

HOUSE No.



OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
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MAURA T. HEALEY
GOVERNOR

KIMBERLEY DRISCOLL
LIEUTENANT GOVERNOR

May 13, 2025

To the Honorable Senate and House of Representatives,

I am pleased to submit for your consideration an Act relative to energy affordability, independence, and innovation. The legislation takes a comprehensive approach to driving down rising energy costs, making our state more energy independent, sparking innovation in the energy sector, and improving accountability and consumer protection standards. Together, these provisions in the Act have the potential to reduce ratepayer costs by more than \$10 billion over the next decade alone.

Affordability

Under the Act, Massachusetts would reform or phase out ratepayer programs that are no longer cost effective. This includes a proposed phaseout of the Alternative Portfolio Standard charge on the bill and a reduction to the net metering credit rates that new large standalone solar, wind, and other technologies can receive, saving customers hundreds of millions of dollars.

Utility bills have multiple usage-based "reconciling charges" on energy bills that can cause bills to spike during peak usage months and also discourages customer adoption of efficient heat pumps and electric vehicles. The Act would require the Department of Public Utilities (DPU) to review and reform these charges and would also direct the DPU to set caps on the amount that rates can increase month-to-month.

As part of the restructuring of the electric utility sector, many states used the securitization of utility assets to limit ratepayer impacts of the process. Massachusetts used this financing method then and we now face a similar situation as we seek to improve and expand our electrical grid and upgrade our building stock. This legislation updates the statutory authorization

to allow utilities to take advantage of this mechanism by issuing electric and gas rate reduction bonds to lower bill impacts associated with important utility investments and programs.

Mass Save is an extremely popular and successful program that has delivered over \$34 billion in benefits and savings to ratepayers since 2010. That said, informed by the 2022 Clean Heat Commission and an analysis that engaged hundreds of stakeholders, the Act seeks to streamline program delivery and enhance the customer experience. This streamlines program administration to meet evolving customer preferences, technological advancements, and state priorities, leading to a projected 10% savings in administrative costs.

The Act will reform the residential competitive retail supply market by eliminating products that are most harmful to consumers today, expanding licensure requirements, increasing consumer protection standards, and improving the DPU's oversight capabilities, all while preserving the option for residential customers to choose their own supplier.

The current basic service procurement process is rigid and can result in significant seasonal price swings for ratepayers, particularly from one season to the next. The Act aims to reduce bill volatility by giving the DPU and electric utilities flexibility on the timing and duration of basic service electricity supply procurements.

Energy Independence

Currently, utilities serve as the contracting entity for clean energy procurements, while the Department of Energy Resources (DOER) negotiates the contracts. The utilities charge a fee for being the contracting agent, which is projected to burden ratepayers with billions in costs over the coming decades. The Act grants DOER with expanded authority to conduct solicitations and enter into contracts with clean new sources of energy generation, transmission, energy storage, and demand response. These resources could help reduce reliance on imported fuels, decrease volatility in seasonal energy prices, and lower future customer bills by removing the utilities' responsibility to sign contracts.

Gas companies are permitted to own and operate multi-customer geothermal networks but cannot currently own geothermal heat loops that serve individual customers. The Act will allow gas companies to own heat loops for individual customers, such as universities and hospitals, helping them overcome upfront cost challenges that are a barrier to deploying what is the most efficient heating and cooling technology available. These investments will come at no cost to other customers but will benefit all customers by avoiding the need for costly grid upgrades. They will also help reduce the state's reliance on imported fossil fuels and help contribute to the establishment of a new homegrown industry with good-paying, union jobs.

In Massachusetts, in addition to requiring rigorous federal, state, and local approvals through formal siting and licensing processes that require public input, any proposed new nuclear fission facility must also secure approval via a statewide ballot initiative with a majority vote. No

other generation source in the state requires this statewide ballot initiative approval. This Act would repeal a 1982 law that mandates that any new nuclear facility receive approval through a statewide ballot initiative, eliminating a major barrier to the consideration of new small modular reactors that could improve reliability, stabilize prices, and decarbonize the region's power grid. Since 2020, eight of the 14 states with a nuclear moratorium or similar provisions have either fully or partially lifted limitations on building new nuclear and three more states are exploring it.

Energy Innovation

Inadequate electric and other utility infrastructure, including housing and economic development, is a significant barrier to growth in Massachusetts. Developers and businesses cite the delay and cost of utility infrastructure build-out as factors influencing their investment decisions. The Act creates processes to proactively identify and build utility infrastructure to facilitate economic development and housing, integrating economic development needs into grid planning efforts but avoids passing costs onto customers other than those that directly benefit.

The growing cost of distribution and transmission investments needed to meet increasing electric demand driven by housing, economic development, and electrification is expected to drive rate increases. The Act introduces a tool that permits non-profit entities to collaborate with utilities and co-invest in various types of utility infrastructure projects. These entities would be required to return a significant portion of the revenues they earn from investing in these projects to benefit ratepayers by funding programs that provide direct financial benefits to ratepayers or to local communities hosting the infrastructure, at no cost to ratepayers.

Inclusive Utility Investment allows utilities to invest in customer-owned energy equipment with repayment occurring through future customer bills. This provides options beyond Mass Save for customers to finance efficiency and electrification measures, with only the participating customer paying for them. The Act directs the utilities to propose programs that have the potential to reduce the need for upfront incentives paid for by all ratepayers.

Creating Accountability

This proposal strengthens the DPU's oversight of investor-owned utilities to ensure that ratepayer dollars are not directed to wasteful projects or inappropriate activities. This legislation would codify prohibitions on the use of ratepayer funds for certain travel, advertising, and lobbying expenses. The DPU would also be authorized to issue management audits of the investor-owned utilities to ensure proper management.

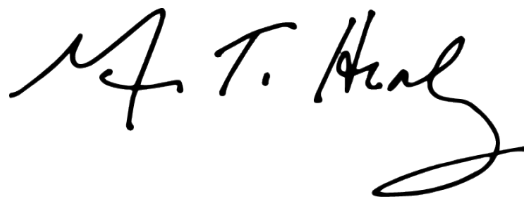
To ensure that the ratepayers can receive the maximum benefit of investments in the electrical grid, the proposal requires that electric utilities undertake comprehensive planning. This will require them to develop comprehensive load management and Virtual Power Plants plans as part of next Electric Sector Modernization Plans. These plans will allow for development to while ensuring that ratepayers can avoid costly unnecessary grid upgrades.

The bill also works to improve consumer protections and reduce costs by:

- Amending the SMART Program to ensure consumer protection standards are met;
- Allowing for a form of electric submetering in multi-family buildings that use centralized heat pumps, removing a key barrier to development of such facilities;
- Requiring a common application of solar projects to reduce administrative costs;
- Eliminating the remaining state subsidies for woody biomass generation;
- Expanding moderate low income rates to gas customers;
- Using flexible interconnection solutions to connect customers faster and cheaper;
- Enabling community microgrids at critical facilities;
- Ensuring that utility transmission investments are fully reviewed;
- Placing a moratorium on electric shutoffs during periods of unhealthy heat;
- Establishing labor standards for geothermal work performed by the utilities; and
- Clarifying the range of services that PowerOptions can provide to its clients.

This legislation is critical to ensure that Massachusetts is an affordable place for all our residents to live. I look forward to working with you to advance this critical investment in our shared future.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. T. Healey". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Maura T. Healey,
Governor

HOUSE No.

Message from Her Excellency the Governor recommending legislation relative to energy affordability, independence and innovation.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act relative to energy affordability, independence and innovation.

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 21N of the General Laws is hereby amended by striking out section
2 3B in its entirety and replacing it with the following section:

3 Section 3B. Not later than February 15 of every third year of each plan approved under
4 section 21 of chapter 25, the secretary shall set a goal, expressed in tons of carbon dioxide
5 equivalent, for the succeeding plan’s necessary contribution to meeting each statewide
6 greenhouse gas emissions limit and sublimit adopted pursuant to this chapter.

7 SECTION 2. Chapter 25 of the General Laws is hereby amended by striking out section
8 19 in its entirety and replacing it with the following section:-

9 Section 19. (a) Subject to the provisions of subsection (g) of section 21, the department
10 shall require a mandatory charge of 2.5 mills per kilowatt-hour for all consumers, except those
11 served by a municipal light plant, to fund programs supporting building decarbonization through
12 the elimination of fossil fuel end uses or reducing energy use through energy efficiency and load
13 management resources. The programs shall be administered by the electric distribution

14 companies and by municipal aggregators with energy plans certified by the department under
15 subsection (b) of section 134 of chapter 164.

16 (b) In addition to the aforementioned mandatory charge, such programs administered by
17 the electric distribution companies and by municipal aggregators with energy plans certified by
18 the department under subsection (b) of section 134 of chapter 164, shall be funded, without
19 further appropriation, by: (1) amounts generated by the distribution companies and municipal
20 aggregators under the Forward Capacity Market program administered by ISO-NE, as defined in
21 section 1 of chapter 164; (2) cap and trade pollution control programs, including, but not limited
22 to, and subject to section 22 of chapter 21A, not less than 80 per cent of amounts generated by
23 the carbon dioxide allowance trading mechanism established under the Regional Greenhouse
24 Gas Initiative Memorandum of Understanding, as defined in subsection (a) of section 22 of
25 chapter 21A, and the NOx Allowance Trading Program; (3) the building decarbonization and
26 energy efficiency surcharge established pursuant to subsection (c) approved by the department;
27 and (4) other funding as approved by the department after consideration of: (i) the effect of any
28 rate increases on residential and commercial consumers; and (ii) the availability of other private
29 or public funds, utility-administered or otherwise, that may be available for building
30 decarbonization, electrification, energy efficiency, or load management.

31 (c) The gas distribution companies shall implement a mandatory charge for all consumers
32 to support the approved statewide building decarbonization and energy efficiency investment
33 plan and other funding directed in subsections (e), (f), and (g), to be directed to the electric
34 distribution companies and municipal aggregators with certified energy plans according to a
35 method approved by the Department.

36 (d) Building decarbonization and energy efficiency program funds shall be pooled as
37 approved by the department such that all pooled funds can be used to fund and deliver aspects of
38 the statewide building decarbonization and energy efficiency plan pursuant to section 21,
39 regardless of which electric distribution company, municipal aggregator, gas distribution
40 company, or municipal light plant serves the ratepayer, as long as the municipal light plant
41 customer is served by an investor owned electric distribution company or gas distribution
42 company. At least 20 percent of the statewide plan funds shall be allocated to the low-income
43 residential sector to support comprehensive residential building decarbonization, energy
44 efficiency and education programs, and the statewide plan shall further prioritize investment to
45 support building decarbonization and energy efficiency for moderate income residential
46 households, renters and commercial small business ratepayers.

47 (e) Notwithstanding any provision of this section to the contrary, the department shall
48 annually direct the electric distribution companies and municipal aggregators with certified
49 energy plans to jointly transfer, on or before December 31, not less than \$12,000,000 in funds
50 collected pursuant to this section to the Clean Energy Investment Fund, established in section 15
51 of chapter 23J of the General Laws; provided that funds shall be appropriated for the clean
52 energy equity workforce and market development program pursuant to subsection (c) of section
53 13 of chapter 23J.

54 (f) Notwithstanding any provision of this section to the contrary, the department shall
55 annually direct the electric distribution companies and municipal aggregators with certified
56 energy plans to jointly transfer to the department of energy resources, on or before December 31,
57 funds collected pursuant to this section to pay for the costs incurred to support the development
58 and maintenance of a statewide building decarbonization and energy efficiency database. The

59 department of energy resources shall be required to file with the department on or before October
60 31 in the same year as the filing of the statewide plan, a workplan describing its plans for
61 development of the statewide database, desired outcomes, and an associated budget for
62 department approval.

63 (g) Notwithstanding any provision of this section to the contrary, the department shall
64 direct the electric distribution companies and municipal aggregators with certified energy plans
65 to jointly transfer, on or before December 31 of the second year of each term, an amount, not
66 more than \$2,000,000, approved by the department in funds collected pursuant to this section to
67 the department of energy resources to support the preparation of a statewide study of remaining
68 building decarbonization and energy efficiency potential.

69 SECTION 3. Chapter 25 of the General Laws is hereby amended by striking out sections
70 21 and 22 in their entirety and replacing it with the following two sections:-

71 Section 21. (a)(1) Every 3 years, on or before March 31, the electric distribution
72 companies and municipal aggregators with certified energy plans shall jointly prepare a cost-
73 effective statewide building decarbonization and energy efficiency investment plan. The
74 statewide plan shall provide for programs designed to support building decarbonization through
75 the elimination of fossil fuel end uses or the reduction of fossil fuel energy use through energy
76 efficiency and load management resources and shall be prepared in coordination with the
77 building decarbonization advisory council established by section 22, and must be designed to
78 meet or exceed the secretary of the executive office of energy and environmental affairs
79 greenhouse gas emission reductions, as set forth pursuant to section 3B of chapter 21N.

80 (2) The statewide plan shall include: (i) an assessment performed by the department of
81 energy resources of the estimated lifetime cost, reliability, and magnitude of available building
82 decarbonization, energy efficiency, and load management resources; (ii) the amount of demand
83 resources, including building decarbonization, electrification, efficiency, conservation, demand
84 response and load management, that are proposed to be acquired under the plan and the basis for
85 this determination; (iii) the estimated energy cost savings that the acquisition of such resources
86 will provide to electricity and natural gas consumers, including, but not limited to, reductions in
87 capacity and energy costs and increases in rate stability and affordability for low-income
88 customers; (iv) a proposed mechanism which provides performance incentives to the companies
89 based on their success in meeting or exceeding the building decarbonization and energy
90 efficiency goals in the plan; (v) the budget that is needed to support the programs; (vi) a fully
91 reconciling funding mechanism which may include, but which shall not be limited to, the charge
92 authorized by section 19; (vii) the estimated amount of reduction in peak load that will be
93 realized from each option; (viii) an estimate of the social value of greenhouse gas emissions
94 reductions that will result from the plan, including a numerical value of the plan's contribution to
95 meeting each statewide greenhouse gas emissions limit and sublimit set by statute or regulation,
96 together with provisions for giving each value prominent display in communications and plan
97 documents; (ix) data showing the percentage of all monies collected that will be used for direct
98 consumer benefit, such as incentives and technical assistance to carry out the plan; (x)
99 consideration of historic and present program participation by small business ratepayers and low
100 and moderate-income households, including households that rent; (xi) strategies and investments
101 that the programs will undertake to achieve equitable access and reduce or eliminate any
102 disparities in program uptake; and (xii) a method for capturing the following data to assess the

103 plan's services to low-income and underserved ratepayers such as moderate income, renters, and
104 small business ratepayers: (A) the total number of ratepayers per municipality served; (B) the
105 total statewide plan surcharge dollars paid by ratepayers as part of their utility bills per
106 municipality served; and (C) the total incentives provided by the program administrators by
107 municipality served, delineated by utility and sector, including residential, residential low-
108 income, and commercial and industrial.

109 (3) The statewide plan shall include a description of programs, which may include, but
110 that shall not be limited to: (i) programs to support building decarbonization through the
111 elimination of fossil fuel end uses; (ii) energy efficiency and load management programs,
112 including energy storage and other active demand management technologies; (iii) programs for
113 research, development, and commercialization of products or processes, which support building
114 decarbonization through the elimination of fossil fuel end uses; (iv) programs for development of
115 markets for such products and processes, including recommendations for new appliance and
116 product efficiency standards; (v) programs providing support for energy use assessment, real
117 time monitoring systems, engineering studies and services related to new construction or major
118 building renovation, including integration of such assessments, systems, studies and services
119 with building energy codes programs and processes, or those regarding the development of high
120 performance or sustainable buildings that exceed code; (vi) programs for planning and
121 evaluation; (vii) programs providing commercial, industrial and institutional customers with
122 greater flexibility and control over building decarbonization and energy efficiency investments
123 funded by the programs at their facilities; (viii) programs for public education regarding building
124 decarbonization, energy efficiency and load management programs; (ix) programs for the
125 purchase of energy efficient appliances and heating, air conditioning and light devices; (x)

126 programs delivering home energy scorecards at the time of a home energy assessment; (xi)
127 programs that result in customers switching to renewable energy sources or other clean energy
128 technologies including, but not limited to, programs that combine efficiency and building
129 decarbonization through the electrification of fossil fuel end uses with renewable generation and
130 storage; (xii) programs to serve targeted geographic areas that may provide enhanced services
131 that differ from the statewide program offerings, including programs offered as enhancements by
132 municipal aggregators with energy plans certified by the department under subsection (b) of
133 section 134 of chapter 164; (xiii) programs that may result in greenhouse gas emission reductions
134 or energy savings realized after the statewide plan term; (xiv) programs to coordinate with gas
135 utility non-pipe alternatives investment; and (xv) must include services to assist customers in
136 decarbonization and energy efficiency planning and implementation, which shall include
137 education about other programs or resources outside the statewide plan that support the adoption
138 of clean energy technology, building decarbonization measures or energy efficiency measures.

139 (4) The statewide plan shall not include spending on incentives, programs or support for
140 systems, equipment, workforce development or training as they relate to new fossil fuel
141 equipment unless such spending is for low-income households, emergency facilities, hospitals, a
142 backup thermal energy source for a heat pump where technically or economically necessary, or
143 hard to electrify uses, such as industrial processes.

144 (b) (1) In authorizing such statewide plan, the department shall ensure that sector level
145 plans are delivered in a cost-effective manner and the statewide plan minimizes administrative
146 costs and utilizes competitive procurement to the fullest extent practicable. When determining
147 cost-effectiveness, the calculation of program benefits shall include calculations of the social
148 value of greenhouse gas emissions reductions, except in the cases of conversions from fossil fuel

149 utilizing measures to fossil fuel utilizing measures, and the calculation shall be subject to the
150 conditions in paragraph (2) of this subsection.

151 (2) A program included in the statewide plan shall be screened through cost-effectiveness
152 testing at the sector level, which compares the value of benefits to the costs to ensure that the
153 sector is designed to obtain savings and other benefits with value greater than the costs of the
154 sector. When determining cost-effectiveness, the calculation of benefits shall include non-
155 energy impacts and calculations of the social value of greenhouse gas emissions reductions,
156 except in the cases of conversions from fossil fuel utilizing measures to fossil fuel utilizing
157 measures.

158 (3) Sector cost effectiveness shall be reviewed periodically by the department and by the
159 building decarbonization advisory council. For the purposes of reviewing cost effectiveness,
160 programs shall be aggregated by sector. Any sector with a benefit cost ratio greater than 1.0
161 indicating benefits are greater than costs shall be considered cost-effective. The department may
162 adopt alternative screening criteria appropriate for the evaluation of cost effectiveness of market
163 transformation programs. If a sector fails the cost-effectiveness test as part of the review
164 process, its component programs shall either be modified so that the sector meets the test or shall
165 be terminated.

166 (c) The low-income residential building decarbonization and energy efficiency and
167 education programs shall be implemented through the low-income weatherization and fuel
168 assistance program network and shall be coordinated with the statewide plan with the objective
169 of standardizing implementation and ensuring that low income ratepayers remain eligible for the

170 low income weatherization assistance program approved by the United States Department of
171 Energy pursuant to Title IV of the Energy Conservation and Production Act.

172 (d) (1) A gas distribution company shall not administer building decarbonization or
173 energy efficiency programs pursuant to the statewide plan.

174 (2) A gas distribution company that is not owned by a corporate parent company that
175 operates an electric distribution company in Massachusetts may provide support, marketing or
176 customer outreach services to the electric distribution company or municipal aggregator with a
177 certified energy plan in their administration of the statewide plan and may be eligible to earn
178 performance incentives associated with its services provided pursuant to this section.

179 (e) The statewide plan prepared under subsection (a) shall be submitted for approval and
180 comment by the building decarbonization advisory council every 3 years on or before March 31.
181 The electric distribution companies and municipal aggregators shall provide any additional
182 information requested by the council that is relevant to the consideration of the plan. The council
183 shall review the plan and any additional information and shall submit its approval or comments
184 to the electric distribution companies and municipal aggregators not later than 3 months after
185 submission of the plan. The electric distribution companies and municipal aggregators may make
186 any changes or revisions to reflect the input of the council.

187 (f)(1) The electric distribution companies and municipal aggregators shall submit the
188 statewide plan, together with the council's approval or comments and a statement of any
189 unresolved issues, to the department every 3 years on or before October 31. The department shall
190 consider the statewide plan and shall provide an opportunity for interested parties to be heard in a
191 public hearing.

192 (2) Not later than 120 days after submission of the statewide plan, the department shall
193 issue a decision on the statewide plan which ensures that the electric distribution companies and
194 municipal aggregators with certified energy plans have complied with the requirements of this
195 section and considered climate, environmental, and equity benefits, and shall approve, modify
196 and approve, or reject and require the resubmission of the plan accordingly. The department
197 shall determine the effectiveness of the plan on an annual basis.

198 (3) The statewide plan shall be in effect for 3 years.

199 (4) Not later than 15 months after the conclusion of the final year of each plan, the
200 department, drawing upon the most accurate and most complete data and measurements then
201 available, shall issue a statement in writing to the clerks of the house of representatives and the
202 senate, the house and senate committees on ways and means, the joint committee on
203 telecommunications, utilities and energy and the joint committee on the environment, natural
204 resources and agriculture, indicating the degree to which the activities undertaken pursuant to the
205 performance of each plan met the goal for the plan set by the secretary pursuant to section 3B of
206 chapter 21N.

207 (g) The department may authorize electric distribution companies and gas distribution
208 companies to recover all or a portion the costs of approved statewide building decarbonization
209 and energy efficiency investment plans, as established in subsection (c) of section 19, via electric
210 rate reduction bonds and gas rate reduction bonds pursuant to section 1H of chapter 164. If the
211 department authorizes an electric distribution company to use electric rate reduction bonds in an
212 amount that meets or exceeds the department-approved budget for a three-year building
213 decarbonization and energy efficiency plan, it may direct the suspension of the mandatory charge

214 of 2.5 mills per kilowatt-hour established pursuant to subsection (a) of section 19 from customer
215 bills so long as the bonds remain outstanding, if determined to be in the interest of electric
216 ratepayers.

217 (h) If the electric distribution companies and municipal aggregators with certified energy
218 plans have not reasonably complied with the statewide plan, the department may open an
219 investigation. In any such investigation, the electric distribution companies and aggregators shall
220 have the burden of proof to show whether there is good cause for failing to reasonably comply
221 with the statewide plan. If the electric distribution companies or municipal aggregators do not
222 meet the burden, the department may levy a fine of not more than the \$0.05 per kilowatt-hour
223 times the shortfall of kilowatt-hours saved, as applicable, depending upon the facts and
224 circumstances and degree of fault, which shall be paid to the department of energy resources
225 within 60 days after the end of the year in which the department levies the fine. The fine shall not
226 impact ratepayers and shall not be imposed on municipal aggregators with certified energy plans.
227 The department of energy resources shall use the funds under this subsection to maximize
228 programs supporting building decarbonization or energy efficiency.

