subject to the fee.

55 Emissions from farm animals and crops shall not be subject to the fee.

56 The fee shall not be imposed on any greenhouse gas-producing substance if the
57 imposition is prohibited by federal law or regulation.

58 (d) (1) Each electric company, gas company, supplier and distribution company shall pay
59 the fee on behalf of all of their electricity customers on the basis of each kilowatt-hour of
60 electricity used by each distribution customer.

61 (2) The per-kilowatt-hour fee to be paid by the electric company and distribution
62 company for retail electricity sold to electric customers in the commonwealth shall be based on
63 the carbon intensity of the fuel mix that generated those kilowatt-hours of electricity, regardless
64 of whether the generation sources are in-state or out-of-state.

65 The electric company and distribution company shall determine the carbon intensity of
66 the fuel mix using the United States Energy Information Administration carbon dioxide
67 emissions coefficients by fuel.

68 (3) The electric company and distribution company shall deduct from the fee an amount
69 equal to the net amount the electricity supplier paid for the same year for regional greenhouse
70 gas initiative allowances related to electricity sold in the commonwealth.

71 (4) The amount deducted pursuant to paragraph (3) may not exceed the total amount of
72 the fee calculated pursuant to paragraph (1).

73 (5) A gas company shall pay the fee for all natural gas that the company distributes for
74 combustion in the commonwealth. The fee shall be calculated by multiplying the number of
75 cubic feet of natural gas used by each customer by the amount of carbon dioxide equivalents
76 released by burning 1 cubic foot of natural gas, as that value is determined by the United States
77 Energy Information Administration carbon dioxide emissions coefficients by fuel.

78 (6) Each electric company, distribution company or gas company shall reconcile annual
79 fees paid at least once each year.

80 (7) The department shall, in consultation with the secretary of energy and environmental
81 affairs, determine the amount of emissions, as carbon dioxide equivalents, from escaped or
82 intentionally released methane due to the extraction, processing or transport of natural gas before
83 the point of combustion in the state, and may add an additional fee to the fee for all natural gas or
84 natural gas-based electricity.

85 (8) The fees collected pursuant to this section shall be deposited by the department into
86 the fund accordance with this paragraph.

87 (9) Each company and supplier shall pay the fee no later than 30 days from the date of the
88 notice of the fee amount from the department. Failure to pay the fee within 30 days may, at the
89 discretion of the department, result in the imposition of an additional fine, the amount to be
90 determined at the discretion of the department.

91 (e) The department shall use the fund to pay off 100 per cent of all arrearages incurred by
92 ratepayers of distribution companies, electric companies, gas companies and suppliers between
93 the period of March 1, 2020 to effective date of this section, to be paid over a period of 5 years
94 from the effective date of this section.

95 To be eligible for receiving assistance from the fund, municipal lighting plants shall
96 submit to the department arrearage information incurred between March 1, 2020 to the effective
97 date of this section.

98 (f) The department shall use the fund to pay off 50 per cent of all residential electric and
99 gas ratepayer bills from the effective date of this section until December 31, 2025. Distribution
100 and gas companies shall deduct 50 per cent of the customer bill at the time of billing to
101 residential ratepayers. The remaining 50 per cent of the bill shall be reimbursed by the
102 department through the fund.

103 SECTION 2. The department of public utilities shall ensure that distribution and gas
104 companies are enrolling ratepayers in their arrearage management plans, as outlined in their
105 revised plans submitted in June 2020 to the department and detailed in department of public
106 utilities docket number 20-58, through publicly accessible events and communication that follow
107 the executive office of energy and environmental affairs 2017 environmental justice policy. If an
108 investor owned utility fail to enroll 100 per cent of their arrearage management plan eligible
109 ratepayers into the program by Dec 31, 2022, the department shall determine and impose an
110 annual fine, until an investor owned utility achieves 100 per cent enrollment of arrearage
111 management plan eligible ratepayers except ratepayers who choose to opt out of the arrearage
112 management plan.

113 Each distribution company shall conduct substantial outreach efforts to make their
114 arrearage management plans available to eligible customers and shall report to the department, at
115 least annually, as to its outreach activities and results. Outreach may include establishing an
116 automated program of identifying customer accounts with a qualifying amount of debt and to
117 presumptively offer enrollment in an arrearage management plan to eligible customers so
118 identified; provided, however, that the distribution company, within 60 days of said presumptive
119 enrollment, informs any such customer of said presumptive enrollment and all rights and
120 obligations of a customer under said program, including the right to withdraw from said program
121 without penalty.

122 Each distribution company shall periodically notify all customers of the availability and
123 method of enrolling in an arrearage management plan.

124 The department shall promulgate rules and regulations requiring utility companies
125 organized pursuant to this chapter 164 of the General Laws to produce information, in the form
126 of a mailing, or other approved method of distribution, to their consumers, to inform them of
127 available arrearage management programs, and send out such information semi-annually, unless
128 otherwise provided by this act.

129 All outreach and mailings related to arrearage management programs shall be made
130 available in English, Spanish, Chinese, Haitian Creole, Italian, Portuguese, Vietnamese, Laotian,
131 Khmer, Russian and any other language that is the primary language of at least 10,000 or 1/2 of 1
132 per cent of the residents of the commonwealth.

133 SECTION 3. The department of public utilities shall establish a moratorium on all
134 electric and gas rate increases, including those already approved by the department, for a period

135 of 2 years from the effective date of this act; provided, that nothing in this act shall be construed
136 as changing the rate-setting procedure as set forth in chapters 25 and 164 of the General Laws
137 and title 220 of the code of Massachusetts regulations.

138 SECTION 4. The department of public utilities shall, in consultation with the department
139 of environmental protection and the department of energy resources, assess and collect the initial
140 fees pursuant to section 1 required for the full funding and operation of the Utilities Arrearage
141 Relief Trust Fund, established pursuant to section 149 of chapter 164 of the General Laws, not
142 more than 90 days after the effective date of this act.

143 SECTION 5. The department of public utilities shall promulgate rules and regulations
144 and shall perform such functions as necessary for the administration, implementation and
145 enforcement of this act; provided, that the department shall promulgate rules and regulations for
146 sections 2 and 3 within 90 days of the effective date of this act.