SENATE DOCKET, NO. 2346 FILED ON: 1/20/2023

SENATE . . . . . No. 2082

The Commonwealth of Massachusetts

PRESENTED BY:

Michael J. Barrett

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 to establish a clean heating initiative in the commonwealth and reorganize the energy efficiency programs known as MassSave.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Michael J. Barrett	*Third Middlesex*	
Lindsay N. Sabadosa	*1st Hampshire*	*1/31/2023*
Jason M. Lewis	*Fifth Middlesex*	*2/3/2023*
Joanne M. Comerford	*Hampshire, Franklin and Worcester*	*2/3/2023*
Michael O. Moore	*Second Worcester*	*2/15/2023*
James B. Eldridge	*Middlesex and Worcester*	*3/6/2023*
Pavel Payano	*First Essex*	*11/8/2023*

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SENATE . . . . . No. 2082

By Mr. Barrett, a petition (accompanied by bill, Senate, No. 2082) of Michael J. Barrett, Lindsay N. Sabadosa, Jason M. Lewis, Joanne M. Comerford and other members of the General Court for legislation to establish a clean heating initiative in the commonwealth and reorganize the energy efficiency programs known as MassSave. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act to establish a clean heating initiative in the commonwealth and reorganize the energy efficiency programs known as MassSave.

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

SECTION 1. Section 19 of chapter 25 of the General Laws is hereby amended, in subsection (a), by striking out the second sentence and inserting in place thereof the following sentence:- The programs shall be administered by the board of the commonwealth clean heating initiative as established in section 21A of this chapter in consultation with the electric distribution companies and municipal aggregators with energy plans certified by the department under subsection (b) of section 134 of chapter 164.

SECTION 2. Said section 19 of said chapter 25 is hereby further amended by striking out subsection (b) and inserting in place thereof the following subsection:-

(b) The department may approve and fund gas energy efficiency programs proposed by gas distribution companies, including, but not limited to, demand side management programs; provided, that any gas energy efficiency programs so approved and funded shall be administered

12 by the board of the commonwealth clean heating initiative established in section 21A of this
13 chapter in consultation with said gas distribution companies. Energy efficiency activities eligible
14 for funding under this section shall include combined heat and power and geothermal heating
15 and cooling projects. Funding may be supplemented by funds authorized by section 21. In
16 administering such programs, the board of the commonwealth clean heating initiative shall
17 ensure that they are delivered in a cost-effective manner capturing all available efficiency
18 opportunities, minimizing administrative costs to the fullest extent practicable; provided,
19 however, that when determining cost-effectiveness, the calculation of program benefits shall
20 include calculations of the social value of greenhouse gas emissions reductions, except in the
21 cases of conversions from fossil fuel heating and cooling to fossil fuel heating and cooling and
22 utilizing competitive procurement processes to the fullest extent practicable.

23 SECTION 3. Section 20 of said chapter 25 is hereby amended by striking out subsection
24 (a) and inserting in place thereof the following subsection:-

25 (a) The department shall require a mandatory charge of 0.5 mill per kilowatt-hour for all
26 electricity consumers, except those served by a municipal lighting plant which does not supply
27 generation service outside its own service territory or does not open its service territory to
28 competition at the retail level, to support the development and promotion of renewable energy
29 projects. In the event the department approves and funds gas energy efficiency programs
30 pursuant to section 19 of this chapter, the department shall provide a source of funding by
31 requiring a mandatory charge per therm for all gas customers; provided, that the department shall
32 propose a specific charge or range of charges, following which the department of public utilities
33 shall determine the exact charge to be levied after conducting an adjudicatory proceeding to
34 determine said charge. All revenues generated by charges required pursuant to this section shall

35 be deposited into the Massachusetts Renewable Energy Trust Fund established under section 9 of
36 chapter 23J.

37 SECTION 4. Section 21 of said chapter 25 is hereby amended by inserting, after the first
38 sentence of paragraph (1) of subsection (b), the following sentence:- Each plan shall be
39 administered by the board of the commonwealth clean heating initiative established in section
40 21A of this chapter.

41 SECTION 5. Said section 21 of said chapter 25 is hereby further amended by striking
42 out subsection (c) and inserting in place thereof the following subsection:-

43 (c) Each plan prepared under subsection (b) shall be submitted for approval and comment
44 by the board of the commonwealth clean heating initiative, hereinafter the board, established in
45 section 21A of this chapter every 3 years on or before March 30 and by the energy efficiency
46 advisory council every 3 years on or before April 30. The electric and natural gas distribution
47 companies and municipal aggregators shall provide any additional information requested by the
48 board and the council that is relevant to the consideration of the plan. The board and the council
49 shall review the plan and any additional information and shall submit their approval or comments
50 to the electric and natural gas distribution companies and municipal aggregators not later than 3
51 months after their respective receipts of the plan. The electric and natural gas distribution
52 companies and municipal aggregators may make any changes or revisions to reflect the input of
53 the board and the council.