229 (i) The need for a program administrator to prepare for meetings with the council during
230 the department's 120-day review period after submission of a plan shall not constitute good
231 cause in a motion for an extension of time to respond to discovery or in a motion for an
232 extension of time to respond to a record request.

233 (j) All customer data collected by the electric and gas distribution companies and
234 municipal aggregators, contractors, vendors, or other implementation partners as part of an
235 energy audit report or provision of energy efficiency and decarbonization services pursuant to

236 implementation of approved statewide building decarbonization and energy efficiency
237 investment plans shall be confidential. No person shall disclose the name of a customer, the
238 contents of an energy audit report prepared for such customer, or other customer information
239 associated with provision of energy efficiency and decarbonization services to any person other
240 than the following, unless the customer or subsequent purchaser waives his right to
241 confidentiality with respect to such information provided: (1) the customer; (2) a subsequent
242 purchaser of the building serviced; (3) the electric and gas distribution companies; (4) municipal
243 aggregators that administer statewide building decarbonization and energy efficiency investment
244 plans; (5) the authorized vendors and other implementation partners of the electric and gas
245 distribution companies, and municipal aggregators that administer statewide building
246 decarbonization and energy efficiency investment plans; (6) the department of energy resources,
247 its authorized vendors and other implementation partners; (7) the executive office of energy and
248 environmental affairs. However, tenants in an audited building shall have the right to inspect the
249 energy audit report for the building in which they live.

250 However, nothing in this section shall prohibit sharing of customer data between electric
251 and gas distribution companies, municipal aggregators, and municipal light plants as approved
252 by the department in furtherance of the Commonwealth's public policy goals, including but not
253 limited to integrated energy planning.

254 All customer data collected pursuant to implementation of approved statewide building
255 decarbonization and energy efficiency investment plans, including but not limited to the name of
256 the customer, contents of an energy audit report, decarbonization or energy efficiency measures
257 installed, and participation in demand response programs, shall not be deemed to be a public

258 record as defined in clause 26 of section 7 of chapter 4 of the General Laws and shall not be
259 subject to demand for production under section 10 of chapter 66 of the General Laws.

260 Section 22. (a) The department shall appoint and convene a building decarbonization and
261 energy efficiency advisory council which shall consist of 15 members, including 1 person
262 representing each of the following: (1) residential consumers; (2) the low-income weatherization
263 and fuel assistance program network; (3) the environmental community; (4) businesses,
264 including large C&I end-users; (5) the low and moderate income interests; (6) building
265 decarbonization experts; (7) organized labor, as recommended by the president of the
266 Massachusetts AFL-CIO; (8) the department of environmental protection; (9) the attorney
267 general; (10) the executive office of economic development; (11) the Massachusetts Non-profit
268 Network; (12) a city or town in the commonwealth; (13) the Massachusetts association of
269 realtors; (14) a business located in the commonwealth that performs decarbonization services;
270 and (15) the department of energy resources. Interested parties shall apply to the department for
271 designation as members. Members shall serve for terms of 5 years and may be reappointed. The
272 commissioner of the department of energy resources shall serve as chair of the council. A
273 member who is a representative of building decarbonization experts shall not have a contractual
274 relationship with an electric or natural gas distribution company doing business in the
275 commonwealth or any affiliate of such company, or any municipal aggregator. There shall be 1
276 non-voting, ex-officio member from each of the electric and natural gas distribution companies,
277 1 from each of the approved municipal aggregators, 1 from the heating oil industry, 1 from ISO
278 New England and 1 from the Massachusetts clean energy center established pursuant to section 2
279 of chapter 23J.

280 (b) The council shall, as part of the approval process by the department, seek to maximize
281 net economic benefits through building decarbonization or energy efficiency and load
282 management resources and to achieve energy, capacity, climate and environmental goals through
283 a sustained and integrated statewide building decarbonization and energy efficiency effort and to
284 consider affordability and ratepayer bill impacts resulting from the proposed statewide plan
285 investment. The council shall review and approve demand response program plans and budgets,
286 work with program administrators in preparing energy resource assessments, determine the
287 economic, system reliability, climate and air quality benefits of efficiency and load management
288 resources, conduct and recommend relevant research, and recommend long term building
289 decarbonization, efficiency and load management goals to maximize economic savings and
290 achieve environmental goals. Approval of building decarbonization, energy efficiency and
291 demand response plans and budgets shall require a two-thirds majority vote. The council shall, as
292 part of its review of the statewide plan, examine opportunities to offer joint programs providing
293 similar efficiency measures that save more than one fuel resource or to coordinate programs
294 targeted at saving more than one fuel resource. Any costs for joint programs shall be allocated
295 equitably among the efficiency programs.

296 (c) The council, together with the department of energy resources, as council chair, may
297 retain expert consultants; provided, however, that such consultants shall not have any contractual
298 relationship with an electric or natural gas distribution company doing business in the
299 commonwealth or any affiliate of such company.

300 The council shall annually submit to the department a proposal regarding the level of
301 funding required for the retention of expert consultants and reasonable administrative costs. The
302 proposal shall be approved by the department either as submitted or as modified by the

303 department. The department shall allocate funds sufficient for these purposes from the natural
304 gas and electric efficiency funding authorized under section 19; provided, however, that such
305 allocation shall not exceed one per cent of such funding on an annual basis. The consultants used
306 under this section shall be experts in building decarbonization and energy efficiency and shall be
307 independent.

308 (d) The electric distribution companies and municipal aggregators shall provide quarterly
309 reports to the council on the implementation of the statewide plan. The reports shall include: (i) a
310 description of the progress in implementing the statewide plan; (ii) a summary of the savings
311 secured to date; (iii) a quantification of the degree to which the activities undertaken pursuant to
312 the statewide plan contribute to meeting the greenhouse gas emission reduction goal set forth by
313 the secretary of the executive office of energy and environmental affairs pursuant to section 3B
314 of chapter 21N; and (iv) such other information as the council shall reasonably determine.
315 Annually, as part of a quarterly report, the electric distribution companies and municipal
316 aggregators, in order to assess the statewide plan's services to low-income ratepayers and
317 underserved ratepayers such as moderate income, renters and small business ratepayers, shall
318 provide, consistent with the data aggregation method approved by the department: (i) the total
319 number of ratepayers per municipality served; (ii) the total energy efficiency surcharge dollars
320 paid by ratepayers as part of their utility bills per municipality served; and (iii) the total
321 incentives provided by the program administrators by municipality served, delineated by utility
322 and sector, including residential, residential low-income, and commercial and industrial. The
323 electric distribution companies and municipal aggregators shall provide an annual report to the
324 department and the joint committee on telecommunications, utilities and energy on the
325 implementation of the plan. The annual report shall include descriptions of the programs,

326 expenditures, cost-effectiveness and savings and other benefits during the previous year and a
327 quantification of the degree to which the activities undertaken pursuant to each plan contribute to
328 meeting all greenhouse gas emission limits and sublimits imposed by law or regulation. The
329 quarterly and annual reports shall be made available to the public.

330 (e) A business located in the commonwealth that performs decarbonization services may
331 only be appointed to the building decarbonization advisory council, under subsection (a), if the
332 business is elected by a majority of businesses performing decarbonization services in the Mass
333 Save program.

334 SECTION 4. Paragraph (2) of subsection (d) of section 21 of chapter 25 of the General
335 Laws is hereby repealed.

336 SECTION 5. Section 2 of chapter 25A of the General Laws, as so appearing, is hereby
337 amended by striking out the second paragraph and inserting in place thereof the following
338 paragraph:-

339 There shall be within the department: (i) a division of energy efficiency, which shall
340 work with the department of public utilities regarding energy efficiency programs; (ii) a division
341 of renewable and alternative energy development, which shall oversee and coordinate activities
342 that seek to maximize the installation of renewable and alternative energy generating sources that
343 will provide benefits to ratepayers, advance the production and use of biofuels and other
344 alternative fuels as the division may define by regulation and administer the renewable portfolio
345 standard and the alternative portfolio standard; (iii) a division of green communities, which shall
346 serve as the principal point of contact for local governments and other governmental bodies
347 concerning all matters under the jurisdiction of the department of energy resources, with the

348 exception of matters involving the siting and permitting of small clean energy infrastructure
349 facilities; (iv) a division of clean energy procurement, which shall develop resource solicitation
350 plans, administer procurements for clean energy generation and energy services, and negotiate
351 and manage contracts with clean energy generation and energy service facilities; and (v) a
352 division of clean energy siting and permitting, which shall establish standard conditions, criteria,
353 and requirements for the siting and permitting of small clean energy infrastructure facilities by
354 local governments and provide technical support and assistance to local governments, small
355 clean energy infrastructure facility project proponents and other stakeholders impacted by the
356 siting and permitting of small clean energy infrastructure facilities at the local government level.
357 Each division shall be headed by a director appointed by the commissioner and who shall be a
358 person of skill and experience in the field of energy efficiency, renewable energy or alternative
359 energy, energy regulation or policy, and land use and planning, respectively. The directors shall
360 be the executive and administrative heads of their respective divisions and shall be responsible
361 for administering and enforcing the law relative to their division and to each administrative unit
362 thereof under the supervision, direction and control of the commissioner. The directors shall
363 serve at the pleasure of the commissioner, shall receive such salary as may be determined by law
364 and shall devote full time during regular business hours to the duties of the office. In the case of
365 an absence or vacancy in the office of a director, or in the case of disability as determined by the
366 commissioner, the commissioner may designate an acting director to serve as director until the
367 vacancy is filled or the absence or disability ceases. The acting director shall have all the powers
368 and duties of the director and shall have similar qualifications as the director.

369 SECTION 6. Section 6 of said chapter 25A, as so appearing, is hereby amended, in line
370 41, by adding the word “and” and inserting the following subsections:-

371 “(15) develop and promulgate, regulations, criteria, guidelines and standard conditions,
372 criteria and requirements that establish parameters for the siting, zoning, review, and permitting
373 of small clean energy infrastructure facilities by local government pursuant to section 21; and

374 (16) develop resource solicitation plans, conduct procurements pursuant to such plans as
375 approved by the department of public utilities and negotiate and execute contracts with clean
376 energy generation and energy services providers pursuant to section 23.”

377 SECTION 7. Section 7 of Chapter 25A, is hereby amended, in line 14, by striking out the
378 words “with total storage capacity of fifty thousand gallons”.

379 SECTION 8. Said Section 7 of chapter 25A as so appearing is hereby amended by
380 striking the third paragraph and inserting in place there of the following two paragraphs:-

381 All electric and gas companies, transmission companies, distribution companies,
382 suppliers, and aggregators, as defined in section 1 of chapter 164, and suppliers of natural gas,
383 including aggregators, marketers, brokers, and marketing affiliates of gas companies, excluding
384 gas companies as defined in said section 1 of said chapter 164, engaged in distributing or selling
385 electricity or natural gas in the commonwealth shall make accurate reports to the department in
386 such form and at such times, which shall be at least quarterly, as the department shall require
387 pursuant to this section. Each such company, supplier, and aggregator shall report semi-annually
388 to the department the average of all rates charged for default, low-income, and standard offer
389 service to each customer class and for each sub-class within the residential class, respectively;
390 provided, however, that all such rate information so reported pursuant to this paragraph shall be
391 deemed public information, and no such rate information shall be protected as a trade secret,
392 confidential, competitively sensitive, or other proprietary information pursuant to section 5D of

393 chapter 25. Each such company, supplier, and aggregator shall report to the department, in such
394 form and at such times as the department shall require, detailed and accurate information
395 including, but not limited to, the following: data regarding number of customers, load served,
396 amounts billed to customers in dollars, renewable and clean energy attribute certificate
397 purchases, and supply product offerings. The department may make such information, or
398 aggregates of such information, available to the public on its website.

399 All resellers of petroleum products, including retail heating oil and propane suppliers,
400 doing business in the commonwealth shall make accurate reports of price, inventory, and product
401 delivery data to the department in such form and at such time as the department shall require. A
402 retail heating oil or propane supplier who operates in the commonwealth shall make the daily
403 delivery price of heating oil or propane for residential heating customers available in a clear and
404 conspicuous manner. If the retail heating oil or propane supplier operates a website for
405 commonwealth customers, the daily delivery price shall be clearly and conspicuously displayed
406 on the dealer's website.

407 SECTION 9. Section 11F1/2 of chapter 25A is hereby repealed.

408 SECTION 10. Chapter 25A of the General Laws is hereby amended by adding the
409 following three new sections:

410 Section 22. (a) As used in this section, the following words shall have the following
411 meanings unless the context clearly requires otherwise:

412 "Clean energy generation", electrical energy output, or that portion of the electrical
413 energy output, excluding any electrical energy utilized for parasitic load of a clean existing

414 generation unit, that qualifies under clean energy standard regulations established pursuant to
415 subsection (c) of section 3 of chapter 21N.

416 “Clean energy solicitation”, a competitive solicitation for clean energy associated
417 environmental attributes or energy services completed by the department conducted pursuant to
418 this section.

419 “Distribution company”, a distribution company as defined in section 1 of chapter 164.

420 “Energy services”, operation of infrastructure that increases the deliverability or
421 reliability of clean energy generation or reduces the cost of clean energy generation, including,
422 but not limited to, transmission, energy storage and demand response technologies.

423 “Environmental attributes”, all present and future attributes under any and all
424 international, federal, regional, state or other law or market, including, but not limited to, all
425 credits or certificates that are associated, either now or by future action, with unit specific
426 energy, including, but not limited to, those provided for in regulations promulgated pursuant to
427 subsection (c) of section 3 of chapter 21N and sections 11F and 17.

428 “Long-term contract” a contract for a period of not more than 20 years.

429 (b) Notwithstanding any general or special law to the contrary, in order to maximize the
430 commonwealth’s ability to achieve compliance with limits and sublimits established pursuant to
431 sections 3 and 3A of chapter 21N, the department shall investigate the necessity, benefits and
432 risks of solicitations for environmental attributes or energy services, competitively solicit for
433 environmental attributes or energy services established pursuant to said sections 3 and 3A of said

434 chapter 21N, and may negotiate and enter into long-term contracts for such environmental
435 attributes or energy services.

436 (c) The department shall publish a resource solicitation plan, which shall include, but not
437 be limited to: (i) a description of the clean energy generation and energy services needs sufficient
438 to maximize the commonwealth's ability to achieve compliance with the limits and sublimits
439 established pursuant to sections 3 and 3A of chapter 21N, including resource type, nameplate
440 capacity amounts and commercial operation dates for new resources; (ii) a schedule
441 recommendation for clean energy solicitations that the department will conduct within the
442 subsequent 3 years following the department of public utilities approval of the resource
443 solicitation plan, provided, however, that the resource solicitation plan shall include
444 procurements for offshore wind energy generation that in total will equal at least ten gigawatts of
445 aggregate nameplate capacity not later than December 31, 2040; (iii) economic development
446 objectives and requirements for the clean energy solicitations; (iv) a mechanism for the
447 distribution companies to recover the costs associated with long-term contracts for
448 environmental attributes or energy services entered into by the department under this section,
449 including any administrative costs to support the department's requirements under this section;
450 and (v) a review of the previous clean energy solicitations, if applicable. The department shall
451 consult with the department of public utilities and attorney general's office in the development of
452 this resource solicitation plan prior to filing at the department of public utilities. Any ex parte
453 rules established by the department of public utilities shall not apply to this consultation process.
454 The department may revise and resubmit the resource solicitation plan to the department of
455 public utilities if the department seeks a revised schedule of procurements or seeks additional
456 procurements.

457 (d) As part of the resource solicitation plan, the department shall review the impact of any
458 contracted environmental attributes on portfolio standards and existing clean energy generation
459 resources and shall provide any legislative recommendations as appropriate.

460 (e) The department shall file the resource solicitation plan and its recommendations with
461 the department of public utilities. The department of public utilities shall review the resource
462 solicitation plan and recommendations to determine whether the resource solicitation plan is a
463 reasonable, appropriate, and cost-effective mechanism to achieve the goals of this section. The
464 department of public utilities shall approve, approve with modifications, or reject the plan within
465 7 months of submission. Upon approval of the resource solicitation plan, the department of
466 public utilities shall require the distribution companies to jointly propose tariffs consistent with
467 the approved resource solicitation plan to recover costs associated with all contracts pursuant to
468 this section not later than 3 months following the approval; provided, however, that the
469 distribution companies shall not receive any remuneration, benefit or fee to compensate for costs
470 associated with such contracts. The tariffs shall apportion costs associated with the contracts to
471 be recovered from ratepayers among the distribution companies.

472 (f) The method for the clean energy solicitations shall be proposed by the department and
473 shall utilize a competitive bidding process. The department shall consult with the attorney
474 general and may consult with other state agencies as applicable regarding the choice of
475 solicitation methods. The department may coordinate any solicitation under this section with
476 other states, municipal light plants, a municipality or group of municipalities with an approved
477 municipal load aggregation plan pursuant to section 134 of chapter 164 of the General Laws, or
478 other governmental and non-governmental organizations; provided, however, that the department
479 shall describe any impacts coordination may have on the solicitation, including any impacts to

480 nameplate capacity amounts or quantities of clean energy generation attributes sought in its
481 solicitation. After notice and the opportunity for public comment, the department shall proceed
482 with the clean energy solicitation. The department may competitively solicit proposals for long-
483 term contracts for environmental attributes or energy services. The department may consult with
484 other states, federal agencies and regional organizations, including, but not limited to, ISO New
485 England Inc. or its successor; provided, however, that reasonable proposals have been received,
486 the department shall make or cause to be made filings as necessary through the appropriate
487 jurisdictional mechanism and enter into long-term contracts that are consistent with the roadmap
488 plans published pursuant to chapter 21N.

489 (g) Each solicitation shall require that bidders provide: (i) documentation reflecting the
490 bidder's demonstrated commitment to workforce or economic development within the
491 commonwealth; (ii) a statement of intent concerning efforts that the bidder and its contractors
492 and subcontractors will make to promote workforce or economic development through the
493 project; (iii) documentation reflecting the bidder's demonstrated commitment to expand
494 workforce and supplier diversity, equity and inclusion; (iv) documentation as to whether the
495 bidder and its contractors and subcontractors participate in a state or federally certified
496 apprenticeship program and the number of apprentices the apprenticeship program has trained to
497 completion for each of the last 5 years; (v) a statement of intent concerning how or if the bidder
498 and its contractors and subcontractors intend to utilize apprentices on the project; (vi)
499 documentation relative to the bidder and its contractors and subcontractors regarding their
500 history of compliance with chapters 149, 151, 151A, 151B and 152, 29 U.S.C. § 201, et seq. and
501 applicable federal antidiscrimination laws; (vii) documentation that the bidder and its contractors
502 and subcontractors are currently, and will remain, in compliance with chapters 149, 151, 151A,

503 151B, and 152, 29 U.S.C. § 201, et seq. and applicable federal anti-discrimination laws for the
504 duration of the project; (viii) documentation of the bidder's history with picketing, work
505 stoppages, boycotts or other economic actions against the bidder and a description or plan on
506 how the bidder intends to prevent or address such actions; (ix) a description or plan on how the
507 bidder intends to prevent or address such actions during all phases of the construction,
508 reconstruction, renovation, development, and operation of the project, including, but not limited
509 to, the bidder's intended use of a project labor agreement; (x) documentation relative to whether
510 the bidder and its contractors have been found in violation of state or federal safety regulations in
511 the previous 10 years; (xi) documentation relative to the bidder's past use of project labor
512 agreements and the bidder's compliance with sections 26 to 27F, inclusive, of chapter 149; (xii)
513 plans for mitigation, minimization and avoidance of detrimental environmental and
514 socioeconomic impacts, including through meaningful consultation with impacted environmental
515 and socioeconomic stakeholders, including federally recognized and state acknowledged tribes
516 and, in the case of offshore wind, commercial and recreational fishing; and (xiii) a plan for
517 benefits from the project for low-income ratepayers and environmental justice populations in the
518 commonwealth. The department may require a wage bond or other comparable form of insurance
519 in an amount to be set by the department to ensure compliance with law, certifications or
520 department obligations. The department shall give preference for proposals that demonstrate that
521 their plans provide benefits to the Commonwealth. The department shall give preference for
522 proposals that demonstrate commitment to secure those benefits through firm and binding
523 agreements or contracts. The department may require a wage bond or other comparable form of
524 insurance in an amount to be set by the department to ensure compliance with law, certifications

525 or department obligations. The electric distribution companies may provide the department
526 technical advice on proposals' costs and benefits.

527 (h) Each solicitation shall notify bidders that bidders shall be disqualified from the
528 solicitation if the bidder has been debarred by the federal government or commonwealth for the
529 entire term of the debarment.

530 (i) Bidders shall, in a timely manner, provide documentation and certifications as
531 required by law or otherwise directed by the department. Incomplete or inaccurate information
532 may be grounds for disqualification, dismissal or other action deemed appropriate by the
533 department. Proposals received pursuant to a solicitation under this section shall be subject to
534 review by the department, in consultation with the executive office of economic development,
535 the executive office of energy and environmental affairs, the supplier diversity office, and other
536 state agencies as applicable. The department may request that other state agencies consulted
537 pursuant to this subsection review and score proposals on specific criteria as established in the
538 clean energy solicitation. Proposals received pursuant to a solicitation under this section may be
539 subject to review by the electric distribution companies in order to develop and provide technical
540 advice.

541 (j) The department shall issue a final, binding determination of the selected bid or bids,
542 provided, however, that the final contract or contracts executed shall be subject to review by the
543 department of public utilities. The department shall propose draft contracts and take all
544 reasonable actions to structure the contracts, pricing or administration of the products purchased
545 under this section to contribute towards achieving compliance with limits and sublimits
546 established pursuant to sections 3 and 3A of chapter 21N in a cost-effective manner that

547 minimizes rate-payer impacts. The department shall consider the use of pricing mechanisms or
548 pricing structures, including but not limited to, indexed pricing.

549 (k) Long-term contracts executed pursuant to this section shall be subject to the approval
550 of the department of public utilities. The department of public utilities shall consider the
551 potential costs and benefits of the proposed long-term contract and shall approve a long-term
552 contract if the department finds that the contract is cost-effective and consistent with the
553 roadmap plans published pursuant to chapter 21N, taking into account the factors outlined in this
554 section, consistency with the approved resource solicitation plan and the department's
555 recommendations. The department of public utilities shall complete its review of long-term
556 contracts submitted for its approval not later than 90 days after the contracts are filed by the
557 department of energy resources.

558 (l) The department may retire any environmental attributes purchased pursuant to
559 approved long-term contracts under this section on behalf of the commonwealth to be used
560 toward satisfying compliance with the limits and sublimits established pursuant to sections 3 and
561 3A of chapter 21N and any regulations or programs established pursuant to sections 3 and 6 of
562 said chapter 21N or sections 11F and 17. If any retired environmental attributes are eligible
563 under a clean, renewable, clean peak or other energy portfolio standard established by the
564 department or the department of environmental protection, the portfolio standard minimum
565 obligations of suppliers subject to such standards may be reduced in proportion to any eligible
566 environmental attributes retired pursuant to this section, subject to the discretion of the
567 department and the department of environmental protection.

