

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

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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