54 SECTION 6. Said section 21 of said chapter 25 is hereby further amended, in paragraph
55 (1) of subsection (d), by striking out the first sentence and inserting in place thereof the
56 following sentence:- The electric and natural gas distribution companies and municipal

57 aggregators shall submit their respective plans, together with the board's and the council's
58 approval or comments and a statement of any unresolved issues, to the department every 3 years
59 on or before October 31.

60 SECTION 7. Said chapter 25 is hereby further amended by inserting after section 21 the
61 following section:-

62 Section 21A. (a) There is hereby established a commonwealth clean heating initiative,
63 hereinafter the clean heating initiative. There shall be a board, known as the board of the
64 commonwealth clean energy initiative, with duties and powers established pursuant to this
65 section, to govern the energy efficiency programs established pursuant to sections 19 to 22,
66 inclusive, of this chapter. Its members shall be: the secretary of energy and environmental affairs
67 or her designee; the commissioner of the department of energy resources or her designee; the
68 secretary of housing and community development or her designee; 1 individual appointed by the
69 energy efficiency advisory council; 1 individual appointed by the metropolitan area planning
70 council; and 4 individuals appointed by the governor, 2 of whom shall be representatives of the
71 electric distribution companies, chosen by the governor from a list of 3 nominees submitted by
72 the electric distribution companies operating within the commonwealth, and 2 of whom shall be
73 representatives of natural gas distribution companies, chosen by the governor from a list of 3
74 nominees submitted by the natural gas distribution companies operating within the
75 commonwealth. At least 3 members of the commission shall reside in low-income communities,
76 the city of Boston, or in gateway municipalities as defined in section 3A of chapter 23A.

77 A vacancy occurring on the board shall be filled within 90 days by the original
78 appointing authority. A person appointed to fill a vacancy shall serve initially only for the
79 unexpired term. Members of the board shall be eligible for reappointment.

80 (b) The board of the commonwealth clean energy initiative, hereinafter the board, shall
81 work with the chief executive officer of the clean heating initiative appointed pursuant to this
82 section to administer, in consultation with the program administrators, the energy efficiency
83 programs of the commonwealth established pursuant to sections 19 through 22, inclusive, of this
84 chapter. The board shall be responsible for promoting the cost-effectiveness of energy efficiency
85 programs and for achieving the greenhouse gas emissions limits and sublimits set pursuant to
86 chapter 21N. The board shall be responsible for tracking and assessing the operation and success
87 of said programs.

88 (c) Meetings of the board shall be subject to sections 18 to 25, inclusive, of chapter 30A.
89 The board shall be subject to all other provisions of said chapter 30A and records pertaining to
90 the administration of the board shall be subject to section 42 of chapter 30 and section 10 of
91 chapter 66. Except as otherwise provided in this section, the operations of the board shall be
92 subject to chapter 268A and chapter 268B.

93 (d) The board shall appoint a chief executive officer of the clean heating initiative,
94 hereinafter the chief executive officer, by a majority vote. The chief executive officer shall be
95 selected without regard to political affiliation and solely on the basis of qualifications and
96 experience as the board determines necessary and desirable. In consultation with the program
97 administrators, the chief executive officer of the clean heating initiative shall provide general

98 management and operations of said energy efficiency programs. The chief executive officer shall
99 receive a salary commensurate with the duties of the office.

100 The chief executive officer shall serve for a term of 5 years. If the position of chief
101 executive officer is vacated mid-term, a successor shall be appointed in the same manner as the
102 original appointment for the remainder of the term.

103 The board may remove the chief executive officer from office, for cause, by a majority
104 vote. The reasons for removal of the chief executive officer shall be stated in writing and shall
105 include the basis for such removal.

106 (e) The chief executive officer shall, with the approval of the board and in consultation
107 with the program administrators: (i) plan, direct, coordinate and execute administrative functions
108 in conformity with the policies and directives of the energy efficiency programs; (ii) employ
109 professional and clerical staff as necessary; (iii) report to the board on all operations under its
110 control and supervision; (iv) prepare an annual budget sufficient to pay for board activities and
111 responsibilities; (v) oversee coordination between the energy efficiency advisory council,
112 participating utilities, and the department of public utilities; and (vi) undertake any other
113 activities necessary to achieve the purposes of the programs established pursuant to this chapter.

114 (f) The board may approve the use of funds from receipt of monies collected pursuant to
115 section 20 of this chapter to support the annual budget of the board, in addition to funds from any
116 other source and any funds appropriated therefor by the general court. The board shall not be
117 required to obtain the approval of another executive agency in connection with the development
118 and administration of its annual budget.