568 (m) There shall be a separate, non-budgeted special revenue fund known as the central
569 procurement fund, which shall be administered by the department, without further appropriation,
570 for funding long-term contracts consistent with this section. The fund shall be credited with: (i)
571 funds or revenue collected by distribution companies pursuant to a tariff approved by the
572 department of public utilities in furtherance of the objectives and requirements of this section;
573 (ii) revenue from appropriations or other money authorized by the general court and specifically
574 designated to be credited to the fund; (iii) interest earned on such funds or revenues; (iv) bid fees
575 collected by the department from participants in clean energy solicitations conducted pursuant to
576 this section; (v) other revenue from public and private sources, including gifts, grants and
577 donations; and (vi) any funds provided from other sources. All amounts credited to the fund shall
578 be used solely for activities and expenditures consistent with the public purposes of this section,
579 including the ordinary and necessary administrative and personnel expenses of the department
580 related to the administration and operation of the fund and performance of the duties established
581 by this section. Revenues deposited in the fund that are unexpended at the end of a fiscal year
582 shall not revert to the General Fund and shall be available for expenditure in the following fiscal
583 year. No expenditure made from the fund shall cause the fund to be in deficit at any point.

584 (n) A proposal or solicitation issued by the department shall notify bidders that bidders
585 shall be disqualified from the project if the bidder has been debarred by the federal government
586 or commonwealth for the entire term of the debarment.

587 (o) A bidder shall, in a timely manner, provide documentation and certifications as
588 required by law or otherwise directed by the department. Incomplete or inaccurate information
589 may be grounds for disqualification, dismissal or other action deemed appropriate by the
590 department.

591 Section 23. (a) The commissioner of the department of energy resources is hereby
592 authorized to work with the electric distribution companies, municipal aggregators with certified
593 energy plans and municipal utilities in the development of building decarbonization and energy
594 efficiency plans and directed to promulgate such regulations as may be necessary to carry out the
595 purposes of this section.

596 (b) (1) Each municipal light plant shall file with the commissioner of the department of
597 energy resources annually a municipal building decarbonization and energy efficiency plan that
598 offers programs to all qualified customers that supports the installation of no-cost or low-cost: (i)
599 building energy assessments to identify building decarbonization and energy efficiency
600 opportunities; (ii) energy efficiency measures; (iii) building decarbonization measures; (iv) home
601 energy scorecards at the time of a building energy assessment as approved by the department of
602 energy resources; and (v) demand reduction measures.

603 (2) Each municipal plan shall be filed with the commissioner of the department of energy
604 resources, or their designees, on or before October 31, prior to the end of the one-year term.

605 (3) Each municipal plan shall also include: (i) annual goals for delivery of energy
606 efficiency measures, building decarbonization measures and demand reduction measures; (ii) an
607 annual operating budget enumerating income and expenses necessary to carry out the municipal
608 plan; (iii) a statement of how the plan will be publicized to qualified customers; and (iv)
609 proposed coordination with the weatherization program approved by the United States
610 Department of Energy to ensure that weatherization programs provided pursuant to this section
611 do not make a customer ineligible to receive the energy audit benefits offered under the federal
612 residential conservation service.

613 (4) Nothing in this section shall impose a duty upon any customer to implement any
614 measures recommended in an energy audit report.

615 (c) (1) The commissioner of the department of energy resources, as chair of the building
616 decarbonization advisory council, pursuant to subsection (a) of section 22 of chapter 164, is
617 authorized to direct the electric distribution companies and municipal aggregators with certified
618 energy plans to develop and implement the statewide building decarbonization and energy
619 efficiency plan that offers programs to all qualified customers that supports the installation of no-
620 cost or low cost: (i) building energy assessments to identify building decarbonization and energy
621 efficiency opportunities; (ii) energy efficiency measures; (iii) building decarbonization measures;
622 and (iv) load management measures.

623 (2) Each electric distribution company and municipal aggregators with certified energy
624 plans shall file a decarbonization and energy efficiency plan with the commissioner of the
625 department of energy resources, or their designees, on or before October 31, prior to the end of
626 the three-year term.

627 (3) The electric distribution companies and municipal aggregators with certified energy
628 plans filing every 3 years of a statewide decarbonization and energy efficiency plan with the
629 department of public utilities satisfies the requirements under this section.

630 (d) (1) Electric distribution companies, municipal aggregators with certified energy plans
631 and municipal utilities shall collect, and report electronically to the department of energy
632 resources, its authorized vendors and implementation partners, building data that identifies all
633 buildings and units therein that received an energy audit and the recommendations made,
634 decarbonization or energy efficiency measures installed, and if participating in any demand

635 response programs, building energy use and cost by fuel type, and, where available, heating
636 fuel(s), existing heating system type(s) and age of system, home energy score, or any other data
637 the commissioner may request relating to the delivery of the plans. This data shall be reported
638 quarterly to the commissioner of energy resources, or their designees. All data collected and
639 reported pursuant to this subsection shall be considered confidential customer data and subject to
640 the requirements of subsection (j) section 21 of chapter 25. In accordance with subsection (j) of
641 section 21 of chapter 25, such data shall not be deemed to be a public record as defined in clause
642 26 of section 7 of chapter 4 of the General Laws and shall not be subject to demand for
643 production under section 10 of chapter 66 of the General Laws. The department shall aggregate
644 and report customer energy efficiency and decarbonization data provided by the electric
645 distribution companies, municipal aggregators with certified energy plans, and municipal utilities
646 according to the data aggregation methods approved by the department.

647 (2) Within 120 days after the last day of each year, an electric distribution company,
648 municipal aggregators with certified energy plans, and municipal utilities shall submit to the
649 commissioner of the department of energy resources, or their designee, a report of its activities
650 during the preceding year relating to implementation of their decarbonization and energy
651 efficiency plans. Included in such report shall be a statement with respect to the success or lack
652 of success of meeting the goals established in their respective plans. Within thirty days after
653 receipt thereof, the commissioner of energy resources shall forward said reports along with a
654 statement of findings to the joint committee on energy and the house and senate committees on
655 ways and means.

656 (e) The department of energy resources is authorized to annually assess against each
657 utility and municipal utility, such amounts as may be necessary to permit said department to

658 carry out its responsibilities under section 21A, including, but not limited to, program
659 development, administration and enforcement, certification, training, registration and inspection
660 programs, and public education and promotion expenses, exclusive of paid advertising. Said
661 assessments shall be based upon the intrastate operating revenues of a utility which are derived
662 from electricity or gas sales within the commonwealth during the preceding calendar year. The
663 department of energy resources shall apportion estimated costs for the pending fiscal year among
664 all such utilities and shall assess them on a fair and reasonable basis. A utility shall pay such
665 assessments to the commonwealth within thirty days of receipt of notice thereof. Said
666 assessments shall be paid into the General Fund in accordance with section 2 of chapter 29 of the
667 General Laws. The department of energy resources shall subsequently apportion actual costs
668 among all such utilities and shall make assessment adjustments for the same for any variation
669 between estimated and actual costs on a fair and reasonable basis. Such estimated and actual
670 costs shall include indirect costs and an amount equal to the cost of fringe benefits as established
671 by the commissioner of administration pursuant to section 6B of said chapter 29.

672 Section 24. (a) The department shall develop and implement a statewide solar incentive
673 program to encourage the continued development of solar renewable energy generating sources
674 by residential, commercial, governmental and industrial electricity customers throughout the
675 commonwealth. The department shall, after notice and the opportunity for public comment,
676 promulgate regulations implementing a solar incentive program which promotes a stable solar
677 development market at a reasonable cost to ratepayers and supports the Commonwealth's ability
678 to achieve compliance with limits and sublimits established pursuant to sections 3 and 3A of
679 chapter 21N of the General Laws.

680 (b) The solar incentive program established by the Department shall also: (i) consider
681 underlying system development costs, including but not limited to module costs, balance of
682 system costs, installation and interconnection costs and soft costs; (ii) take into account
683 electricity revenues and any federal or state incentives; (iii) rely on market-based mechanisms or
684 price signals as much as possible to set incentive levels; (iv) minimize direct and indirect
685 program costs and barriers; (v) feature a known or easily estimated budget to achieve program
686 goals through use of an adjustable block incentive, a competitive procurement model, tariff or
687 other declining incentive framework; (vi) differentiate incentive levels to support diverse
688 installation types and sizes that provide unique benefits, including, but not limited to,
689 community-shared solar facilities, low-income solar facilities and municipal or other
690 governmental entity-owned solar facilities, and which may include differentiation by utility
691 service territory, location or size of the solar renewable energy generating source; (vii) ensure
692 that the utility customer realizes the direct benefits of the solar incentive program; (viii) include
693 land use restrictions that align with the Commonwealth's land use priorities; (ix) consider
694 environmental benefits, energy demand reduction and other avoided costs provided by solar
695 renewable energy generating facilities; (x) encourage solar generation where it can provide
696 benefits to the distribution system; (xi) ensure that the costs of the program are shared
697 collectively among all ratepayers of the distribution companies; (xii) promotes investor
698 confidence through long-term incentive revenue certainty and market stability; and (xiii) include
699 reasonable and appropriate protections for customers.

700 (c) Any facility qualified pursuant to subsection (g) of section 11F of chapter 25A of the
701 General Laws before the effective date of the new program established pursuant to this section,
702 shall remain qualified under existing programs.

703 (d) Attributes, as defined by the department, of the solar photovoltaic facilities receiving
704 incentives pursuant to this section shall be eligible for use by retail electric suppliers pursuant to
705 their obligations pursuant to said section 11F and section 17, as applicable.

706 (e) The department may establish a land use and mitigation plan, including establishing
707 fees for mitigating impacts caused by solar development and projects participating in the
708 program and receiving incentives pursuant to this section. The department may establish
709 requirements for solar incentive program and eligibility requirements for pollinator-friendly solar
710 installations participating in the program pursuant to this section.

711 (f) The department shall review solar incentive rates and overall cost impact to ratepayers
712 to determine if any revisions to the program are necessary. Such review shall occur on a
713 timetable to be established by the department, provided that such review shall occur not less
714 frequently than every 3 years.

715 SECTION 11. Chapter 149 of the General Laws, as appearing in the 2020 Official
716 Edition, is hereby amended by adding the following new section:-

717 Section 27I. All construction, as defined by Section 27D, on a thermal energy network,
718 and on any utility infrastructure impacted by the construction or installation of a thermal energy
719 network requiring the excavation, construction, reconstruction of public lands, rights of way,
720 public works, or buildings that is not performed by workers directly employed by a gas company
721 or electric company, as defined in section 1 of chapter 164, shall be performed and procured
722 under this section of chapter 149.

723 No public authority, including, but not limited to, the commonwealth, its subdivisions, a
724 county, district, or a municipality, shall permit or agree to construction, as defined by Section

725 27D, by a gas or electric distribution company requiring the excavation, alternation,
726 reconstruction, or repair of public lands, works, or buildings unless said agreement contains a
727 stipulation requiring prescribed rates of wages, as determined by the commissioner, to be paid to
728 individuals performing thermal energy network or heat loop construction and associated pipeline
729 work who are not gas company or electric company employees. Any such approval which does
730 not contain said stipulation shall be invalid, and no construction may commence thereunder. Said
731 rates of wages shall be requested of said commissioner by said public commissioner or public
732 body together with the gas company or electric company on whose service territory the public
733 infrastructure lies, and shall be furnished by the commissioner in a schedule containing the
734 classifications of jobs, and the rate of wages to be paid for each job. Said rates of wages shall
735 include payments to health and welfare plans, pension plans, and supplementary unemployment
736 plans, or, if no such plan is in effect between employers and employees, the amount of such
737 payments shall be paid directly to employees. Such requests for rates shall be made every six
738 months.

739 Any entity paying less than said rates of wages, including payments to health and welfare
740 funds, pension plans, and supplementary unemployment plans, or the equivalent in wages, on
741 said works, and any entity accepting for his own use, or for the use of any other person, as a
742 rebate, gratuity or in any other guise, any part or portion of said wages or health and welfare
743 funds, pension plans, and supplementary unemployment plans shall have violated this section
744 and shall be punished or shall be subject to a civil citation or order as provided in section 27C.

745 An employee claiming to be aggrieved by a violation of this section may, 90 days after
746 the filing of a complaint with the attorney general, or sooner if the attorney general assents in
747 writing, and within 3 years after the violation, institute and prosecute in his own name and on his

748 own behalf, or for himself and for others similarly situated, a civil action for injunctive relief, for
749 any damages incurred, and for any lost wages and other benefits pursuant to section 150 of
750 chapter 149. An employee so aggrieved who prevails in such an action shall be awarded treble
751 damages, as liquidated damages, for any lost wages and other benefits and shall also be awarded
752 the costs of the litigation and reasonable attorneys' fees.

753 SECTION 12. Section 1 of chapter 164 of the General Laws, as appearing in the 2020
754 Official Edition, is hereby amended by inserting the following definition:-

755 "Energy marketer", any person, firm, partnership, association, private corporation, or
756 other third-party who contracts with or is otherwise directly engaged and compensated by a
757 supplier to sell electric generation services, or contracts with and is directly compensated by a
758 third-party marketer of the supplier to sell electric generation services on behalf of a supplier,
759 that markets, advertises, or otherwise offers to sell generation service to retail customers that is
760 acting as an agent for a supplier, including, but not limited to, individuals or entities engaged in
761 door-to-door, telemarketing, or tabletop interactions with retail customers.

762 SECTION 13. Section 1 of said chapter 164, as so appearing, is hereby further amended
763 by striking out the definition of "Gas company" and inserting in place thereof the following
764 definition:-

765 "Gas company", a corporation originally organized for the purpose of making and selling
766 or distributing and selling gas within the commonwealth, even though subsequently authorized to
767 make or sell electricity. A gas company may make, sell, or distribute utility-scale non-emitting
768 thermal energy, including networked geothermal and deep geothermal energy. A gas company

769 may also make, sell, or distribute geothermal energy to individual customers, if approved by the
770 department.

771 SECTION 14. Chapter 164 of the General Laws, as so appearing, is hereby amended by
772 striking section 1B in its entirety and inserting the following section:-

773 Section 1B. (a) The department shall define service territories for each distribution
774 company by March 1, 1998, based on the service territories actually served on July 1, 1997, and
775 following to the extent possible municipal boundaries. After March 1, 1998, until terminated by
776 effect of law or otherwise, the distribution company shall have the exclusive obligation to
777 provide distribution service to all retail customers within its service territory, and no other
778 person, except a government and critical facility microgrid operating pursuant to section 160,
779 shall provide distribution service within such service territory without the written consent of such
780 distribution company which shall be filed with the department and the clerk of the municipality
781 so affected. The department shall limit the distribution service provided by government and
782 critical facility microgrids as necessary and appropriate, but at a minimum, shall establish rules,
783 parameters, and as necessary, tariffs, related to eligible uses of the distribution equipment
784 connected to a distribution company's electric distribution system by a government and critical
785 facility microgrid.

786 (b) Each distribution company shall provide its customers with default service and shall
787 offer a default service rate to its customers who have chosen retail electricity service from a non-
788 utility affiliated generation company or supplier but who require electric service because of a
789 failure of such company or the supplier to provide contracted service or who, for any reason,
790 have never chosen or have stopped receiving such service. The distribution company shall

791 procure supply for such service through competitive bidding or through such other process
792 approved by the department, including procurements of varying lengths and in combination with
793 other distribution companies; provided, however, that standard default service rates, excluding
794 time-varying rates and monthly variable service rates, for residential customers shall be changed
795 no less than once every six months. Any department-approved provider of service, including an
796 affiliate of a distribution company, shall be eligible to participate in the competitive bidding
797 process. The department may require a separate mechanism for recovering certain charges, to be
798 itemized separately on a customer bill, including, but not limited to, those in connection with the
799 wholesale electric markets as administered by ISO New England, Inc. or federal tariffs on
800 imports to such markets. In implementing the provisions of this section, the department shall
801 ensure universal service for all ratepayers and sufficient funding to meet the need therefor.

802 (c) Notwithstanding the provisions of section 5D of chapter 25, the department and the
803 department of energy resources shall have access to all information associated with the bids
804 selected by the distribution company pursuant to the competitive bidding process in this section;
805 provided, however that such information shall not be deemed to be a public record as defined in
806 clause 26 of section 7 of chapter 4 and shall not be subject to demand for production under
807 section 10 of chapter 66; provided, however, that aggregates of such information may be
808 prepared and such aggregates shall be public records.

809 (d) The department is hereby authorized and directed to promulgate rules and regulations
810 necessary to carry out the provisions of this section, including the procedure for default service
811 procurement and governing a customer's ability to return to the default service after choosing
812 retail access from a non-utility affiliated generation company.

813 SECTION 15. Section 1D of chapter 164 of the General Laws is hereby amended by
814 striking the fourth paragraph and replacing it with the following paragraph:-

815 For electric suppliers who have chosen the complete billing method, the electric
816 distribution company shall make timely payments to such suppliers in accordance with this
817 paragraph. The distribution company shall: (a) bill all of the electric supplier's customers in a
818 service class according to complete billing; (b) pay such suppliers the full amounts due from
819 customers for generation services in a time period consistent with the average payment period of
820 the participating class of customer, less a percentage of such amounts that reflects the average of
821 the uncollectible bills for the participating customer classes of the electric distribution company
822 and other reasonable development, operating or carrying costs incurred, as approved by the
823 department; provided, however, that the department may establish different percentage discounts
824 for suppliers based on the supplier's amount of uncollectible bills or percentage of customers in
825 arrears relative to the average of the uncollectible bills for the participating classes of the electric
826 distribution company or the average number of customers in arrears.

827 SECTION 16. Section 1F of said chapter 164 of the General Laws, as so appearing, is
828 hereby amended by striking out subparagraph (iii) of paragraph (1), and inserting in place thereof
829 the following 3 subparagraphs:-

830 (iii) All energy brokers, energy marketers, and suppliers seeking to do business in the
831 commonwealth shall submit a license application to the department, subject to rules and
832 regulations promulgated by the department, and be subject to an annual fee, the amount to be
833 determined by the department; provided, said amount shall not be more than \$10,000 and may be
834 differentiated between energy brokers, energy marketers, and suppliers.

835 (iv) Each energy marketer or other supplier that applies for a retail license shall execute
836 and maintain a bond issued by a qualifying surety or insurance company authorized to transact
837 business in the commonwealth of Massachusetts in favor of the commonwealth. The amount of
838 the bond shall equal \$5,000,000 per retail license as issued by the department. The bond shall be
839 conditioned upon the full and faithful performance of all duties and obligations of the applicant
840 as a retail supplier and shall be valid for a period of not less than 1 year. The cost of the bond
841 shall be paid by the applicant. The applicant shall file a copy of this bond, with a notarized
842 verification page from the issuer, as part of its application for certification.

843 (v) Any energy marketer shall be a legal agent of the supplier. No energy marketer may
844 sell electric generation services on behalf of a supplier unless such energy marketer has received
845 appropriate training directly from such supplier. This subparagraph shall not apply to third-party
846 brokers or consultants or agents acting on behalf of customers that are compensated by the
847 customer as part of the customer's electric contract price.

848 SECTION 17. Said section 1F of said chapter 164, as amended by section 48 of chapter
849 239 of the acts of 2024, is hereby further amended by striking out paragraph (4) in its entirety.

850 SECTION 18. Subsection (7) of section 1F of chapter 164 of the General Laws, as so
851 appearing, is hereby amended by striking out the fifth through seventh sentences and replacing
852 them with the following:-

853 If the department, after a hearing or other proceeding, determines that a distribution
854 company, person, firm, supplier, or other corporation doing business in the commonwealth who
855 has violated any provisions of said code or of any rule or regulation promulgated by the
856 department pursuant to sections 1A to 1H, inclusive, section 1L, or any provision of chapter 93A

857 of the General Laws or corresponding regulations, pursuant to authority established by section
858 102C, the department may impose a civil penalty and impose any other terms or conditions that
859 the department considers appropriate, including, but not limited to restitution to specific
860 customers harmed by the violation in question and suspension or revocation of the business'
861 retail license. Civil penalties imposed under this subsection shall not exceed \$100,000 for each
862 violation and for each day that the violation persists, shall be capped at a maximum of
863 \$10,000,000, and shall not be inclusive of any financial restitution the department requires to be
864 provided to specific customers determined to be harmed by such violation.

865 SECTION 19. Subsection (8) of said section 1F of said chapter 164 of the General Laws,
866 as so appearing, is hereby amended by striking in paragraph (b) the words "30 days" and
867 inserting in place thereof the following:- two years.

868 SECTION 20. Chapter 164 of the General Laws, as so appearing, is hereby amended by
869 striking out section 1H in its entirety and replacing it with the following section:-

870 Section 1H. (a) As used in this section the following words shall, unless the context
871 otherwise requires, have the following meanings:—

872 "Electric rate reduction bonds", bonds, notes, certificates of participation or beneficial
873 interest, or other evidences of indebtedness or ownership, issued pursuant to an executed
874 indenture, financing document, or other agreement of the financing entity, secured by or payable
875 from eligible property, the proceeds of which are used to provide, recover, finance, or refinance
876 transition costs or to acquire eligible property by an electric company and that are secured by or
877 payable from eligible property.

878 "Eligible property", the property right created pursuant to this section, including, without
879 limitation, the right, title, and interest of an electric company, gas company, or a financing entity
880 to all revenues, collections, claims, payments, money, or proceeds of or arising from or
881 constituting reimbursable transition costs amounts which are the subject of a rate reduction bond
882 order, including those non-bypassable rates and other charges that are authorized by the
883 department in the rate reduction bond order to recover transition costs and the costs of providing,
884 recovering, financing, or refinancing the transition costs, including the costs of issuing,
885 servicing, and retiring electric or gas rate reduction bonds.

886 "Financing entity", (i) MassDevelopment, (ii) any special purpose trust, or (iii) any
887 financing entity which is authorized by the department pursuant to a rate reduction bond order to
888 issue electric or gas rate reduction bonds or acquire eligible property in accordance with the
889 provisions of this section.

890 "Rate reduction bond order", an order of the department adopted in accordance with this
891 section approving a plan, which shall include, without limitation, a procedure to review and
892 approve periodic adjustments to transition charges to include recovery of principal and interest
893 and the costs of issuing, servicing, and retiring electric or gas rate reduction bonds contemplated
894 by the rate reduction bond order.

895 "Gas rate reduction bonds", bonds, notes, certificates of participation or beneficial
896 interest, or other evidences of indebtedness or ownership, issued pursuant to an executed
897 indenture, financing document, or other agreement of the financing entity, secured by or payable
898 from eligible property, the proceeds of which are used to provide, recover, finance, or refinance

899 transition costs or to acquire eligible property by a gas company and that are secured by or
900 payable from eligible property.

901 "MassDevelopment", the Massachusetts Development Finance Agency, established
902 pursuant to chapter 23G.

903 "Reimbursable transition costs amounts", the total amount authorized by the department
904 in a rate reduction bond order to be collected through the transition charge, as defined pursuant
905 to section 1, and allocated to an electric company or gas company in accordance with a rate
906 reduction bond order.

907 "Special purpose trust", any trust, partnership, limited partnership, association,
908 corporation, nonprofit corporation, limited liability company, or other entity established and
909 authorized by MassDevelopment to acquire eligible property or to issue rate reduction bonds, or
910 both, subject to approvals by MassDevelopment and the powers of MassDevelopment as
911 provided by MassDevelopment in their resolutions authorizing the entities to issue rate reduction
912 bonds.

913 "Transition costs", the costs determined pursuant to section 1G and subsection (b), which
914 remain after accounting for maximum possible mitigation, subject to determination by the
915 department.

916 "Transition charge", the charge to the customers which provides the mechanism for the
917 recovery of the transition costs of an electric company or gas company.

918 (b) The department shall identify and determine those costs and categories of costs that
919 may be classified as transition costs. Such categories of costs may include the costs of programs

920 related to meeting the commonwealth's emission reduction requirements established pursuant to
921 chapter 21N, including, but not limited to: (i) building decarbonization and energy efficiency
922 plans established pursuant to section 21 of chapter 25; (ii) electric sector modernization plans
923 established pursuant to section 92B; (iii) the development of geothermal networks by gas
924 companies; (iv) gas company transition costs related to requirements deriving from the
925 commonwealth's emission reduction requirements established pursuant to chapter 21N; and (v)
926 storm related restoration costs.

927 (c)(1) The department shall: (i) further define the categories of costs eligible to be
928 classified as transition costs; (ii) determine the appropriate duration over which transition costs
929 may be recovered for each eligible cost category, including, but not limited to, ensuring that the
930 transition cost recovery period aligns with the period over which ratepayers can reasonably
931 expect to derive benefits from the programs or assets in each eligible cost category, but in no
932 case may the term of an electric rate reduction or gas rate reduction bond be issued for a term
933 exceeding 30 years; (iii) determine if there is a date after which electric rate reduction bonds and
934 gas rate reduction bonds may no longer be issued, but in no case may electric rate reduction
935 bonds or gas rate reduction bonds be issued after 2036, without further legislative authorization;
936 (iv) determine the limits that should be placed on the total dollar amount of electric rate
937 reduction bonds and gas rate reduction bonds that can be issued in aggregate over a given period
938 for particular categories of costs with a total dollar limit for electric rate reduction and gas rate
939 reduction bonds for eligible costs as identified in (b)(i) for the ten year period for which electric
940 rate reduction bonds and gas rate reduction bonds can be issued not to exceed three times the
941 total amount approved by the department for the Mass Save budget for the 2025 to 2027 three-
942 year program cycle; (v) determine if there are mechanisms and approaches for issuing electric

943 rate reduction bonds and gas rate reduction bonds, consistent with this section, that can further
944 reduce costs for ratepayers, including reducing administrative and transaction costs; and (vi) take
945 comment on and assess other relevant considerations as it determines. Any financial benefits
946 resulting from mechanisms determined by the department to help reduce administrative,
947 transaction or other costs, shall flow to ratepayers. The department shall take steps it deems
948 necessary to ensure it has appropriate expert resources available that are independent of the
949 special purpose trust, including those related to electric rate reduction bond and gas rate
950 reduction bond structuring, marketing, and pricing, to protect and support ratepayer interests.

951 (2) The department may authorize issuance of rate reduction bond orders in accordance
952 with this section to facilitate the provision, recovery, financing, or refinancing of transition costs.
953 A rate reduction bond order shall specify that amounts collected from a customer shall be
954 allocated first to current and past due transition charges and then other charges and that, upon the
955 issuance of electric or gas rate reduction bonds, transition charges collected shall be allocated
956 first to eligible property and second to transition charges, if any, that are not subject to a rate
957 reduction bond order.

958 (3) An electric company or gas company, may, from time to time as established by the
959 department, file with the department an application that provides that its transition costs may be
960 recovered through reimbursable transition costs amounts, which would therefore constitute
961 eligible property under this section. An electric company or gas company, may, upon the
962 department's written determination of substantial and documentable relative rate reduction,
963 utilize a financing entity other than the state-designated financing entity or special purpose trust.
964 The department shall promulgate rules and regulations establishing the form and content of said
965 applications and establishing the procedure to be utilized for the filing and approval of said

966 applications. The electric company or gas company shall in its application specify that its
967 customers would benefit from reduced electricity or gas rates through the issuance of electric or
968 gas rate reduction bonds. The department shall determine reimbursable transition costs amounts
969 recoverable in one or more rate reduction bond orders if the department determines, as part of its
970 findings in connection with the rate reduction bond order, that the designation of the
971 reimbursable transition costs amounts and the issuance of electric or gas rate reduction bonds by
972 the financing entity in connection with some or all of the reimbursable transition costs amounts
973 would reduce rates that customers of an electric company or gas company would have paid over
974 a given period if the rate reduction bond order were not adopted, or that such rates will be
975 reduced in aggregate amounts equal to savings realized by the electric company or gas company
976 with respect to the rate reduction bond order; provided, however, that said bonds may qualify for
977 tax-exempt status to the full extent of state and federal law; provided further, that the department
978 shall consult with the financing entity in making its determinations concerning electric or gas
979 rate reduction bonds. The transition charge and its payment as provided in the rate reduction
980 bond order shall be binding on all current and future distribution companies and gas companies
981 and users of such distribution system and gas system until the bonds are paid in full by the
982 financing entity. A rate reduction bond order shall expire after two years if no electric or gas rate
983 reduction bonds have been issued pursuant thereto.

984 (4) (i) Notwithstanding any other general or special law, rule, or regulation to the
985 contrary, except as otherwise provided in this section with respect to eligible property which has
986 been made the basis for the issuance of electric or gas rate reduction bonds, the rate reduction
987 bond orders and the reimbursable transition costs amounts shall be irrevocable, and the
988 department shall not have authority, either by rescinding, altering, or amending the rate reduction

989 bond order or otherwise, to revalue or revise for ratemaking purposes the transition costs,
990 determine that the reimbursable transition costs amounts or transition charges are unjust or
991 unreasonable, or in any way reduce or impair the value of eligible property either directly or
992 indirectly by taking reimbursable transition costs amounts into account when setting other rates
993 for the electric or gas company, nor shall the amount of revenues arising with respect thereto be
994 subject to reduction, impairment, postponement, or termination. Except as otherwise provided
995 in this paragraph, the commonwealth does hereby pledge and agree with the owners of eligible
996 property and holders of electric or gas rate reduction bonds that the commonwealth shall not (i)
997 alter the provisions of this chapter which make the transition charges imposed by the rate
998 reduction bond order irrevocable and binding or (ii) limit or alter the reimbursable transition
999 costs amounts, eligible property, rate reduction bond orders, and all rights thereunder until the
1000 electric or gas rate reduction bonds, together with the interest thereon, are fully met and
1001 discharged. The financing entity as agent for the commonwealth is hereby authorized to include
1002 this pledge and undertaking for the commonwealth in these electric or gas rate reduction bonds.

1003 (ii) Notwithstanding or affecting by any means the irrevocability of the collection of
1004 revenues and imposition of transition charges associated with gas and electric rate reduction
1005 bonds as written in section (4)(i), the department shall retain the authority to determine the
1006 prudence of the reimbursable transition costs and may use a distinct and complementary
1007 reconciling mechanism, if necessary, to effect any determination of imprudence with respect to
1008 any portion of reimbursable transition costs.

1009 (5)(i) Rate reduction bond orders issued pursuant to the provisions of this section shall
1010 not constitute a debt or liability of the commonwealth or of any political subdivision thereof,
1011 other than the financing entity, and shall not constitute a pledge of the full faith and credit of the

1012 commonwealth or any of its political subdivisions, other than the financing entity, but shall be
1013 payable solely from the funds provided therefor pursuant to the provisions of this section. All the
1014 bonds shall contain on the face thereof the following statement: Neither the full faith and credit
1015 nor the taxing power of the commonwealth of Massachusetts is pledged to the payment of the
1016 principal of, or interest on, this bond.

1017 (ii) The issuance of electric or gas rate reduction bonds pursuant to the provisions of this
1018 section shall not obligate the commonwealth, or any political subdivision thereof, to levy or to
1019 pledge any form of taxation therefor or to make any appropriation for their payment.

1020 (iii) The exercise of the powers granted by this section shall be in all respects for the
1021 benefit of the people of the commonwealth, for the increase of their commerce and prosperity,
1022 and for the improvement of their health and living conditions. As the exercise of such powers
1023 shall constitute the performance of essential governmental functions, the financing entity shall
1024 not be required to pay any taxes or assessments upon the property acquired or used by the
1025 financing entity pursuant to the provisions of this section or upon the income therefrom. The
1026 bonds or other instruments issued pursuant to the provisions of this section, their transfer and the
1027 income therefrom, including any profit made on the sale thereof, shall at all times be free from
1028 taxation within the commonwealth.

1029 (iv) Electric or gas rate reduction bonds and other instruments so approved and issued by
1030 a financing entity pursuant to the provisions of this section are hereby made securities in which
1031 all public officers and public bodies of the commonwealth and its political subdivisions, all
1032 insurance companies, and savings banks, cooperative banks and trust companies in their banking
1033 departments and within the limits set by section 14 of chapter 167E, banking associations,

1034 investment companies, executors, trustees, and other fiduciaries, and all other persons
1035 whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of
1036 a similar nature, may properly and legally invest funds, including capital in their control or
1037 belonging to them, and such bonds are hereby made obligations which may properly and legally
1038 be made eligible for the investment of savings deposits and the income thereof in the manner
1039 provided by section 15B of chapter 167. Such bonds are hereby made securities which may
1040 properly and legally be deposited with and received by any state or municipal officer or any
1041 agency or political subdivision of the commonwealth for any purpose for which the deposit of
1042 bonds or other obligations of the commonwealth is now or may hereafter be authorized by law.

1043 (v) The repayment of terms of any electric rate reduction bonds issued for the purpose of
1044 paying for transition costs, subject to the department's approval, extend for not more than 15
1045 years; provided, that in the event the department determines that a longer repayment period
1046 would inure to the benefit of residential ratepayers, the department shall approve any
1047 securitization plan that maximizes rate affordability to such ratepayers.

1048 (7) The department shall establish procedures for the expeditious processing of
1049 applications for rate reduction bond orders, including the approval or disapproval thereof within
1050 120 days of filing; provided, however, that an electric company or gas company shall file a new
1051 application with the department within 45 days of any such disapproval, if so ordered by the
1052 department. A rate reduction bond order shall also include a procedure whereby the department
1053 shall periodically review the rate of transition charges authorized therein at intervals as may be
1054 provided for in such order, and shall approve adjustments, if required, of each such additional
1055 interval date, to such rate of transition charges to the extent necessary to ensure the timely
1056 recovery of revenues sufficient to provide for the payment of all principal, interest, premium, if

1057 any, and other charges in respect of the electric or gas rate reduction bonds approved by the
1058 department pursuant to such rate reduction bond order.

1059 (8) Reimbursable transition costs amounts shall constitute eligible property when, and to
1060 the extent that, a rate reduction bond order authorizing the reimbursable transition costs amounts
1061 have become effective in accordance with the provisions of this section. The eligible property
1062 shall thereafter continuously exist as property for all purposes with all of the rights and privileges
1063 of this section for the period and to the extent provided in the rate reduction bond order, but in
1064 any event until the electric or gas rate reduction bonds are paid in full, including all principal,
1065 interest, premium, costs, and arrearages thereon. Prior to its sale or other transfer by the electric
1066 company or gas company pursuant to this section, eligible property shall be a vested contract
1067 right of the electric company, or gas company, notwithstanding any contrary treatment thereof
1068 for accounting, tax, or other purpose.

1069 (9) Any unanticipated transition changes that are generated in excess of the amounts
1070 necessary to pay principal, premium, if any, interest, and expenses of the issuance of the electric
1071 or gas rate reduction bonds shall be remitted to the financing entity to be held or distributed in
1072 accordance with the rate reduction bond order and, provided that all reserve funds are fully
1073 funded, may be used to benefit customers if this would not result in a recharacterization of the
1074 tax, accounting, and other intended characteristics of the financing, including, but not limited to,
1075 the following intended characteristics: (i) avoiding the recognition of debt on the balance sheet of
1076 the electric company or gas company for financial accounting and regulatory purposes; (ii)
1077 treating the electric or gas rate reduction bonds as debt of the electric company or its affiliates or
1078 gas company or its affiliates for federal income tax purposes; (iii) treating the transfer of the
1079 eligible property by the electric company or gas company as a true sale for bankruptcy purposes;

1080 and (iv) avoiding any adverse impact of the financing on the credit rating of the electric company
1081 or gas company.

1082 (10) In no event shall any rate reduction bond order (i) authorize or require customers
1083 other than those of the electric company or gas company applying for such rate reduction bond
1084 order and its successors to pay any transition charges or other amounts with respect to the
1085 transactions authorized by such rate reduction bond order; or (ii) authorize, permit, or require
1086 that any amounts arising from the transactions authorized by such rate reduction bond order be
1087 used to subsidize or benefit an company or the customers thereof other than the electric company
1088 or gas company and the affiliates thereof applying for such rate reduction bond order and its
1089 affiliates' customers. A rate reduction bond order shall require that transition charges be paid
1090 over to the financing entity within one calendar month of collection.

1091 (d)(1) The financing entity may issue electric or gas rate reduction bonds approved by the
1092 department in the pertinent rate reduction bond orders. Electric or gas rate reduction bonds shall
1093 be nonrecourse to the credit of it or any assets of the electric company or gas company, other
1094 than the eligible property as specified in the pertinent rate reduction bond order.

1095 (2) An electric company or gas company may sell or assign all or portions of its interest
1096 in eligible property to an affiliate. An electric company or gas company, or its affiliates may sell
1097 or assign their interests to one or more financing entities that make that property the basis for
1098 issuance of electric or gas rate reduction bonds to the extent approved in the pertinent rate
1099 reduction bond orders. An electric company or gas company, its affiliates, or financing entities
1100 may pledge eligible property as collateral for electric or gas rate reduction bonds to the extent

1101 approved in the pertinent rate reduction bond orders providing for a security interest in the
1102 eligible property, in the manner as set forth in subsection (e).

1103 In addition, eligible property may be sold or assigned by either (i) the financing entity or
1104 a trustee for the holders of electric or gas rate reduction bonds in connection with the exercise of
1105 remedies upon a default, or (ii) any person acquiring the eligible property after a sale or
1106 assignment pursuant to this subsection.

1107 (3) To the extent that any interest in eligible property is so sold or assigned, or is so
1108 pledged as collateral, the department shall require, pursuant to the policing and regulatory power
1109 of the commonwealth, the electric company or gas company and any successor or any other
1110 entity acting as an electric company or gas company within the service territory to contract with
1111 the financing entity that it will continue to operate its system to provide service to its customers,
1112 will collect amounts in respect of the reimbursable transition costs amounts for the benefit and
1113 account of the financing entity, and will account for and remit these amounts to or for the
1114 account of the financing entity. Contracting with the financing entity in accordance with such
1115 authorization shall not impair or negate the characterization of the sale, assignment, or pledge as
1116 an absolute transfer, a true sale, or security interest, as applicable.

1117 (4) Notwithstanding any general or special law, rule, or regulation to the contrary, any
1118 provision under this section or a rate reduction bond order requiring the department take action
1119 with respect to the subject matter of a rate reduction bond order shall be binding upon the
1120 department, as it may be constituted from time to time, and any successor agency exercising
1121 functions similar to the department and the department shall have no authority to rescind, alter,
1122 or amend that requirement in a rate reduction bond order.

1123 (e)(1) A security interest in eligible property is valid and enforceable against the pledgor
1124 and third parties, subject to the rights of any third parties holding security interests in the eligible
1125 property perfected in the manner described in this subsection, and attaches when all of the
1126 following have taken place: (i) the department has issued the rate reduction bond order
1127 authorizing the bondable reimbursable transition costs amounts included in the eligible property;
1128 (ii) value has been given by the pledgees of the eligible property; and (iii) the pledgor has signed
1129 a security agreement covering the eligible property.

1130 (2) A valid and enforceable security interest in eligible property shall be perfected when
1131 it has attached and when a financing statement has been filed in accordance with article 9 of
1132 chapter 106 naming the pledgor of the eligible property as "debtor" and identifying the eligible
1133 property. Any description of the eligible property shall be sufficient if it refers to the rate
1134 reduction bond order creating the eligible property. A copy of the financing statement shall be
1135 filed with the department by the electric company or gas company, which is the pledgor or
1136 transferor of the eligible property, and the department may require the electric company or gas
1137 company to make other filings with respect to the security interest in accordance with procedures
1138 it may establish; provided, however, that the filings shall not affect the perfection of the security
1139 interest.

1140 (3) A perfected security interest in eligible property shall be a continuously perfected
1141 security interest in all revenues and proceeds arising with respect thereto, whether or not the
1142 revenues or proceeds have accrued. Conflicting security interests shall rank according to priority
1143 in time of perfection. Eligible property shall constitute property for all purposes, including for
1144 contracts securing electric or gas rate reduction bonds, whether or not the revenues and proceeds
1145 arising with respect thereto have accrued.

1146 (4) Subject to the terms of the security agreement covering the eligible property and the
1147 rights of any third parties holding security interests in the eligible property perfected in the
1148 manner described in this subsection, the validity and relative priority of a security interest
1149 created pursuant to this subsection shall not be defeated or adversely affected by the
1150 commingling of revenues arising with respect to the eligible property with other funds of the
1151 electric company or gas company that is the pledge or transferor of the eligible property. Subject
1152 to the terms of the security agreement, the pledgees of the eligible property shall have a perfected
1153 security interest in all cash and deposit accounts of the electric company or gas company in
1154 which revenues arising with respect to the eligible property have been commingled with other
1155 funds, but the perfected security interest shall be limited to an amount not greater than the
1156 amount of the revenues with respect to the eligible property received by the electric company or
1157 gas company within 12 months before either (i) any default under the security agreement, or (ii)
1158 the institution of insolvency proceedings by or against the electric company or gas company, less
1159 payments from the revenues to the pledgees during that 12-month period.

1160 (5) If an event of default occurs under the security agreement covering the eligible
1161 property, the pledgees of the eligible property, subject to the terms of the security agreement,
1162 shall have all rights and remedies of a secured party upon default pursuant to article 9 of chapter
1163 106 and such other rights and remedies as may be provided in the rate reduction bond order, and
1164 shall be entitled to foreclose or otherwise enforce their security interest in the eligible property,
1165 subject to the rights of any third parties holding prior security interests in the eligible property
1166 perfected in the manner provided in this section. In addition, the department may require, in the
1167 rate reduction bond order creating the eligible property, that, in the event of default by the
1168 electric company or gas company in payment of revenues arising with respect to the eligible

1169 property, the commission and any successor thereto, upon the application by the pledgees or
1170 transferees, including transferees under subsection (g), of the eligible property, and without
1171 limiting any other remedies available to the pledgees or transferees by reason of the default, shall
1172 order the sequestration and payment to the pledgees or transferees of revenues arising with
1173 respect to the eligible property. Any order shall remain in full force and effect notwithstanding
1174 any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor,
1175 pledgor, or transferor of the eligible property. Any surplus in excess of amounts necessary to pay
1176 principal, premium, if any, interest, costs, and arrearages on the electric or gas rate reduction
1177 bonds, and other costs arising under the security agreement, shall be remitted to the debtor or to
1178 the pledgor or transferor.

1179 (6) The state secretary shall establish and maintain a separate system of records to reflect
1180 the date and time of receipt of all filings made under this subsection (e) to perfect security
1181 interests in eligible property and to effect the transfer to an assignee of any interest in a rate
1182 reduction bond order.

1183 (f) Unless otherwise ordered by the department with respect to any series of electric or
1184 gas rate reduction bonds on or prior to the issuance of the series, there shall exist a statutory lien
1185 as provided in this subsection. Upon the effective date of the rate reduction bond order, there
1186 shall exist a first priority lien on all eligible property then existing or thereafter arising pursuant
1187 to the terms of the rate reduction bond order. This lien shall arise by operation of this subsection
1188 automatically without any action on the part of the electric company, any affiliate thereof, the
1189 financing entity, or any other person. This lien shall secure all obligations, then existing or
1190 subsequently arising, to the holders of the electric or gas rate reduction bonds issued pursuant to
1191 the rate reduction bond order, the trustee or representative for the holders, and any other entity

1192 specified in the rate reduction bond order. The persons for whose benefit this lien is established
1193 shall, upon the occurrence of any defaults specified in the rate reduction bond order, have all
1194 rights and remedies of a secured party upon default pursuant to article 9 of chapter 106, and shall
1195 be entitled to foreclose or otherwise enforce this statutory lien in the eligible property. This lien
1196 shall attach to the eligible property regardless of whom shall own, or shall subsequently be
1197 determined to own, the eligible property, including any electric company or gas company, any
1198 affiliate thereof, the financing entity, or any other person. This lien shall be valid, perfected, and
1199 enforceable against the owner of the eligible property and all third parties upon the effectiveness
1200 of the rate reduction bond order without any further public notice; provided, however, that any
1201 person may, but shall not be required to, file a financing statement in accordance with subsection
1202 (e). Financing statements so filed may be "protective filings" and shall not be evidence of the
1203 ownership of the eligible property.

1204 A perfected statutory lien in eligible property shall be a continuously perfected lien in all
1205 revenues and proceeds arising with respect thereto, whether or not the revenues or proceeds have
1206 accrued. Conflicting liens shall rank according to priority in time of perfection. Eligible property
1207 shall constitute property for all purposes, including for contracts securing rate reduction bonds,
1208 whether or not the revenues and proceeds arising with respect thereto have accrued.

1209 In addition, the department may require, in the rate reduction bond order creating the
1210 eligible property, that, in the event of default by the electric company or gas company in
1211 payment of revenues arising with respect to eligible property, the department and any successor
1212 thereto, upon the application by the beneficiaries of the statutory lien, and without limiting any
1213 other remedies available to the beneficiaries by reason of the default, shall order the
1214 sequestration and payment to the beneficiaries of revenues arising with respect to the eligible

1215 property. Any order shall remain in full force and effect notwithstanding any bankruptcy,
1216 reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor
1217 of the eligible property. Any surplus in excess of amounts necessary to pay principal, premium,
1218 if any, interest, costs, and arrearages on the electric or gas rate reduction bonds, and other costs
1219 arising in connection with the documents governing the electric or gas rate reduction bonds, shall
1220 be remitted to the debtor or to the pledgor or transferor.

1221 (g)(1) A transfer of eligible property by an electric company or gas company to an
1222 affiliate or to a financing entity, or by an affiliate of an electric company or gas company, or a
1223 financing entity to another financing entity, which the parties have in the governing
1224 documentation expressly stated to be a sale or other absolute transfer, in a transaction approved
1225 in a rate reduction bond order, shall be treated as an absolute transfer of all of the transferor's
1226 right, title, and interest, as in a true sale, and not as a pledge or other financing, of the eligible
1227 property, other than for federal and state income purposes. Granting to holders of electric or gas
1228 rate reduction bonds a preferred right to revenues of the electric company or gas company or the
1229 provision by the company of other credit enhancement with respect to electric or gas rate
1230 reduction bonds, shall not impair or negate the characterization of any transfer as a true sale,
1231 other than for federal and state income purposes.