119 SECTION 8. Section 22 of said chapter 25 is hereby amended, in subsection (b), by
120 inserting, in the second sentence, after the word “with” the following words:- the board of the
121 commonwealth clean heating initiative, hereinafter the board, established in section 21A of this
122 chapter, and

123 SECTION 9. Said section 22 of said chapter 25 is hereby further amended by striking
124 out subsection (d) and inserting in place thereof the following subsection:-

125 (d) The board, electric and natural gas distribution companies and municipal aggregators
126 shall provide quarterly reports to the council on the execution of their responsibilities and the
127 implementation of their respective plans. The reports shall include a description of the board’s
128 and the program administrator's progress in implementing the plan, a summary of the savings
129 secured to date, a quantification of the degree to which the activities undertaken pursuant to each
130 plan contribute to meeting any and all greenhouse gas emission limits and sublimits imposed by
131 statute or regulation and such other information as the council shall determine. The council shall
132 provide an annual report to the department and the joint committee on telecommunications,
133 utilities and energy on the execution of responsibilities and the implementation of plans which
134 includes descriptions of the programs, expenditures, cost-effectiveness and savings and other
135 benefits during the previous year and a quantification of the degree to which the activities
136 undertaken pursuant to each plan contribute to meeting any and all greenhouse gas emission
137 limits and sublimits imposed by statute or regulation.

138 SECTION 10. Notwithstanding any general or special law or regulation to the contrary,
139 the department of energy resources, hereinafter the department, shall conduct an analysis of
140 programs, investment plans, projects, initiatives, and funding sources offered by state

141 government, federal government, local government, and for-profit and not-for-profit entities, and
142 made available in the commonwealth to promote building energy efficiency and decarbonization,
143 including the electric energy efficiency programs, gas energy efficiency programs, energy
144 efficiency investment plans, and natural gas efficiency investment plans established pursuant to
145 chapter 25 of the general laws and known collectively as Mass Save.

146 In addition to the programs and investment plans known collectively as Mass Save,
147 additional programs, plans, projects, initiatives, and funding sources subject to the analysis shall
148 include, but not be limited to, (a) energy efficiency programs established by municipal lighting
149 plants; (b) renewable energy portfolio standards established pursuant to section 11F of chapter
150 25A of the general laws and alternative portfolio standards established pursuant to section
151 11F1/2 of chapter 25A; (c) municipal lighting plant greenhouse gas emissions standards
152 established pursuant to section 11F3/4 of chapter 25A, as amended by section 33 of chapter 8 of
153 the Acts of 2021; (d) other energy conservation, solar, and renewable and alternative energy
154 programs developed, administered, overseen or coordinated by the commonwealth; (e) other
155 relevant activities undertaken by the executive office of energy and environmental affairs, its
156 various department and bureaus, and other offices and agencies of the executive branch and
157 quasi-autonomous authorities of the commonwealth; (f) grant, loan, training, and investment
158 programs offered by the Massachusetts clean energy technology center pursuant to chapter 23J
159 of the general laws; and (g) other relevant energy efficiency and decarbonization programs,
160 regional and local planning activities, and advisory and technical support services undertaken or
161 sponsored by nonprofit and community organizations, investor-owned utilities, municipal
162 lighting plants, builders and developers, manufacturers and vendors of heating, ventilation and
163 air conditioning equipment, and vendors of oil, propane and wood products and services.

164 The purposes of the analysis shall be to improve the effectiveness of, and coordination
165 among, programs, investment plans, projects, initiatives, and funding sources; and assist
166 residents of the commonwealth and ensure compliance with the greenhouse gas emissions limits
167 and sublimits set for the commonwealth pursuant to chapter 21N of the general laws. To
168 advance these purposes, the analysis shall take note of the final report of the Massachusetts
169 Commission on Clean Heat dated November 30, 2022, and other sources; examine relevant
170 statutes, regulations, ordinances, and bylaws adopted in various federal, state, and local
171 jurisdictions; evaluate potential new organizational configurations and funding approaches; and
172 reduce any structural or inherent conflicts of interest that in the department's judgment may
173 impede the realization of such purposes.

174 In addition to the analysis, the department shall submit recommendations regarding
175 reorganization of the process for proposing, preparing, and administering the energy efficiency
176 programs and investment plans in the commonwealth established pursuant to chapter 25 of the
177 general laws and known collectively as Mass Save, together with any legislative or budgetary
178 recommendations that may facilitate the implementation of said recommendations, taking into
179 account all other pertinent programs, plans, projects, initiatives, and funding sources available in
180 the commonwealth to support building energy efficiency and decarbonization.

181 The department shall present its analysis and recommendations by filing the same with
182 the clerks of the house of representatives and the senate, the house and senate committees on
183 ways and means, and the joint committee on telecommunications, utilities and energy not later
184 than July 1, 2024.