1232 (2) A transfer of eligible property shall be deemed perfected as against third persons
1233 when both of the following have taken place: (i) the department has issued the rate reduction
1234 bond order authorizing the fixed transition amounts included in the eligible property; and (ii) an
1235 assignment of the eligible property in writing has been executed and delivered to the eligible
1236 property in writing has been executed and delivered to the transferee.

1237 (3) As between bona fide assignees of the same right for value without notice, the
1238 assignee first filing a financing statement in accordance with article 9 of chapter 106 naming the
1239 assignor of the eligible property as debtor and identifying the eligible property has priority. Any
1240 description of the eligible property shall be sufficient if it refers to the rate reduction bond order
1241 creating the eligible property. A copy of the financing statement shall be filed by the assignee
1242 with the department. The department may require the assignor or the assignee to make other
1243 filings with respect to the transfer in accordance with procedures it may establish, but these
1244 filings shall not affect the perfection of the transfer.

1245 (h) Any successor to the electric company or gas company, whether pursuant to any
1246 bankruptcy, reorganization, or other insolvency proceeding, or pursuant to any merger, sale, or
1247 transfer, by operation of law, or otherwise, shall perform and satisfy all obligations of the electric
1248 company or gas company pursuant to this section in the same manner and to the same extent as
1249 the electric company or gas company, including, but not limited to, collecting and paying to the
1250 holders of electric or gas rate reduction bonds or their representatives or the financing entity,
1251 revenues arising with respect to the eligible property sold to the financing entity or pledged to
1252 secure electric or gas rate reduction bonds. This requirement that a successor electric company or
1253 gas company perform the obligations of its predecessor is made pursuant to the commonwealth's
1254 policing and regulatory authority.

1255 SECTION 21. Chapter 164 of the General laws, as so appearing, is hereby amended by
1256 adding the following section after section 1K:-

1257 Section 1L. (a) A generation company or supplier may offer electricity to a residential
1258 customer receiving a discount rate pursuant to section 153 only at a price that does not exceed

1259 the trailing 12-month average of a distribution company's default service rate in the distribution
1260 company's service territory as of the date of agreement with the customer.

1261 (b) A generation company or supplier may not: (i) automatically renew a residential
1262 customer's contract at the end of a contract term without the written consent of the residential
1263 customer; (ii) offer a variable rate other than a rate that adjusts for seasonal variation more than
1264 twice in a single year or a time-of-use rate that establishes different rates for periods within a
1265 single day; (iii) pay a commission or other incentive-based compensation for enrolling customers
1266 to any energy brokers, energy marketers, other third-party marketing agents, or any other
1267 employees or agents; (iv) impose on a customer a fee for cancellation or early termination of an
1268 electricity supply agreement; and (v) offer a voluntary renewable or green energy product that
1269 contains clean or renewable energy attributes other than those that qualify under any clean
1270 energy standard regulation established by the department of environmental protection pursuant to
1271 subsection 3(c) of chapter 21N of the General Laws.

1272 (c) The department shall establish and maintain a public website for residential customers
1273 to compare available retail electricity supply products. Suppliers must list all products available
1274 to residential customers on said website and all customer enrollments must be processed via the
1275 website or through a related platform established by the department. The department shall ensure
1276 that the website includes, but is not limited to, all of the following information: (i) the current,
1277 and where possible, future default service rate available to a customer pursuant to section 1B; (ii)
1278 the default supply rate of any municipal aggregation offering available to a customer pursuant to
1279 section 134; (iii) the contract term for all products listed; (iv) the percentage of renewable or
1280 clean energy content included in the product, including information on the source or location of
1281 such content, as determined by the department; (v) all additional products and services included

1282 as part of the product; and (vi) the estimated monthly cost to the customer. The website shall
1283 allow for products to be sorted and compared to each other.

1284 (d) No less than quarterly, suppliers shall provide to the department: (i) a list detailing
1285 each rate the supplier charged to residential retail customers in the last quarter; and (ii) the
1286 number of low-income and non-low-income residential retail customers charged each rate
1287 included in such list by rate class. The department shall publish average rates charged to
1288 customer classes and the aggregate number of customers served on the department's website.

1289 (e) No less than annually, suppliers shall provide data to the department concerning any
1290 clean or renewable energy attributes retired in connection with the generation service provided to
1291 individual residential retail customers. Such data shall include the geographic location and fuel
1292 type of each such attribute, and the percentage of the supply purchased in excess of the supplier's
1293 annual obligations under the clean and renewable energy portfolio standards established by the
1294 department of environmental protection and department of energy resources, respectively. The
1295 department shall publish this information from each supplier on its website.

1296 (f) No customer may be assigned or transferred without prior approval by the department.
1297 Notice of such customer assignment or customer transfer shall be provided to the department at
1298 least thirty days prior to the effective date of the proposed assignment or transfer of a customer
1299 from one supplier to another supplier. The department may, upon its review of such notice,
1300 require certain conditions or deny assignment or transfer of such customer.

1301 (g) No less than quarterly, the department shall publish each supplier's and electric and
1302 gas distribution companies' complaint data, sourced from complaints made to the department as

1303 well as those made to the attorney general, as provided to the department annually, on the
1304 department's website.

1305 SECTION 22. Chapter 164, as appearing in the 2024 Official Edition, is hereby amended
1306 by striking out section 15 and inserting in place thereof the following section:-

1307 Section 15. A gas or electric company, under the supervision of the department, selling,
1308 offering for sale or issuing, bonds, debentures, notes or other evidences of indebtedness,
1309 exclusive of stock, payable at periods of more than five years after the date thereof, shall invite
1310 proposals for the purchase thereof. The department shall find that the manner of solicitation of
1311 such proposals demonstrates a measure of competition and is in the public interest. Said
1312 company may, however, reserve the right to reject any and all proposals.

1313 SECTION 23. Section 15A of said chapter 164, as so appearing, is hereby amended by
1314 striking out, in line 3, the word, "than", and inserting in place thereof the word, "that".

1315 SECTION 24. Chapter 164 of the general laws is hereby amended by striking out section
1316 33A and inserting in place thereof the following section:-

1317 Section 33A. (a) For the purposes of this section, the following words and phrases shall
1318 have the following meanings:-

1319 "Advertising", the commercial use by a utility of any media, including newspaper, social
1320 media, printed matter, radio, and television, in order to transmit a message to a substantial
1321 number of members of the public or to such utility's consumers, including any costs associated
1322 with research, analysis, preparation, planning, or any other related costs identified by the
1323 department as related to public communication whose purpose is to promote the sale or

1324 consumption of natural gas, electricity, or other thermal energy, unless such advertising is
1325 specifically approved or ordered by the department.

1326 "Goodwill or institutional advertising", means any advertising designed primarily to
1327 bring the utility's name before the general public in such a way as to solely improve the image of
1328 the utility or to promote the utility or the industry.

1329 "Political advertising", any advertising for the purpose of influencing public opinion with
1330 respect to legislative, administrative, or electoral matters.

1331 "Promotional advertising", any advertising for the purpose of encouraging any person to
1332 select or use the service or additional service of a utility regulated by the department, or the
1333 selection or installation of any appliance or equipment designed to use such utility's service.

1334 For the purposes of this section, the terms "goodwill or institutional advertising,"
1335 "political advertising," and "promotional advertising" shall not include advertising which informs
1336 consumers of any utility on how they can conserve energy, access money saving rates or
1337 programs, seek assistance or customer support, prepare for weather events, reduce peak demand
1338 for energy, or other services, such as building decarbonization or other electrification measures,
1339 or otherwise use the services of any utility in a cost-efficient manner; is required by federal or
1340 state laws or regulations; informs consumers regarding service interruptions, safety measures, or
1341 emergency conditions; concerns employment opportunities with a utility; or relates to any
1342 explanation or justification of existing or proposed rate schedules, or notification of hearings
1343 thereon which informs consumers of and stimulates the use of products or services which are
1344 subject to direct competition from products or services of entities not regulated by the
1345 department or any other government agency. A communication shall be considered advertising,

1346 goodwill or institutional advertising, promotional advertising, or political advertising if any
1347 portion of the communication is advertising, goodwill or institutional advertising, promotional
1348 advertising, or political advertising as defined herein.

1349 (b) No gas or electric company regulated by the department under this chapter may
1350 recover from any ratepayer of such company any direct or indirect expenditure by such company
1351 for goodwill or institutional, promotional, or political advertising as defined in this section.

1352 (c) No gas or electric company regulated by the department shall recover through rates
1353 any direct or indirect cost associated with: (i) membership, dues, sponsorships, or contributions
1354 to any entity incorporated under Section 501 of the Internal Revenue Code of 1986, as amended,
1355 including business or trade associations; (ii) charitable giving expenses, including contributions
1356 in cash or other quantifiable value to organizations qualified under section 501(c)(3) or 501(c)(4)
1357 of the Internal Revenue Code of 1986, as amended; (iii) executive or legislative lobbying, as
1358 those terms are defined in section 39 of chapter 3, or soliciting others to engage in executive or
1359 legislative lobbying, including any costs for activities associated with lobbying such as policy
1360 research, analysis, preparation, and planning undertaken in support of lobbying; (iv)
1361 contributions to political candidates, campaign committees, issue committees, or independent
1362 expenditure committees or other political expenses; (v) any costs, including marketing,
1363 administration, customer service, or other costs, for products or services not regulated by the
1364 department, unless determined by the department to be reasonable; (vi) tax penalties or fines
1365 issued against such company, unless determined by the department to be reasonable; (vii) travel,
1366 lodging, entertainment, gifts or food and beverage expenses for such company's board of
1367 directors, trustees, and external advisory councils not required by the department or legislature,
1368 or the board of directors and officers of the parent of such company; or (viii) any owned, leased

1369 or chartered aircraft for such company’s board of directors, trustees, external advisory councils,
1370 and officers or the board of directors and officers of the parent of such company.

1371 (d) The department and the office of ratepayer advocacy established pursuant to section
1372 11E of chapter 12 shall monitor and investigate compliance and noncompliance with this section.
1373 If the department determines that a gas or electric company regulated by the department
1374 improperly recorded an expense for which recovery is prohibited by this section, the department
1375 shall assess a non-recoverable penalty against such company in an amount that is not less than
1376 the total amount of costs improperly recorded. In addition to assessing a non-recoverable penalty
1377 against a company pursuant to this subsection, the department shall order such company to
1378 refund the amount improperly recovered, plus interest, to customers. For each penalty assessed
1379 and collected from any such company pursuant to this section, a portion of the penalty, as
1380 determined by the department, may be distributed to ratepayers through a rebate, or distributed to
1381 the department and the office of ratepayer advocacy for the purpose of increasing resources for
1382 enforcing this section.

1383 SECTION 25. Section 69G of chapter 164 of the General Laws, as amended by chapter
1384 239 of the Acts of 2024, is hereby amended by striking the definition for “Director” and
1385 replacing it with the following definition:-

1386 “Director”, the director of the energy facilities siting division appointed pursuant to
1387 section 12N of chapter 25, who shall serve as the director of the board provided, however, that
1388 the director may issue decisions on de novo adjudications of local permit applications pursuant to
1389 section 69W of chapter 164; and provided that the director may issue determinations to require a
1390 project applicant to submit an application for a consolidated permit as a large clean transmission

1391 and distribution infrastructure facility under sections 69H and 69T, pursuant to section 69X of
1392 chapter 164.

1393 SECTION 26. Said section 69G of chapter 164 of the General Laws, as amended by
1394 chapter 239 of the Acts of 2024, is hereby amended by striking the definition for “Large clean
1395 transmission and distribution infrastructure facility” and replacing it with the following
1396 definition:-

1397 “Large clean transmission and distribution infrastructure facility”, electric transmission
1398 and distribution infrastructure and related ancillary infrastructure that is: (i) a new electric
1399 transmission line having a design rating of not less than 69 kilovolts and that is not less than 1
1400 mile in length on a new transmission corridor, including any ancillary structure that is an integral
1401 part of the operation of the transmission line; (ii) a new electric transmission line having a design
1402 rating of not less than 115 kilovolts that is not less than 10 miles in length on an existing
1403 transmission corridor except reconductored or rebuilt transmission lines at the same voltage,
1404 including any ancillary structure that is an integral part of the operation of the transmission line;
1405 (iii) any other new electric transmission infrastructure requiring zoning exemptions, including
1406 standalone transmission substations and upgrades and any ancillary structure that is an integral
1407 part of the operation of the transmission line; (iv) any proposed reconductoring, replacement, or
1408 rebuilding of a transmission facility or group of transmission facilities, including any ancillary
1409 structure that is an integral part of the operation of the transmission line, that is reviewed
1410 pursuant to section 69X; and (v) facilities needed to interconnect offshore wind to the grid;
1411 provided, however, that the large clean transmission and distribution facility is: (A) designed,
1412 fully or in part, to directly interconnect or otherwise facilitate the interconnection of clean energy
1413 infrastructure to the electric grid; (B) approved by the regional transmission operator in relation

1414 to interconnecting clean energy infrastructure; (C) proposed to ensure electric grid reliability and
1415 stability; or (D) will help facilitate the electrification of the building and transportation sectors;
1416 provided further, that a “large clean transmission and distribution infrastructure facility” shall not
1417 include new transmission and distribution infrastructure that solely interconnects new and
1418 existing energy generation powered by fossil fuels on or after January 1, 2026.

1419 SECTION 27. Chapter 164 of the General Laws is hereby amended by inserting the
1420 following section after Section 69W:-

1421 Section 69X. (a) A transmission company shall file with the board any proposed
1422 reconductoring, replacement, or rebuilding of a transmission facility or group of transmission
1423 facilities on an existing transmission corridor that has an estimated cost of at least \$25 million
1424 prior to commencing construction.

1425 (b) No later than ninety days following a submission pursuant to subsection (a), the
1426 director, at their sole discretion, may require a project applicant to submit an application for a
1427 consolidated permit as a large clean transmission and distribution infrastructure facility under
1428 sections 69H and 69T. In such a case, the applicant shall be required to seek and obtain a
1429 consolidated permit from the board before it may proceed with construction. The director shall
1430 notify the project applicant within five days of determining that they will require submission of
1431 an application pursuant to sections 69H and 69T. The board may establish rules that permit an
1432 applicant for a project reviewed pursuant to this section to forego certain pre-filing requirements
1433 with which other projects under section 69T are required to comply.

1434 (c) In determining whether to require submission of an application under subsection (b),
1435 the director shall consider (1) the identified need for the project, (2) the project scope, timing,

1436 cost, and alternatives considered, including the deployment of advanced conductors, grid-
1437 enhancing technologies, and other advanced transmission technologies, (3) whether the proposed
1438 project would address a near-term reliability risk, and (4) whether there are sufficient
1439 mechanisms in the regional transmission planning process to evaluate projects that are subject to
1440 this section.

1441 (d) Projects selected by ISO-NE for inclusion in its regional system plan are not subject
1442 to this section.

1443 (e) The board may adopt such rules and regulations as may be necessary to implement
1444 this section.

1445 SECTION 28. Chapter 164 of the General Laws, as appearing in the 2022 Official
1446 Edition, is hereby amended by inserting after section 83 the following section:-

1447 Section 83A. (a) Notwithstanding any general or special law, rule, regulation or order to
1448 the contrary, the department may provide for management and operations audits of gas
1449 companies and distribution companies. Such audits shall be performed no more frequently than
1450 once every five years for said companies; provided, however, that the department may order
1451 supplemental, audits on specific aspects of gas company and distribution company operations
1452 and performance, as necessary. The department shall order such audits be performed by its staff
1453 or by an independent auditor.

1454 If the department orders to have the audit provided for in this section performed by an
1455 independent auditor, the department may select the auditor, subject to the applicable procurement
1456 laws and regulations of the commonwealth, and shall require the company being audited to enter
1457 into a contract with the auditor providing for their payment by the company at no cost to the

1458 ratepayers of said company. Such contract shall provide further that the independent auditor shall
1459 work for and be under the direction of the department according to such terms as the department
1460 may determine are necessary and reasonable.

1461 (b) Each company subject to an audit under this section shall, within thirty days after
1462 issuance of such audit, make to the department, in a form prescribed by the department, a report
1463 detailing said company's plan to implement the recommendations made in the audit. After
1464 review of such plan, the department may require each company to amend its plan in a particular
1465 manner. Such plan shall thereafter become enforceable upon approval by the department. The
1466 department may commence a proceeding to examine any such company's compliance with the
1467 recommendations of such audit.

1468 (c) Upon the petition of a gas or distribution company for approval of a general increase
1469 in base distribution rates pursuant to section 94, or other proceedings in which a gas or
1470 distribution company proposes capital improvements, the department shall review that
1471 company's compliance with the directions and recommendations made previously by the
1472 department, as a result of the most recently completed management and operations audit, if
1473 applicable, as provided in this section.

1474 SECTION 29. Section 92B of chapter 164, as amended by section 78 of the chapter 239
1475 of the acts of 2024, is hereby amended by striking out paragraphs (c) through (e) in its entirety
1476 and inserting in place thereof the following paragraphs:

1477 (c) An electric-sector modernization plan developed pursuant to subsection (a) shall also
1478 include the following:

1479 (i) a load management and virtual power plant plan that, based on the best available data,
1480 minimizes ratepayer costs and maximizes ratepayer benefits of distributed energy resources and
1481 distributed generation to the greatest extent possible, which shall include, but not be limited to:

1482 (A) a detailed summary and timeline for all current, proposed, and under development
1483 programs and investments, including all investments and programs developed as part of the
1484 statewide decarbonization and energy efficiency plan authorized under section 21 of chapter 25
1485 of the General Laws, all investments and programs authorized by the department related to
1486 electric grid modernization, building electrification, transportation electrification, and distributed
1487 energy resources, and all efforts to make use of advanced metering infrastructure, that (i) directly
1488 or indirectly manage energy demand to reduce its impact on and provide benefits to the electric
1489 power system or (ii) utilize or otherwise enable dispatchable distributed energy resources to
1490 provide benefits or services to the electric grid including, but not limited to, reducing, deferring,
1491 or eliminating transmission or distribution infrastructure investments, avoiding development of
1492 new fossil-based power generation, reducing wholesale energy market costs, or enabling
1493 wholesale energy market participation;

1494 (B) quantitative five- and ten-year targets for peak load reduction, including targets for
1495 system-wide peak and separate targets for non-coincident sub-system peaks, and electric system
1496 benefits for both load management and virtual power plants that are inclusive of, but not limited
1497 to, targets set as part of the statewide decarbonization and energy efficiency plan and any other
1498 plans approved by the department;

1499 (C) a qualitative and quantitative evaluation of the benefits of such programs to reduce,
1500 defer or eliminate the need for transmission or distribution infrastructure investments, including

1501 but not limited to, all cases where such programs reduce, defer or eliminate specific, future
1502 infrastructure investment needs identified through the company's current or prior electric-sector
1503 modernization plans or through the company's core capital planning process, as applicable;

1504 (D) a detailed methodology and approach for ensuring that such programs are optimized
1505 to reduce, defer or eliminate infrastructure investment needs identified through the company's
1506 current or prior electric-sector modernization plans or through the company's core capital
1507 planning process. Such methodology shall be as consistent as practicable with the comparable
1508 methodology employed by each other electric company.

1509 (E) a description and summary of current, proposed, and under development plans and
1510 processes to enable third-party providers to provide load management and virtual power plant
1511 services, including but not limited to, how such services will be used to reduce, defer, or
1512 eliminate infrastructure investment needs, the status of any past, current, or planned
1513 procurements of grid services from third parties, and information on how third parties can
1514 participate in programs and access customer electric usage data to enable load management and
1515 virtual power plant services.

1516 (ii) information on the flexible interconnection program required under section 159,
1517 including, but not limited to:

1518 (A) a detailed summary of the flexible interconnection program and a timeline for all,
1519 additional proposed and under development alternative interconnection solutions, and associated
1520 investments, that meet the definition of flexible interconnection under subsection (a) of section
1521 159, including, but not limited to, relevant efforts to make use of advanced metering
1522 infrastructure and smart inverters;

1523 (B) a qualitative and quantitative evaluation of the benefits of the flexible interconnection
1524 program and proposed and under development alternative interconnection solutions to reduce,
1525 defer or eliminate the need for transmission or distribution infrastructure investments, including
1526 but not limited to all cases where the flexible interconnection program and proposed and under
1527 development alternative interconnection solutions reduce, defer or eliminate specific
1528 infrastructure investment needs identified through the company's current or prior electric-sector
1529 modernization plans or through the company's core capital planning process, as applicable.

1530 (iii) a comprehensive description and summary of how the load management and virtual
1531 power plant plan provided pursuant to paragraph (i) and the flexible interconnection program
1532 required under section 159 are integrated with other distribution system planning efforts to most
1533 effectively reduce costs and maximize benefits to ratepayers, advance energy affordability, and
1534 help the commonwealth realize its statewide greenhouse gas emissions limits and sublimits under
1535 chapter 21N.

1536 (d) In developing a plan pursuant to subsection (a), an electric company shall:

1537 (i) prepare and use 3 planning horizons for electric demand, including a 5-year forecast, a
1538 10-year forecast and a demand assessment through 2050 to account for future trends, including,
1539 but not limited to, future trends in the adoption of renewable energy, distributed energy resources
1540 and energy storage and electrification technologies necessary to achieve the statewide
1541 greenhouse gas emission limits and sublimits under chapter 21N;

1542 (ii) consider and include a summary of all proposed and related investments, alternatives
1543 to these investments and alternative approaches to financing these investments that have been
1544 reviewed, are under consideration or have been approved by the department previously;

1545 (iii) solicit input from the Grid Modernization Advisory Council established in section
1546 92C on topics such as planning scenarios and modeling and the requirements of subsection (c)
1547 and respond to information and document requests from said council;

1548 (iv) solicit input from the entities listed in subsection (b) of section 3 of chapter 43D of
1549 the General Laws, the chair of the interagency permitting board established by section 62 of
1550 chapter 23A of the General Laws and the Massachusetts office of business development
1551 established by section 1 of chapter 23A regarding the planning scenarios, modeling, and
1552 proposed investments related to economic development and new housing;

1553 (v) solicit input from third-party providers of services that directly or indirectly manage
1554 energy demand to reduce its impact on and provide benefits to the electric power system or
1555 utilize or otherwise enable dispatchable distributed energy resources to provide benefits or
1556 services to the electric grid;

1557 (vi) conduct technical conferences and not less than 2 stakeholder meetings to inform the
1558 public, appropriate state and federal agencies, companies engaged in the development and
1559 installation of distributed generation, energy storage, vehicle electrification systems and building
1560 electrification systems, third-party providers of load management and virtual power plant
1561 services and Massachusetts businesses and housing developers; and

1562 (vii) prepare and file a climate vulnerability and resilience plan with the electric-sector
1563 modernization plan based on best available data, which shall include, but not be limited to, the
1564 following:

1565 (A) an evaluation of the climate science and projected sea level rise, extreme
1566 temperature, precipitation, humidity and storms and other climate-related risks for the service
1567 territory;

1568 (B) an evaluation and risk assessment of potential impacts of climate change on existing
1569 operation, planning and physical assets;

1570 (C) identification, prioritization and cost-benefit analysis of adaptation options to
1571 increase asset and system-wide resilience over time;

1572 (D) a community engagement plan with targeted engagement for environmental justice
1573 populations in the service territory; and

1574 (E) an implementation timeline for making changes in line with the findings of the study
1575 such as modifying design and construction standards, modifying operations and planning
1576 processes and relocating or upgrading existing infrastructure to ensure reliability and resilience
1577 of the grid.

1578 (e) An electric company shall submit its first plan for review, input and recommendations
1579 to the Grid Modernization Advisory Council established in section 92C by September 1, 2023,
1580 and thereafter once every 5 years in accordance with a schedule determined by the department;
1581 provided, however, that the plan shall be submitted to the Grid Modernization Advisory Council
1582 not later than 150 days before the electric company files the plan with the department; and
1583 provided further, that the Grid Modernization Advisory Council shall return the plan to the
1584 company with recommendations not later than 70 days before the company files the plan with
1585 the department.

1586 An electric company shall submit its electric-sector modernization plan, together with a
1587 demonstration of the Grid Modernization Advisory Council's review, input and
1588 recommendations, including, but not limited to, a list of each individual recommendation, the
1589 status of each recommendation and an explanation of whether and why each recommendation
1590 was adopted, adopted as modified or rejected, along with a statement of any unresolved issues, to
1591 the department in accordance with a schedule determined by the department. An electric
1592 company shall also submit a list of the entities engaged as required in paragraphs (iv) and (v) of
1593 subsection (d) and a summary of the input provided by such entities.

1594 The electric company shall be permitted to include in base electric distribution rates all
1595 prudently incurred plant additions that are used and are useful. The department shall promptly
1596 consider the plan and shall provide an opportunity for interested parties to be heard in a public
1597 hearing. The department shall approve, approve with modifications or reject the plan within 7
1598 months of submittal. In order to be approved, a plan shall provide net benefits for customers and
1599 meet the criteria enumerated in clauses (i) to (vi), inclusive, of subsection (a).

1600 (f) An electric-sector modernization plan developed by an electric company pursuant to
1601 subsection (a) shall propose discrete, specific, enumerated investments to the distribution and,
1602 where applicable, transmission systems, alternatives to such investments and alternative
1603 approaches to financing such investments, that facilitate grid modernization, greater reliability,
1604 communications and resiliency, increased enablement of distributed energy resources, increased
1605 transportation electrification, increased building electrification, accommodate increased
1606 economic development and new housing and the minimization or mitigation of ratepayer
1607 impacts, in order to meet the statewide greenhouse gas emissions limits and sublimits under
1608 chapter 21N. An electric company shall submit 2 reports per year to the department and the joint

1609 committee on telecommunications, utilities and energy on the deployment of approved
1610 investments in accordance with any performance metrics included in the approved plans. An
1611 electric-sector modernization plan developed by an electric company pursuant to subsection (a)
1612 shall also propose distribution and, where applicable, transmission system planning, Grid
1613 Modernization Advisory Council and stakeholder engagement, and regulatory processes to
1614 ensure that the criteria enumerated in clauses (i) to (vi), inclusive, of subsection (a) are met
1615 throughout the five-year electric-sector modernization plan period.

1616 SECTION 30. Chapter 164 of the General Laws is hereby amended by inserting the
1617 following section:

1618 Section 92D. (a) By July 1, 2028, the department shall establish a comprehensive
1619 distribution system planning and cost recovery framework that encompasses the electric-sector
1620 modernization plans and the discrete investments identified therein, base distribution rates and
1621 associated applications, reconciliation charges and associated filings, and other department
1622 proceedings and electric company filings deemed relevant by the department. Such framework
1623 shall apply to any petition to amend electric rates filed with the department in accordance with
1624 section 94 on or after July 1, 2028.

1625 (b) The framework required in subsection (a) shall seek to accomplish the following
1626 objectives: (i) minimizing costs to ratepayers, including through the use of non-wires alternatives
1627 and virtual power plants; (ii) consolidating the proceedings through which distribution system
1628 planning is conducted; (iii) consolidating the number of proceedings and charges through which
1629 the electric companies may seek cost recovery; (iv) aligning distribution system plans and
1630 investments included in rate applications filed in accordance with section 94 and the electric-

1631 sector modernization plans filed in accordance with section 92B; (v) ensuring that rate
1632 applications filed in accordance with section 94 present a complete picture of current and future
1633 electric company capital and operating expenditures regardless of how such costs have historical
1634 been recovered; (vi) prioritizing cost recovery mechanisms that adjust base distribution rates
1635 over time instead of reconciliation charges; (vii) optimizing distribution system investments to
1636 meet distribution system needs, including those enumerated in subsection (a) of section 92B;
1637 (viii) considering incentive mechanisms to align the interests of the electric companies,
1638 ratepayers, and developers; (ix) maximizing transparency, accessibility, and meaningful
1639 participation for stakeholders in the development and regulatory review of distributions system
1640 plans and associated investments.

1641 (c) The framework required in subsection (a) may also include a process by which each
1642 electric company may submit an application for preliminary review of discrete, specific,
1643 enumerated investments consistent with the electric-sector modernization plan most recently
1644 approved by the department to be recovered through base distribution rates, and criteria under
1645 which the electric company may make investments to serve incremental electricity demand or
1646 incremental distributed generation before such demand or generation materializes.

1647 SECTION 31. Section 124F of chapter 164 of the General Laws is hereby amended by
1648 striking out the section in its entirety and inserting in place thereof the following section:-

1649 (a) For purposes of this section, the following words shall have the following meanings,
1650 unless the context clearly requires otherwise:

1651 “Unhealthy heat threshold”, a statewide population-weighted daily maximum
1652 temperature of 85 degrees fahrenheit or greater for 3 consecutive days, representing temperatures

1653 in which most heat-related health impacts occur for the general public across the
1654 Commonwealth.

1655 (b) No gas or electric company shall between November fifteenth and March
1656 fifteenth shut off gas or electric service to any residential customer who cannot pay an overdue
1657 charge because of financial hardship, when such gas or electric service is used to provide heat or
1658 to operate the heating system of the customer's unit or building.

1659 (c) No electric company shall shut off electric service to any residential customer who
1660 cannot pay an overdue charge because of financial hardship during periods that meet or exceed
1661 the unhealthy heat threshold.

1662 (d) The department, in consultation with the department of public health, may promulgate
1663 such rules and regulations as it deems reasonable and necessary to implement this section.

1664 SECTION 32. Chapter 164 of the General Laws, as so appearing, is hereby amended by
1665 striking section 137 in its entirety and replacing it with the following section:-

1666 Section 137. Notwithstanding any general or special law to the contrary, (i) any non-
1667 profit institution in the commonwealth or any agency, executive office, department, board,
1668 commission, bureau, division or authority of the commonwealth, including the executive,
1669 legislative and judicial branches of the commonwealth, or of any political subdivision thereof, or
1670 of any authority established by the general court to serve a public purpose, may, unless located
1671 within the boundaries of a community served by a municipal light department, participate in and
1672 become a member of any competitively procured program organized and administered, under
1673 this chapter, by or on behalf of any public instrumentality of the commonwealth or of any
1674 subsidiary organization thereof for the purpose of group purchasing of electricity, natural gas, or

1675 telecommunications services, including supply, building or transportation electrification, energy
1676 management service, distributed energy resource or renewable energy project and related
1677 products, equipment or goods; (ii) the disposition of municipal or state real property by lease,
1678 easement or license for renewable energy shall not require competitive bidding when part of a
1679 power purchase agreement or a net metering agreement in a program organized and administered
1680 under this section; (iii) any agency, executive office, department, board, commission, bureau,
1681 division or authority of the commonwealth, including the executive, legislative and judicial
1682 branches of the commonwealth, may, on behalf of the commonwealth, dispose of real property,
1683 by lease, easement or license, which is part of a power purchase agreement or net metering
1684 agreement in a program organized and administered under this section, including, but not limited
1685 to, construction of renewable energy projects on state property; (iv) any building or
1686 transportation electrification, energy management service, distributed energy resource or
1687 renewable energy project which is part of a program organized and administered under this
1688 section and considered to be public construction shall be subject to sections 26 to 27D, inclusive,
1689 and section 29 of chapter 149 and subject to approval by the division of capital asset
1690 management and maintenance or other building owners as applicable to commonwealth owned
1691 property; and (v) any purchase of goods and services which is a part of a program organized and
1692 administered under this section by any executive office, department, agency, office, division,
1693 board, commission or institution within the executive branch shall be subject to section 22 of
1694 chapter 7 and sections 51 and 52 of chapter 30.

1695 SECTION 33. Section 138 of chapter 164 of the General Laws is hereby amended by
1696 striking out the definition of “Class I net metering credit” and inserting in place thereof the
1697 following definition:-

1698 "Class I net metering credit", a credit equal to the excess kilowatt-hours by time of use
1699 billing period, if applicable, multiplied by the sum of the distribution company's: (i) default
1700 service kilowatt-hour charge in the ISO–NE load zone where the customer is located; (ii)
1701 distribution kilowatt-hour charge; and (iii) transmission kilowatt-hour charge; provided,
1702 however, that this shall not include the demand side management and renewable energy kilowatt-
1703 hour charges set forth in sections 19 and 20 of chapter 25; and provided further, that credit for a
1704 Class I net metering facility that is not an agricultural net metering facility or that is not using
1705 solar, anaerobic digestion or wind as its energy source shall be the average monthly clearing
1706 price at the ISO–NE.

1707 SECTION 34. Said section 138 of said chapter 164, as so appearing, is hereby further
1708 amended by striking out the definition of "Class II net metering credit" and inserting in place
1709 thereof the following definition:-

1710 "Class II net metering credit", a credit equal to the excess kilowatt-hours by time of use
1711 billing period, if applicable, multiplied by the sum of the distribution company's: (i) default
1712 service kilowatt-hour charge in the ISO–NE load zone where the customer is located; (ii)
1713 distribution kilowatt-hour charge; and (iii) transmission kilowatt-hour charge; provided,
1714 however, that this shall not include the demand side management and renewable energy kilowatt-
1715 hour charges set forth in sections 19 and 20 of chapter 25.

1716 SECTION 35. Said section 138 of said chapter 164, as so appearing, is hereby further
1717 amended by striking out the definition of "Class III net metering credit" and inserting in place
1718 thereof the following definition:-

1719 "Class III net metering credit", a credit equal to the excess kilowatt-hours by time of use
1720 billing period, if applicable, multiplied by the sum of the distribution company's: (i) default
1721 service kilowatt-hour charge in the ISO–NE load zone where the customer is located; and (ii)
1722 transmission kilowatt-hour charge; provided, however, that for a Class III net metering facility of
1723 a municipality or other governmental entity, the credit shall be equal to the excess kilowatt-hours
1724 multiplied by the sum of (i) and (ii) and the distribution kilowatt-hour charge; and provided
1725 further, that this shall not include the demand side management and renewable energy kilowatt-
1726 hour charges set forth in sections 19 and 20 of chapter 25.

1727 SECTION 36. Said section 138 of said chapter 164, as so appearing, is hereby further
1728 amended by striking out the definition of "Market net metering credit" and inserting in place
1729 thereof the following definition:-

1730 "Market net metering credit", (i) a credit equal to 60 per cent of the excess kilowatt-hours
1731 by time of use billing period, if applicable, multiplied by the sum of the distribution company's:
1732 (a) default service kilowatt-hour charge in the ISO–NE load zone where the customer is located;
1733 (b) distribution kilowatt-hour charge; and (c) transmission kilowatt-hour charge; provided,
1734 however, this shall not include the demand side management and renewable energy kilowatt-
1735 hour charges set forth in sections 19 and 20 of chapter 25; or (ii) for net metering facilities of a
1736 municipality or other governmental entity, a credit equal to the excess kilowatt-hours by time of
1737 use billing period, if applicable, multiplied by the sum of the distribution company's: (a) default
1738 service kilowatt-hour charge in the ISO-NE load zone where the customer is located; (b)
1739 distribution kilowatt-hour charge; and (c) transmission kilowatt-hour charge; provided, however,
1740 that this shall not include the demand side management and renewable energy kilowatt-hour

1741 charges set forth in said sections 19 and 20 of said chapter 25; and, provided further, that credits
1742 shall only be allocated to an account of a municipality or government entity.

1743 SECTION 37. Said section 138 of said chapter 164, as so appearing, is hereby further
1744 amended by striking out the definition of “Neighborhood net metering credit” and inserting in
1745 place thereof the following definition:-

1746 "Neighborhood net metering credit", a credit equal to the excess kilowatt-hours by time of
1747 use billing period, if applicable, multiplied by the sum of the distribution company's: (i) default
1748 service kilowatt-hour charge in the ISO–NE load zone where the customer is located; and (ii)
1749 transmission kilowatt-hour charge; provided, however, that this shall not include the demand side
1750 management and renewable energy kilowatt-hour charges set forth in sections 19 and 20 of
1751 chapter 25.

1752 SECTION 38. Said section 138 of said chapter 164, as so appearing, is hereby further
1753 amended by inserting after the definition of “Solar net metering facility” the following 2
1754 definitions:-

1755 “Supply rate net metering facility”, a Class I, Class II, or Class III net metering facility,
1756 or a neighborhood net metering facility, that is authorized to interconnect to the distribution
1757 system by a distribution company on or after January 1, 2026, and that is not a cap exempt
1758 facility pursuant to subsection (i) of section 139.

1759 "Supply rate net metering credit", a credit equal to the excess kilowatt-hours by time of
1760 use billing period, if applicable, multiplied by the difference between the distribution company's
1761 default service kilowatt-hour charge in the ISO–NE load zone where the customer is located and
1762 the distribution company’s costs associated with: (i) the renewable energy portfolio standard

1763 requirements established pursuant to section 11F of chapter 25A; (ii) the alternative energy
1764 portfolio standard requirements established pursuant to section 11F1/2 of chapter 25A; (iii) the
1765 clean peak portfolio standard requirements established pursuant to section 17 of chapter 25A;
1766 (iv) any portfolio standard requirements established by the Massachusetts department of
1767 environmental protection pursuant to sections 3 and 6 of chapter 21N; and (v) the distribution
1768 company's basic service administrative cost factor.

1769 SECTION 39. Section 139 of Chapter 164 of the General Laws is hereby amended by
1770 adding the following two subsections:-

1771 (m) A supply rate net metering facility shall generate supply rate net metering credits.

1772 (n) All solar net metering facilities interconnected on or after January 1, 2026, shall be
1773 required to be qualified under the solar incentive program established by the department of
1774 energy resources pursuant to section 24 of chapter 25A.

1775 SECTION 40. Section 141 of chapter 164 is hereby amended by striking out the last
1776 sentence.

1777 SECTION 41. Chapter 164 is hereby amended by inserting the following section:-

1778 Section 153. (a) The department shall require that distribution companies and gas
1779 companies provide discounted rates for low-income customers and eligible moderate-income
1780 customers. The cost of such discounts shall be included in the bills charged to all customers of a
1781 distribution company or gas company and the department shall establish a mandatory non-
1782 bypassable fixed monthly charge to fund such discounts; provided, however, that such charge
1783 shall be determined separately for each customer class. The department shall permit statewide

1784 cost recovery of such discounts across distribution companies, and separately gas companies, as
1785 to promote rate equity across the state. Each distribution company and gas company shall
1786 guarantee payment to the generation supplier for all power sold to low-income and eligible
1787 moderate-income customers at the discounted rates.

1788 (b) Eligibility for the low-income discount rates provided for in this section shall be
1789 established in a manner approved by the department, including, but not limited to verification of
1790 a low-income customer's receipt of any means-tested public benefit or verification of eligibility
1791 for the home energy assistance program, or its successor program, for which eligibility does not
1792 exceed 200 per cent of the federal poverty level based on a household's gross income. Such
1793 public benefits may include, but shall not be limited to including, assistance that provides cash,
1794 housing, food or medical care including, but not limited to, transitional assistance for needy
1795 families, supplemental security income, emergency assistance to elders, disabled and children,
1796 food stamps, public housing, federally-subsidized or state-subsidized housing, the home energy
1797 assistance program, veterans' benefits and similar benefits. In a program year in which
1798 maximum eligibility for the home energy assistance program, or its successor program, exceeds
1799 200 per cent of the federal poverty level, a household that is income eligible for the home energy
1800 assistance program shall be eligible for the low-income discount rates required by this
1801 subparagraph. Eligibility for the moderate-income discount rate provided for in this section shall
1802 be established by criteria determined by the department for verification of an eligible moderate-
1803 income customer. Following initial verification of eligibility for the low-income or moderate-
1804 income discount rate, eligibility may be reevaluated no less than every two years thereafter.

1805 (c) Each distribution company and gas company shall conduct substantial outreach efforts
1806 to make the low-income or moderate-income discount available to eligible customers. Outreach

1807 may include establishing an automated program of matching customer accounts with: (A) lists of
1808 recipients of said means-tested public benefit programs and, based on the results of said
1809 matching program, to presumptively offer a low income discount rate to eligible customers so
1810 identified; and (B) criteria established by the department for verification of a moderate-income
1811 customer to presumptively offer a moderate-income discount rate to eligible customers so
1812 identified; provided, however, that the distribution company or gas company, within 60 days of
1813 said presumptive enrollment, informs any such low-income customer or eligible moderate-
1814 income customer of said presumptive enrollment and all rights and obligations of a customer
1815 under said program, including the right to withdraw from said program without penalty.

1816 (d) A residential customer eligible for low-income or moderate-income discount rates
1817 shall receive the service on demand. Each distribution company and gas company shall
1818 periodically notify all customers of the availability and method of obtaining low-income or
1819 moderate-income discount rates.

1820 (e) Each distribution company and gas company shall produce information, in the form of
1821 a mailing, webpage or other approved method of distribution, to their consumers, to inform them
1822 of available rebates, discounts, credits and other cost-saving mechanisms that can help them
1823 lower their monthly utility bills and send out such information semi-annually, unless otherwise
1824 provided by this chapter.

1825 (f) There shall be no charge to any residential customer for initiating or terminating low-
1826 income or moderate-income discount rates when said initiation or termination request is made
1827 after a regular meter reading has occurred and the customer is in receipt of the results of said
1828 reading.

1829 (g) The department may promulgate rules and regulations as necessary to implement this
1830 section.

1831 Section 154. (a)(1) The department shall, in accordance with the provisions of this
1832 section, review an application by a distribution company to enter into a lease agreement for
1833 either distribution asset entitlements or transmission asset entitlements with non-utility third
1834 parties to provide (i) financing and other monies for investment in distribution projects or
1835 transmission projects and (ii) direct benefits to the distribution company's customers above and
1836 beyond the direct distribution-related or transmission-related services provided through the assets
1837 funded through the financing arrangement. The application filed under this section may include
1838 all such information identified in paragraph (3) of subsection (a), or it may be a framework
1839 application which sets forth the manner in which the distribution company and its non-utility
1840 counterparty will opt into specific leases under the framework in a future filing and with the
1841 department reviewing the terms of that framework filing. For purposes of this section a non-
1842 utility third party may not be an affiliate of a distribution company. The department shall,
1843 following adjudicatory hearing pursuant to chapter 30A, review the application to determine
1844 whether it provides net benefits to the customers of the distribution company, and based on that
1845 review, determine whether to approve, approve conditionally, reject without prejudice, or reject
1846 the application within nine months of its filing by a distribution company.

1847 (2) The department shall promulgate regulations establishing the eligible uses of
1848 charitable financial contributions. Categories may include, but are not limited to: (a) support for
1849 low- and moderate-income energy assistance programs; (b) programs that support the
1850 deployment of energy efficiency, solar, storage, building electrification, or transportation
1851 electrification for environmental justice populations; (c) direct benefits for communities that are

1852 hosting the infrastructure being financed through these funds; or (d) other eligible uses as
1853 identified by the department through a public process.

1854 (3) For the purposes of this section, “distribution asset entitlements” shall have the
1855 meaning that a non-utility entity holds an entitlement to use a distribution company’s
1856 infrastructure to move electricity across the distribution grid, with approval of the distribution
1857 asset entitlement by the department; and “transmission asset entitlements” shall have the
1858 meaning that a non-utility entity holds an entitlement to use a distribution company’s
1859 infrastructure to move electricity across the transmission grid, with approval of the transmission
1860 asset entitlement by the department.

1861 (4) For the purposes of this Section, the department’s determination of whether an
1862 application provides net benefits of the distribution company must consider the charitable
1863 contributions required under subparagraph (vi) of paragraph 5 below as customer benefits.

1864 (5) Any agreements for leasing entitlements to distribution assets or transmission assets
1865 which are entered into through such negotiations and signed by the distribution company and a
1866 non-utility third-party counterparty may contain provisions allowing the non-utility counterparty
1867 to lease distribution asset entitlements to distribution projects or transmission asset entitlements
1868 to transmission projects of the distribution company, provided that the actual distribution-
1869 entitlement leases or the transmission-entitlement leases under the agreement must include at
1870 least the following elements:

1871 (i) The distribution projects covered by the distribution-entitlement lease or the
1872 transmission projects covered by the transmission-entitlement lease will remain under the
1873 ownership, operational control, maintenance, and regulatory-compliance responsibility of the

1874 distribution company. The maximum value of the non-utility counterparty's investment interest
1875 in distribution projects covered by the distribution-entitlement lease is 49.9% of the total value of
1876 the distribution projects; the maximum value of the non-utility counterparty's investment interest
1877 in transmission projects covered by the transmission-entitlement lease is 49.9% of the total value
1878 of the transmission projects.

1879 (ii) The distribution company has all of the necessary permits and approvals for the
1880 projects covered by the distribution-entitlement lease or transmission-entitlement lease, including
1881 but not limited to any and all approvals needed by the department, that the projects have been
1882 constructed and have commenced commercial operation.

1883 (iii) The specific terms of any distribution-entitlement lease or transmission-entitlement
1884 lease covered by the application, including the length of the lease, the rental payments for the
1885 lease, any prepayment terms, including the dollar amount, for the rental payments, the maximum
1886 percentage interest the non-utility counterparty will hold in the assets covered by the
1887 distribution-entitlement lease.

1888 (iv) a requirement that the non-utility counterparty pay its pro-rata share of operating and
1889 maintenance expenses for the covered distribution assets or the covered transmission assets over
1890 the term of the lease.

1891 (v) the ratemaking methodology that is proposed to be used to calculate the rate which
1892 the non-utility counterparty will charge to the distribution company's ratepayers to recover the
1893 non-utility counterparty's costs associated with its distribution entitlement or its transmission
1894 entitlement.

1895 (vi) a binding commitment by the non-utility counterparty to make charitable financial
1896 contributions tied to a share of its annual after-tax profits that result from revenues it receives
1897 from the distribution company's ratepayers' use of the distribution asset entitlements or of the
1898 transmission asset entitlements.

1899 (vii) ratepayer protections to ensure that: (a) the distribution-entitlement lease or the
1900 transmission-entitlement lease will not lead to double recovery of the costs associated with the
1901 covered assets; in other words, that the distribution company will not charge rates that recover
1902 any of the costs that are otherwise being recovered in the distribution rate charged by the non-
1903 utility counterparty that holds the distribution-entitlement lease; and (b) the rate that the non-
1904 utility counterparty is able to charge for recovering the costs associated of its distribution-
1905 entitlement lease or the transmission rate charged by the non-utility counterparty that holds the
1906 transmission-entitlement lease does not exceed the rate that would otherwise be charged by the
1907 distribution company for its cost to recover the investment in assets covered by the lease in the
1908 absence of the lease agreement.

1909 (viii) the list of projects covered by the application where it includes one or more specific
1910 leases being proposed for departmental review and approval.

1911 (ix) the process proposal for any department approvals of specific projects and specific
1912 future leases if the application includes a framework for the distribution-entitlement leases or for
1913 the transmission-entitlement leases but contemplates subsequent filings to the department to
1914 submit actual leases entered into subject to an approved framework.

1915 (x) where a distribution-entitlement lease or the transmission-entitlement lease allows for
1916 prepayment of rent by the non-utility counterparty to the distribution company, the lease must

1917 include a requirement that the non-utility counterparty be responsible for obtaining its own
1918 financing for the prepaid rent.

1919 (b) In reviewing the methodology proposed under subparagraph (v) of paragraph (5) of
1920 subsection (a) for an application filed by a distribution company in which the non-utility
1921 counterparty to the lease agreement under paragraph (1) of subsection (a) is a non-profit entity or
1922 wholly owned subsidiary of a non-profit entity, the department shall allow the use of the
1923 following methodologies if requested in the application:

1924 (1) A hypothetical capital structure. Requests for use of a hypothetical capital structure
1925 consisting of 50 per cent equity and 50 per cent debt will be considered presumptively
1926 reasonable if the non-utility counterparty is a non-profit entity or the wholly owned subsidiary of
1927 a non-profit entity, and if the non-utility counterparty will use 100 per cent debt to finance its
1928 investment and therefore lacks a meaningful actual capital structure for the purpose of this
1929 investment.

1930 (2) A proxy return on equity. Requests for use of the distribution company's then-
1931 approved return on equity shall be considered presumptively just and reasonable.

1932 (3) A levelized fixed rate to recover capital costs. Requests for using a cost-recovery
1933 structure based on a fixed and levelized rate over the term of the lease shall be considered
1934 presumptively just and reasonable as long as the non-utility counterparty can provide evidence
1935 that such recovery will not violate the requirement under subparagraph (vii) of paragraph (5) of
1936 subsection (a) that the non-utility counterparty's rate recovery is no higher than what the
1937 distribution company could recover in the absence of the lease.

1938 (4) A formula rate to recover operations and maintenance costs. Requests for using a
1939 formula rate design that includes an adjustment factor to recover the non-utility counterparty's
1940 pro-rata share of the distribution company's actual annual operations and maintenance costs will
1941 be considered presumptively just and reasonable.

1942 (c) After a distribution-entitlement lease agreement or transmission-entitlement lease
1943 agreement is entered into between a distribution company and a non-utility counterparty for a
1944 particular set of approved projects under subsections (a) and (b), the non-utility counterparty will
1945 file for departmental approval of rates using the methodology approved in subsections (a) and
1946 (b), using a compliance-filing submission to the department. The department will act within 60
1947 days on the compliance filing submission.

1948 (d) Within one-year of approval of an application and for every year thereafter, until the
1949 end of the lease-entitlement agreement, the non-utility counterparty shall submit to the
1950 department an annual report on the dollar amount of charitable financial contributions provided
1951 that includes, at a minimum, the uses of those financial charitable contributions, and a copy of
1952 its Internal Revenue Service Form 990. The non-utility counterparty is also obligated to notify
1953 the department within 24 hours of receiving any notices by state or federal governments to cease
1954 and desist or if its tax-exempt status has been revoked, including remedies to hold ratepayers
1955 harmless.

1956 Section 155. (a)(1) The department shall, in accordance with the provisions of this
1957 section, review an application by a gas company to enter into a lease agreement for a thermal
1958 network asset entitlement or thermal heat loop asset entitlement with non-utility third parties to
1959 provide: (i) financing and other monies for investment in thermal projects and (ii) direct benefits

1960 to the gas company’s customers above and beyond the direct thermal-related services provided
1961 through the assets funded through the financing arrangement. The application filed under this
1962 section may include all such information identified in paragraph (3) of subsection (a), or it may
1963 be a framework application which sets forth the manner in which the gas company and its non-
1964 utility counterparty will opt into specific leases under the framework in a future filing and with
1965 the department reviewing the terms of that framework filing. For purposes of this section a non-
1966 utility third party may not be an affiliate of a gas company. The department shall adjudicate the
1967 application to determine whether it provides net benefits to the customers of the gas company
1968 and shall approve, approve conditionally, reject without prejudice, or reject the application
1969 within nine months of its filing.

1970 (2) The department shall promulgate regulations establishing the eligible uses of
1971 charitable financial contributions. Categories may include, but are not limited to: (a) support for
1972 low- and moderate-income energy assistance programs; (b) programs that support the
1973 deployment of energy efficiency, solar, storage, or building electrification for environmental
1974 justice populations; (c) direct benefits for communities that are hosting or are adjacent to the
1975 infrastructure being financed through these funds; or (d) other eligible uses as identified by the
1976 department through a public process.

1977 (3) For the purposes of this section, “thermal network asset entitlements” shall have the
1978 meaning that a non-utility entity holds an entitlement to use a gas company’s thermal network
1979 infrastructure to move geothermal energy across the gas company’s thermal network system,
1980 with approval of the thermal network entitlement by the department; and “thermal heat loop asset
1981 entitlements” shall have the meaning that a non-utility entity holds an entitlement to use a gas

1982 company's infrastructure to move geothermal energy across a gas company's thermal heat loop,
1983 with approval of the thermal heat loop asset entitlement by the department.

1984 (4) For the purposes of this Section, the department's determination of whether an
1985 application provides net benefits must consider the charitable contributions required under
1986 subparagraph (vi) of paragraph 5 below as customer benefits.

1987 (5) Any agreements for leasing entitlements to thermal network assets or thermal loop
1988 assets which are entered into through such negotiations and signed by the gas company and a
1989 non-utility third-party counterparty may contain provisions allowing the non-utility counterparty
1990 to lease thermal network asset entitlements to thermal network projects or thermal heat loop asset
1991 entitlements to thermal heat loop projects of the gas company, provided that the actual thermal
1992 network-entitlement leases or the thermal heat loop-entitlement leases under the agreement must
1993 include at least the following elements:

1994 (i) The thermal network projects covered by the thermal network-entitlement lease or the
1995 thermal heat loop projects covered by the thermal heat loop-entitlement lease will remain under
1996 the ownership, operational control, maintenance, and regulatory-compliance responsibility of the
1997 gas company. The maximum value of the non-utility counterparty's investment interest in
1998 thermal network projects covered by the thermal network-entitlement lease is 49.9% of the total
1999 value of the thermal network projects; the maximum value of the non-utility counterparty's
2000 investment interest in thermal heat loop projects covered by the thermal heat loop-entitlement
2001 lease is 49.9% of the total value of the thermal heat loop projects.

2002 (ii) The gas company has all of the necessary permits and approvals for the projects
2003 covered by the thermal network-entitlement lease or thermal heat loop-entitlement lease,

2004 including but not limited to any and all approvals needed by the department, that the projects
2005 have been constructed and have commenced commercial operation.

2006 (iii) The specific terms of any thermal network-entitlement lease or thermal heat loop-
2007 entitlement lease covered by the application, including the length of the lease, the rental
2008 payments for the lease, any prepayment terms, including the dollar amount, for the rental
2009 payments, the maximum percentage interest the non-utility counterparty will hold in the assets
2010 covered by the thermal network-entitlement lease or thermal heat loop entitlement lease.

2011 (iv) a requirement that the non-utility counterparty pay its pro-rata share of operating and
2012 maintenance expenses for the covered thermal network assets or the covered thermal heat loop
2013 assets over the term of the lease.

2014 (v) the ratemaking methodology that is proposed to be used to calculate the rate which
2015 the non-utility counterparty will charge to the gas company's ratepayers to recover the non-
2016 utility counterparty's costs associated with its thermal network entitlement or, in the case of a
2017 thermal heat loop for a single customer, the ratemaking methodology that is proposed to be used
2018 to calculate the rate at which the non-utility counterparty will charge to the gas company's
2019 ratepayer that is using the thermal heat loop to recover the non-utility counterparty's cost
2020 associated with its thermal heat loop entitlement.

2021 (vi) a binding commitment by the non-utility counterparty to make charitable financial
2022 contributions tied to a share of its annual after-tax profits that result from revenues it receives
2023 from the gas company's ratepayers' use of the thermal network asset entitlements or from the gas
2024 company's ratepayer's use the thermal heat loop asset entitlements.

2025 (vii) ratepayer protections to ensure that: (a) the thermal network-entitlement lease or the
2026 thermal heat loop-entitlement lease will not lead to double recovery of the costs associated with
2027 the covered assets; in other words, that the gas company will not charge rates that recover any of
2028 the costs that are otherwise being recovered in the thermal rate charged by the non-utility
2029 counterparty that holds the thermal network-entitlement lease; and (b) the rate that the non-utility
2030 counterparty is able to charge for recovering the costs associated of its thermal network-
2031 entitlement lease or the thermal heat loop rate charged by the non-utility counterparty that holds
2032 the thermal heat loop-entitlement lease does not exceed the rate that would otherwise be charged
2033 by the gas company for its cost to recover the investment in assets covered by the lease in the
2034 absence of the lease agreement.

2035 (viii) the list of projects covered by the application where it includes one or more specific
2036 leases being proposed for departmental review and approval.

2037 (ix) the process proposal for any department approvals of specific projects and specific
2038 future leases if the application includes a framework for the thermal network-entitlement leases
2039 or for the thermal heat loop-entitlement leases but contemplates subsequent filings to the
2040 department to submit actual leases entered into subject to an approved framework.

2041 (x) where a thermal network-entitlement lease or the thermal heat loop-entitlement lease
2042 allows for prepayment of rent by the non-utility counterparty to the gas company, the lease must
2043 include a requirement that the non-utility counterparty be responsible for obtaining its own
2044 financing for the prepaid rent.

2045 (b) In reviewing the methodology proposed under subparagraph (v) of paragraph (5) of
2046 subsection (a) for an application filed by a gas company in which the non-utility counterparty to

2047 the lease agreement under paragraph (1) of subsection (a) is a non-profit entity or wholly owned
2048 subsidiary of a non-profit entity, the department shall allow the use of the following
2049 methodologies if requested in the application:

2050 (1) A hypothetical capital structure. Requests for use of a hypothetical capital structure
2051 consisting of 50 per cent equity and 50 per cent debt will be considered presumptively
2052 reasonable if the non-utility counterparty is a non-profit entity or the wholly owned subsidiary of
2053 a non-profit entity, and if the non-utility counterparty will use 100 per cent debt to finance its
2054 investment and therefore lacks a meaningful actual capital structure for the purpose of this
2055 investment.

2056 (2) A proxy return on equity. Requests for use of the gas company's then-approved return
2057 on equity shall be considered presumptively just and reasonable.

2058 (3) A levelized fixed rate to recover capital costs. Requests for using a cost-recovery
2059 structure based on a fixed and levelized rate over the term of the lease shall be considered
2060 presumptively just and reasonable as long as the non-utility counterparty can provide evidence
2061 that such recovery will not violate the requirement under subparagraph (vii) of paragraph (5) of
2062 subsection (a) that the non-utility counterparty's rate recovery is no higher than what the gas
2063 company could recover in the absence of the lease.

2064 (4) A formula rate to recover operations and maintenance costs. Requests for using a
2065 formula rate design that includes an adjustment factor to recover the non-utility counterparty's
2066 pro-rata share of the gas company's actual annual operations and maintenance costs will be
2067 considered presumptively just and reasonable.

2068 (c) After a thermal network-entitlement lease agreement or thermal heat loop-entitlement
2069 lease agreement is entered into between a gas company and a non-utility counterparty for a
2070 particular set of approved projects under subsections (a) and (b), the non-utility counterparty will
2071 file for departmental approval of rates using the methodology approved in subsections (a) and
2072 (b), using a compliance-filing submission to the department. The department will act within 60
2073 days on the compliance filing submission.

2074 (d) Within one-year of approval of an application and for every year thereafter, until the
2075 end of the lease-entitlement agreement, the non-utility counterparty shall submit to the
2076 department an annual report on the dollar amount of charitable financial contributions provided
2077 that includes, at a minimum, the uses of those financial charitable contributions, and a copy of
2078 its Internal Revenue Service Form 990. The non-utility counterparty is also obligated to notify
2079 the department within 24 hours of receiving any notices by state or federal governments to cease
2080 and desist or if its tax-exempt status has been revoked, including remedies to hold ratepayers
2081 harmless.

2082 Section 156. (a) Gas companies may develop programs to build, own, and operate
2083 geothermal heat loops for individual customers in their existing service territories. Gas
2084 companies shall consider prioritizing commercial customers that currently receive all or a
2085 significant amount of their energy from natural gas-powered combined heat and power facilities.

2086 (b) Gas companies shall file program proposals under this section with the department of
2087 public utilities no later than July 1, 2026, and the department shall complete its review of said
2088 proposals by January 31, 2027.

2089 (c) A gas company shall recover all prudently incurred costs of offering a program
2090 approved by the department of public utilities pursuant to this section via tariffs designed to
2091 recover costs via rates charged to participating customers.

2092 Section 157. The department shall have supervision of facilities operated by gas
2093 companies for the purpose of ensuring public safety pertaining to the construction and operation
2094 of utility-scale non-emitting thermal energy, including networked geothermal and deep
2095 geothermal energy and equipment used in manufacturing and transportation thereof. The
2096 department shall keep itself informed as to the methods, practices, and condition of all facilities
2097 and equipment associated with utility-scale non-emitting thermal energy, including networked
2098 geothermal and deep geothermal energy, and shall make such examinations and investigations as
2099 necessary, including the adequacy of operation, maintenance and capital improvements to ensure
2100 safe operation thereof. After holding technical conferences and receiving public input, the
2101 department may promulgate regulations to implement this section, upon determination that such
2102 regulations are necessary.

2103 Section 158. Every gas company shall develop, and periodically amend, a comprehensive
2104 just transition plan, which must be included as part of any climate compliance plan submission
2105 directed by the department. In determining the reasonableness of a gas company's climate
2106 compliance plan, the department shall consider said company's just transition plan, as provided
2107 for in this section. Once initially filed, such just transition plan shall be amended every two
2108 years, beginning April 1, 2027, and provided as an update in subsequent climate compliance plan
2109 submissions.

2110 Each company plan shall provide projections for any attrition among its in-house
2111 workforce and the utilization of outside contractors over both the two-year period and over the
2112 course of its transition to net zero emissions aligned with a company’s climate compliance plan
2113 filings or its complete retirement of its gas pipeline, whichever is later.

2114 All gas companies must additionally identify, as part of their plan, provisions,
2115 opportunities, and initiatives for training and employment opportunities to workers who may be
2116 displaced by the gas company’s compliance with the commonwealth’s net zero emissions goals
2117 on the other forms of energy it distributes. This includes, but is not limited to, any agreement
2118 reached with labor organizations representing employees at its gas or alternative fuel operations
2119 or labor organizations representing employees of its outside contractors.

2120 Section 159. (a) For the purposes of this section, flexible interconnection is a process by
2121 which a distribution company allows new customer load to connect and distributed energy
2122 resources to interconnect to the electric distribution grid based on an agreed upon curtailment
2123 schedule or protocols and associated tariff, contract, or technical requirements, as applicable.

2124 (b) Each electric company shall offer a comprehensive flexible interconnection program
2125 designed to enable the efficient connection of new customer loads and to maximize the
2126 deployment of distributed energy resources, while minimizing associated electric infrastructure
2127 costs. Such a program shall: (i) be as consistent as practicable across all distribution company
2128 service territories; (ii) utilize existing technologies and capabilities deployed by the electric
2129 company; and (iii) offer additional solutions over time as the distribution company deploys
2130 additional technologies.

2131 (c) Each distribution company may request modifications to any approved flexible
2132 interconnection program from the department so long as such modifications are presented to
2133 stakeholders impacted by the planned modifications at least three months prior to filing
2134 requested modifications with the department. Upon presenting such modifications to
2135 stakeholders, the distribution company shall, at a minimum: (i) accept comments on the
2136 modifications; (ii) allow stakeholders to propose modifications; (iii) develop consensus language
2137 among that group, to the extent possible; and (iv) include in their filing a summary of all
2138 alternative proposals provided by stakeholders and an explanation of why the distribution
2139 company did not choose to adopt such proposals. Each distribution company shall include a list
2140 of the stakeholders that provided feedback in its filing.

2141 Section 160. (a) For the purposes of this section, the following words shall, unless the
2142 context clearly requires otherwise, have the following meanings:-

2143 “Critical facilities and infrastructure”, a building, structure, facility, or other
2144 infrastructure located within the commonwealth, for which the loss of electrical service is likely
2145 to jeopardize public safety or cyber security, as determined by the municipality in which the
2146 building, structure, facility, or other infrastructure is located or the municipal, state, or federal
2147 government that owns or controls the real property, building, structure, facility, or other
2148 infrastructure. Examples may include, but are not limited to, hospitals, assisted care facilities,
2149 emergency shelters, emergency operations centers, restoration staging areas, 911 dispatch
2150 centers, fire and police stations, communications infrastructure, water pumping and sewer
2151 treatment stations, and correctional facilities.

2152 “Electric microgrid”, an interconnected set of electricity loads and supply sources that
2153 can operate either parallel to the electric grid or as an island, disconnected from the regional grid.

2154 “Government and critical facility microgrid”, an electric microgrid that is designed and
2155 constructed to serve (i) buildings, infrastructure and customers that are located on a government-
2156 owned or government-controlled real property; or (ii) critical facilities and infrastructure, or
2157 some combination thereof.

2158 (b) Any municipal, state or federal government entity that owns, operates or leases a
2159 clean energy generation source or existing clean energy generation source that qualifies under
2160 any clean energy standard regulations established by the department of environmental protection
2161 pursuant to subsection (c) of section 3 of chapter 21N, or as a class I or class II renewable energy
2162 generation source pursuant to section 11F of chapter 25A, may independently distribute
2163 electricity generated from any such source across a public right-of-way; provided, that: (1) any
2164 such source is connected to a government and critical facility microgrid and (2) such
2165 municipality, state or federal governmental entity engages the distribution company to complete
2166 the interconnection of such microgrid to the electric distribution grid and does not shift costs to
2167 other ratepayers. For purposes of this section, any such government entity shall not be considered
2168 a distribution company or electric company, as defined in section 1 of chapter 164 of the General
2169 Laws.

2170 SECTION 42. Section 2 of chapter 165 of the General Laws is hereby amended by
2171 striking out, in line 3, the words:-“eight-four” and inserting in place thereof the following word:-
2172 “eighty-four”

2173 SECTION 43. Chapter 186 of the General Laws, as appearing in the 2022 official edition,
2174 is hereby amended by inserting after section 22 the following section:-

2175 Section 22A: (a) For the purposes of this section the following words shall have the
2176 following meanings:

2177 “Common area”, any portion of a building with more than 1 dwelling unit that is not
2178 incorporated within a dwelling unit.

2179 "Dwelling unit", any house or building, or portion thereof, that is occupied, designed to
2180 be occupied, or is rented, leased or hired out to be occupied, as a home or residence of one or
2181 more persons.

2182 “Electric heat pump”, an apparatus for heating or cooling of air or water by electricity
2183 that transfers heat by mechanical means from or to an external reservoir such as the ground,
2184 water, or outside air.

2185 “Energy monitoring system”, a system of software tools or similar tools and mechanisms
2186 that monitor, analyze, measure and control building electricity use and system performance to
2187 allow a determination of the amount of electricity used to heat or cool air or water in a tenant’s
2188 leased premises.

2189 “Landlord”, the owner, lessor or sublessor of a dwelling unit, the building of which it is a
2190 part, or the premises wherein the landlord, as a customer receives electric service through
2191 metered measurement.

2192 (b) Notwithstanding any general or special law, rule, or regulation, to the contrary, the
2193 operation in rental housing of an energy monitoring system, whereby the cost of heat or air

2194 conditioning or hot water is allocated or charged by the owner to the occupant based upon
2195 measurements made by a computerized energy monitoring system, is permitted, provided that: (i)
2196 such equipment shall be installed by a licensed electrician and shall meet the standards of
2197 accuracy and testing of the National Electrical Contractors Association or a similar accredited
2198 association; (ii) there is a written rental agreement between the landlord and occupant in
2199 accordance with subsection (f); and (3) space heating, air conditioning, or hot water is generated
2200 by an electric heat pump or electric hot water system.

2201 (c) A landlord may charge an occupant of a dwelling unit for the cost of heat or air
2202 conditioning or hot water heating as measured through the use of an energy monitoring system
2203 only in accordance with this section and only upon the landlord certifying, prior to the
2204 commencement of charging occupants of a dwelling unit for such costs, that the dwelling unit is
2205 in compliance with this section to a board of health, health department or other municipal agency
2206 or department charged with enforcement of the state sanitary code. Certification by the landlord
2207 shall be provided under the penalties of perjury and shall include a statement that the dwelling
2208 unit is eligible for the imposition on the occupant of a charge for the cost of heat or air
2209 conditioning or hot water heating in accordance with subsection (d) and the energy monitoring
2210 system measuring the use of heat or air conditioning or hot water heating in the dwelling unit
2211 was installed by a licensed electrician and is in compliance with subsection (b).

2212 (d) A dwelling unit shall become eligible for the imposition on the occupant of a charge
2213 for the cost of heat or air conditioning only upon the commencement of a new tenancy in such
2214 dwelling unit or the renewal of an existing tenancy in such dwelling unit.

2215 (e) A landlord may not charge the occupant of a dwelling unit separately for heat or air
2216 conditioning or hot water usage measured by an energy monitoring system, nor allow such
2217 occupant to be so charged, unless the energy monitoring system measures only heat or air
2218 conditioning or hot water heating that is supplied for the exclusive use of the particular dwelling
2219 unit and only to an area within the exclusive possession and control of the occupant of such
2220 dwelling unit and does not measure any heat or air conditioning usage for any portion of the
2221 common areas or by any other party or dwelling unit.

2222 (f) A landlord may not charge the occupant separately, nor allow an occupant to be
2223 charged separately, for heat or air conditioning or hot water usage measured by an energy
2224 monitoring system unless the occupant has signed a written rental agreement that clearly and
2225 conspicuously provides for such separate charge and that fully discloses in plain language the
2226 details of the heat or air conditioning or hot water usage measured by an energy monitoring
2227 system and billing arrangement between the landlord and the occupant. Each bill for heat or air
2228 conditioning or hot water usage measured by an energy monitoring system shall clearly set forth
2229 all charges and all other relevant information, including, but not limited to, the current and
2230 immediately preceding energy monitoring system readings and the date of each such reading, the
2231 heat or air conditioning or hot water usage since the last reading, the charge per unit of heat or air
2232 conditioning or hot water, the total charge and the payment due date. A bill shall not include any
2233 upcharges on the value of energy used for heat or air conditioning or hot water heating, late
2234 payments, penalty fees, or interest for late payments, for all electricity provided to the premises
2235 through the electric company meter, provided, however, that a bill may exclude offset to charges
2236 for usage such as for on-site renewable energy that is net metered. Such charges shall be billed to
2237 the occupant in at least as many periods as the landlord is billed by the electric company

2238 providing electric service to the building or such payments may be made on a monthly payment
2239 schedule as agreed to in the written rental agreement; provided, however, that if the landlord bills
2240 the occupant on a monthly basis, payment of the bill by the occupant shall be due 15 days after
2241 the date the bill is mailed to the occupant, but if the landlord bills the occupant at intervals
2242 greater than 1 month, payment of the bill by the tenant shall be due 30 days after the date the bill
2243 is mailed to the occupant. If the occupant fails to make such payment, such nonpayment shall be
2244 a material breach of the written rental agreement.

2245 (g) Whenever a tenancy in a dwelling unit commences after the beginning, but before the
2246 end, of a billing period for which the landlord has not been billed by the electric company, the
2247 landlord shall mail to the occupant on the first day of such tenancy the reading on the energy
2248 monitoring system for the dwelling unit as of that day. The landlord may thereafter bill the
2249 occupant only for the heat or air conditioning or hot water usage measured on the energy
2250 monitoring system subsequent to such reading.

2251 (h) Whenever a tenancy in a dwelling unit terminates after the beginning, but before the
2252 end, of a billing period for which the landlord has not been billed by the electric company, the
2253 landlord shall give to the occupant on the last day of such tenancy the reading on the energy
2254 monitoring system for the dwelling unit as of that day together with a final bill for heat and air
2255 conditioning and hot water usage in the dwelling unit since the last prior reading of the energy
2256 monitoring system for such dwelling unit.

2257 (i) A landlord shall not charge or recover, or allow to be charged or recovered, any
2258 additional servicing, administrative, establishment, energy monitoring-reading, energy

2259 monitoring-testing, billing, or energy monitoring system fee or other fee whatsoever, however
2260 denominated.

2261 (j) In the event of nonpayment of a bill to an electric company by the landlord, such
2262 electric company shall have all the remedies against the customer of the electric company
2263 available pursuant to any law, rule or regulation. A landlord may not shut off or refuse heating or
2264 air conditioning service to an occupant on the basis that the occupant has not paid a separately
2265 assessed energy monitoring usage charge.

2266 (k) The landlord shall retain an affirmative obligation to maintain in good working order
2267 the electric heat pump system supplying heat or air conditioning and the electric hot water
2268 system to each dwelling unit and any component thereof and to respond in a timely manner to
2269 any request by the occupant for the repair of any defect or malfunctioning in such system. In the
2270 event of any overcharge by the landlord or any violation of the state sanitary code, the occupant
2271 shall have all rights and remedies provided under law for such overcharges or such violations
2272 including, but not limited to, the rights and remedies provided under chapters 111, 186 and 239.

2273 (l) Upon receipt of a bill for heat or air conditioning or hot water usage from the landlord
2274 and within the time allowed for paying the bill, an occupant may request that a person or entity
2275 with expertise in the installation and operation of energy monitoring systems and with no
2276 financial or other relationship with the landlord, test the energy monitoring system for the
2277 dwelling unit leased by the occupant to determine whether it is accurately measuring the heat or
2278 air conditioning or hot water being used in the dwelling unit. The tenant shall be obligated to pay
2279 the amount on the bill within the time period required notwithstanding the testing. If the energy
2280 monitoring system is found to be measuring more heat or air conditioning or hot water than is

2281 being used in the dwelling unit, the landlord shall install a new energy monitoring system, or
2282 repair the existing energy monitoring system, at their own expense and shall also pay for the cost
2283 of the test. In addition, the person or entity conducting the test shall determine as accurately as
2284 possible the amount of heat or air conditioning or hot water that was improperly measured by the
2285 energy monitoring system in both the prior and current billing periods. The landlord shall
2286 calculate the amount the occupant was overcharged for the prior billing period and reduce the
2287 bill by that amount, or, if the occupant has already paid the bill, give the occupant a rebate in that
2288 amount. Upon receipt from the electric company of the bill for the current billing period, the
2289 landlord shall calculate the amount of the bill attributable to the excessive measurement by the
2290 energy monitoring system and reduce the bill to the occupant by that amount prior to sending it
2291 to the occupant. If the energy monitoring system is found to be measuring no more heat or air
2292 conditioning or hot water than is being used in the dwelling unit, the occupant shall pay for the
2293 cost of the test; provided, however, that if the occupant does not pay for the cost of the test, the
2294 landlord may add such cost to the next bill sent to the occupant and such cost shall be considered
2295 a part of the bill for purposes of paragraph (f).

2296 (m) Upon request of an affected occupant, the consumer division of the department of
2297 public utilities shall have jurisdiction to determine whether the allocation of costs for heating and
2298 air conditioning or hot water usage to such occupant was substantially correct.

2299 (n) Nothing in this section shall be construed to increase or expand, change, eliminate,
2300 reduce or otherwise limit the liabilities or obligations of any electric company that are set forth in
2301 any law, rule, regulation or order to the occupant of a dwelling unit who is receiving electric
2302 service provided to the building by the electric company.

2303 (o) Nothing in this section shall affect or impair the powers and duties of the department
2304 of public utilities with respect to electric services under chapter 164. Nothing in this section
2305 shall affect or impair the power and duties of the attorney general with respect to consumer
2306 protection.

2307 (p) No agreement under this section may impose an additional annual cost burden,
2308 consisting of the net of rental cost adjustment and allocation of heating and cooling costs and hot
2309 water costs, on the occupant of any dwelling unit in a public housing development pursuant to
2310 chapter 200 of the acts of 1948, chapter 667 of the acts of 1954, chapter 705 of the acts of 1966,
2311 or chapter 689 of the acts of 1974.

2312 (q) The department of public health shall promulgate regulations to the state sanitary
2313 code as it determines to be necessary to implement this section. The department of public
2314 utilities may promulgate regulations as it determines to be necessary to implement this section.
2315 The attorney general may promulgate regulations as it determines to be necessary to implement
2316 this section. Notwithstanding the foregoing, landlords may implement an energy monitoring
2317 system in compliance with this Section 22A prior to the promulgation of any such regulations.

2318 SECTION 44. Chapter 465 of the Acts of 1980 is hereby repealed.

2319 SECTION 45. Chapter 503 of the Acts of 1982 is hereby repealed.

2320 SECTION 46. Section 51 of chapter 209 of the acts of 2012 is hereby repealed.

2321 SECTION 47. Section 11 of Chapter 75 of the acts of 2016 is hereby repealed.

2322 SECTION 48. Section 11A of said chapter 75 of the acts 2016, as inserted by section 63
2323 of chapter 179 of the acts of 2022, is hereby repealed.

2324 SECTION 49. Sections 34 and 112 of chapter 8 of the Acts of 2021 are hereby repealed.

2325 SECTION 50. (a) Notwithstanding any general or special law to the contrary, on or
2326 before January 1, 2026, the department of public utilities shall commence a proceeding to
2327 identify and review each reconciliation charge that has been established for electric and gas
2328 distribution companies. The department shall evaluate whether charges can be eliminated or
2329 revised with the objectives of promoting customer adoption of electric vehicles and efficient
2330 electric heating to reduce statewide and sector-based greenhouse gases mandated by chapter 21N
2331 and reducing customer bills, particularly during peak usage months. The department's
2332 investigation shall include, but not be limited to, an examination of whether and how these
2333 objectives can be achieved by implementation of each of the following: (1) converting
2334 volumetric reconciling charges to non-bypassable fixed charges; (2) seasonally adjusting
2335 volumetric reconciling charges to reduce rates during peak usage months; or (3) shifting cost
2336 recovery for volumetric reconciling charges into base distribution rates. The department shall
2337 issue an order directing electric and gas distribution companies to make necessary changes to
2338 their rates to achieve these objectives by no later than July 1, 2026.

2339 (b) Notwithstanding any general or special law to the contrary, on or before January 1,
2340 2026, the department of public utilities shall commence a proceeding to investigate the
2341 establishment of maximum thresholds for the amount charges assessed to customers may change
2342 from one month to another for each electric and gas distribution company. The department may
2343 establish thresholds for changes over multiple months and different thresholds for different
2344 companies based on a company's size or ability to implement the mechanisms. The department
2345 shall issue an order establishing such thresholds by no later than July 1, 2026.

2346 (1) In such order, the department shall require each gas and electric company to file a
2347 plan to avoid exceeding such thresholds. Such plans shall include proactive measures to avoid
2348 the occurrence of price volatility, for example through long-term contracting, and measures that
2349 must be proposed or considered by each gas and electric company if a change in reconciliation or
2350 supply charge filed with the department would exceed the established thresholds, for example the
2351 short-term deferral of a portion of a rate increase.

2352 (2) The department shall approve, amend, or deny the plans submitted pursuant to
2353 paragraph (1) based on a determination that the plan is in the best interests of ratepayers and the
2354 public interest. The department shall approve, amend, or deny such plans by January 1, 2027,
2355 which shall take immediate effect.

2356 SECTION 51. (a) Notwithstanding any general or special law to the contrary, the
2357 secretary of the executive office of environmental affairs, or their respective designee, and the
2358 secretary of the executive office of economic development, or their respective designees, shall
2359 convene stakeholders, including, but not limited to, the secretary of the executive office of
2360 housing and livable communities, or their designee, the chief executive officer of the
2361 Massachusetts Housing Finance Agency, or their designee, the chief executive officer of the
2362 Massachusetts Development Finance Agency, or their designee, the commissioner of the
2363 department of energy resources, or their designee, the chief executive officer of the
2364 Massachusetts Clean Energy Center, or their designee, the chair of the council established by
2365 section 81 of chapter 179 of the acts of 2022, or their designee, the Attorney General of the
2366 Commonwealth of Massachusetts, or their designee, and representatives of municipalities,
2367 business, utilities, environmental justice populations, affordable housing, home builders,
2368 commercial building owners and developers, environmental and land use organizations, labor,

2369 consumers, data center developers and operators, equity organizations, and clean energy
2370 developers and providers, among others, to develop long-term solutions to address delays in
2371 connecting new electric customers to the electric grid for the purposes of economic development
2372 and housing, and develop recommendations for use by either the legislature or department of
2373 public utilities to accelerate these connections in identified areas to achieve the objectives and
2374 goals established by chapter 358 of the acts of 2020, and chapters 150 and 239 of the acts of
2375 2024.

2376 (b) The group convened under subsection (a) shall, at a minimum, address the following:

2377 (i) identifying electric and thermal infrastructure needs for various economic development
2378 segments and housing development types; (ii) identifying barriers to the rapid development of
2379 electric and thermal infrastructure needed to support the development of the identified economic
2380 development segments and housing development types in paragraph (i); (iii) identifying options
2381 to enable the anticipatory and accelerated build out of electric and thermal infrastructure, aligned
2382 with chapter 21N and the 2023 State Hazard Mitigation and Climate Adaptation Plan in
2383 identified areas; (iv) identifying options to enable and finance the construction of fossil-fuel free
2384 thermal networks and on-site clean energy, including solar and storage for resilience and to
2385 support the needs of the local electric grid; (v) identifying options for special tariffs or special
2386 contracts offered by electric or gas companies, as defined in section 1 of chapter 164, to
2387 encourage economic development, support electric and thermal infrastructure build-out and
2388 connection of on-site clean energy sources. Any options identified must demonstrate that the
2389 costs necessary to support anticipated electrical and thermal needs in an identified area for
2390 economic development segments and housing development types in paragraph (i) are not shifted
2391 to other customers; additionally any options identified may not be used to support or finance

2392 natural gas or other fossil infrastructure; (vi) identify how the recommendations support and will
2393 inform existing economic development and site prioritization programs, including but not
2394 limited, to priority designated sites and ReadyMass 100 properties; and (vii) making
2395 recommendations to the legislature and department of public utilities, as appropriate, for changes
2396 to laws, regulations, department orders, or current practices of government agencies and the
2397 electric or gas companies to accelerate the build out of necessary electric and thermal
2398 infrastructure to support anticipated electrical and thermal needs of the identified economic
2399 development segments and housing development types in paragraph (i), including, among other
2400 identified concepts, financing and cost recovery mechanisms to minimize the costs or lower the
2401 rates charged.

2402 (c) Per subsection (a), all recommendations shall be conveyed to the legislature and
2403 department of public utilities no later than six months after passage of this Act. The department
2404 of public utilities shall expeditiously act on said recommendation by no later than 180 days after
2405 receipt and provide an update to the legislature within 210 days of receipt of recommendations
2406 on its actions and findings.

2407 SECTION 52. (a) Notwithstanding any general or special law to the contrary, electric
2408 distribution companies shall develop inclusive utility investment program proposals designed to
2409 permit customers to finance the construction of energy projects through an optional tariff payable
2410 directly through their electric bill.

2411 (b) For the purpose of this section, energy project shall refer to non-fossil fuel
2412 related energy efficiency upgrades, high-efficiency electric heat pumps, energy storage systems,
2413 demand response equipment, on-site solar energy generation equipment, or any combination

2414 thereof, inclusive of ancillary equipment or upgrades needed to complete the installation of said
2415 equipment or upgrades.

2416 (c) Programs developed by the electric distribution companies under this section
2417 shall enable the distribution companies to offer to make investments in energy projects to
2418 customer properties with low-cost capital and use an opt-in tariff to recover the costs from
2419 customers that participate. Programs shall be designed to provide customers with immediate and
2420 ongoing electric bill savings relative to baseline electric bill costs if they choose to participate.
2421 Programs shall also allow residential electric customers that own the property, or renters that
2422 have permission of the property owner to agree to the installation of an energy project. Programs
2423 shall ensure: (1) eligible projects do not require upfront payments; however, customers may pay
2424 down the costs for projects with a payment to the installing contractor in order to qualify projects
2425 that cannot be justified through the available energy cost savings; (2) participants agree the
2426 distribution company can recover its costs for the projects at their location by paying for the
2427 project through an optional tariff directly through the participant's electricity bill, allowing
2428 participants to benefit from installation of energy projects without traditional loans; (3)
2429 accessibility by low-income residents and environmental justice populations; and (4) that all
2430 other available financial incentives are maximized by participants to the greatest extent possible.

2431 (d) In developing inclusive utility investment program proposals, the distribution
2432 companies shall review existing models and programs in other jurisdictions, including, but not
2433 limited to, the Pay As You Save system, developed by the Energy Efficiency Institute.
2434 Distribution companies shall also actively coordinate with and integrate programs under this
2435 section with the three-year energy efficiency plans established pursuant to section 21 of chapter
2436 25 of the General Laws.

2437 (e) The distribution companies shall propose conditions under which they will
2438 secure capital to fund the energy projects. The department of public utilities may allow
2439 distribution companies to raise capital independently, work with third-party lenders to secure the
2440 capital for participants, or a combination thereof. Any process the department approves must use
2441 a market mechanism to identify the least costly sources of capital funds so as to pass on
2442 maximum savings to participants.

2443 (f) The distribution companies shall also propose customer protection standards,
2444 which should be informed by and be designed consistent with best practices developed in other
2445 jurisdictions to date.

2446 (g) In approving distribution company program proposals, the department of
2447 public utilities shall establish conditions by which distribution companies may connect program
2448 participants to energy project vendors. In setting conditions for connection, the department may
2449 prioritize vendors that have a history of good relations with the commonwealth, including
2450 vendors that have hired participants from commonwealth-created job training programs.

2451 (h) Program designs shall guarantee that conservative estimates of financial
2452 savings will immediately and significantly exceed program costs for program participants. The
2453 department of public utilities may establish minimum financial savings to costs targets.

2454 (i) Distribution companies shall consult with the department of energy resources,
2455 the Massachusetts clean energy technology center, and the attorney general in developing
2456 program proposals under this section and shall release draft program design proposals for public
2457 comment at least 60 days before filing with the department of public utilities.

2458 (j) The department of public utilities may establish program design parameters or
2459 guidelines no later than June 1, 2026.

2460 (k) Electric distribution companies shall submit inclusive utility investment
2461 program proposals to the department or public utilities for its review by no later than September
2462 1, 2026, and the department shall complete its review of said proposals by no later than July 1,
2463 2027.

2464 (l) Any program proposal approved by the department of public utilities pursuant
2465 to this section must be made available to eligible customers of the distribution company by no
2466 later than January 1, 2028.

2467 (m) A distribution company shall recover all prudently incurred costs of offering a
2468 program approved by the department of public utilities via base distribution rates. The
2469 department may approve the establishment of performance incentives designed to meet
2470 department approved thresholds for the number of and types of customers served or the number
2471 and types of energy projects deployed.

2472 SECTION 53. The department of public utilities shall accept and review tariffs proposed
2473 by gas companies to enable renewable natural gas produced by anaerobic digesters or landfills to
2474 be delivered to individual commercial and industrial customers through a gas company's
2475 distribution system under bilateral agreements between commercial and industrial customers and
2476 such facilities. The department of public utilities shall approve such tariffs only upon a showing
2477 that all costs associated with the covered activities are recovered in tariffed rates and no costs are
2478 imposed on non-participating customers.

2479 SECTION 54. The department of public utilities shall conduct an investigation into
2480 whether to allow gas companies to build, own, and operate geothermal heat loops for individual
2481 customers that reside in municipalities that are not currently served by a gas company, and to
2482 recover all prudently incurred costs associated with such activity via tariffs designed to recover
2483 costs via rates charged to customers that elect to participate. As part of this investigation, the
2484 department shall determine whether and how gas companies may compete with other gas
2485 companies to serve customers in such municipalities. The department shall commence this
2486 investigation by April 1, 2027. Nothing in this section shall impede development or
2487 implementation of gas company programs to build, own, operate geothermal heat loops in
2488 municipalities that are currently served by that gas company pursuant to section 156 of chapter
2489 164 of the General Laws.

2490 SECTION 55. (a) Within two months of the effective date of this act, the department of
2491 public utilities shall issue guidance to the distribution companies as needed regarding the
2492 development of the flexible interconnection program required by section 159 of General Laws,
2493 as inserted by section 41.

2494 (b) Within six months of the effective date of this act, the distribution companies shall
2495 file proposed model tariff provisions or tariff revisions and any other documents necessary to
2496 implement the required flexible interconnection program with the department.

2497 (c) Prior to making the filing under subsection (b), the distribution companies shall:

2498 (1) Convene a distributed energy resource industry stakeholder working group facilitated
2499 by one individual from such industry and one individual from a distribution company. The
2500 working group must include, in total: (a) two representatives from each electric distribution

2501 company; (b) one or more representatives from both the department of energy resources and the
2502 office of the attorney general; and (c) six representatives from the distributed energy resource
2503 industry. The working group shall meet at least twice per month starting one month after the
2504 effective date of this act.

2505 (2) Present draft versions of the documents to be included in the filing required under
2506 subsection (b) to the working group within four months of the effective date of this act, accept
2507 written and oral comments, allow stakeholders to propose modifications, and develop consensus
2508 language, to the extent possible. The distribution companies shall include any alternative
2509 proposals supported by a majority of working group members as a supplement to the filing
2510 required under subsection (b) and an explanation of why the distribution company did not choose
2511 to adopt such proposals.

2512 (3) Present draft versions of the documents to be included in the filing required under
2513 subsection (b) to the stakeholder group established in section 51, within four months of the
2514 effective date of this act, accept written and oral comments and allow stakeholders to propose
2515 modifications. The distribution companies shall include such comments and proposed
2516 modifications with the filing required under subsection (b).

2517 (d) Upon receipt of the filing required under subsection (b), the department shall conduct
2518 a proceeding to investigate the flexible interconnection program proposal and approve, deny, or
2519 modify such proposal within one year of the effective date of this act. A flexible interconnection
2520 program proposal filed pursuant to subsection (b) shall be deemed approved if the department
2521 does not issue an order on or before such date.

2522 SECTION 56. (a) Not later than January 1, 2026, the department of public utilities shall
2523 open an investigation relative to: (1) the necessary regulatory steps to implement section 155 of
2524 chapter 164 of the General Laws; (2) existing administrative or regulatory barriers to the
2525 deployment of government and critical facility microgrids, and potential solutions to such
2526 administrative and regulatory barriers; and (3) the protection of customers not connected to
2527 microgrids, including ensuring there is no shifting of costs for the development and connection
2528 of the microgrid to the electric distribution system, impacts to reliability of the electric
2529 distribution system once the microgrid is connected and operational, and that customers other
2530 than those eligible to be served by the microgrid are not being served by the microgrid.

2531 (b) Not later than August 1, 2026, the department shall issue: (1) guidelines for standards,
2532 protocols, and technical requirements needed to enable the development and interconnection of
2533 government and critical facility microgrids, which address any identified administrative and
2534 regulatory barriers, including guidelines for impact studies required for government and critical
2535 facility microgrids to connect to the electric distribution system; (2) government and critical
2536 facility microgrid service standards that delineate obligation to provide electric service to
2537 customers on the microgrid; (3) require the distribution companies, as defined in section 1 of
2538 chapter 164 of the General Laws, to file a proposed model tariff provision, under which
2539 government and critical facility microgrids may take service, provided, however that such
2540 proposed model tariff provision: (i) shall protect customers not connected to such microgrids
2541 from cost shifting; (ii) may charge microgrid customers for services such as back up or standby
2542 service; (iii) may not compensate microgrid customers for the use of fossil fuel electricity
2543 generation; (iv) any additional direction for each distribution company to follow in filing the
2544 model government and critical facility microgrid tariffs; and (v) provide direction to each

2545 distribution company regarding any additional filings or administrative changes necessary to
2546 promote the deployment of government and critical facility microgrids.

2547 (c) Not later than January 1, 2027, the distribution companies shall file the model
2548 government and critical facility microgrid tariffs and any other filings directed by the department
2549 pursuant to subsection (b).

2550 (d) Not later than July 1, 2027, the department shall approve, reject, or modify the
2551 government and critical facility microgrid tariffs and other filings made by the distribution
2552 companies at the direction of the department. The tariffs and other filings shall be deemed
2553 approved if the department does not issue an order by July 1, 2027.

2554 (e) The approved government and critical facility microgrid tariffs and all administrative
2555 changes directed by the department pursuant to subsection (b) shall be effective not later than
2556 July 1, 2027.

2557 SECTION 56. Each electric company shall submit a supplement to the electric-sector
2558 modernization plan approved by the department not later than one year after the effective date of
2559 this Act. The supplement shall include the changes to subsections (c) and (d) of section 92B of
2560 chapter 164 of the General Laws made pursuant to section 29. An electric company shall consult
2561 with the Grid Modernization Advisory Council established in section 92C of said chapter 164 of
2562 the General Laws no later than 120 days before the electric company files the supplement with
2563 the department; and provided further that the Grid Modernization Advisory Council shall return
2564 the supplement to the company with recommendations not later than 70 days before the company
2565 files the plan with the department.

2566 SECTION 57. The electric distribution companies shall coordinate with the department
2567 of energy resources to develop a common application for distributed generation facilities and
2568 energy storage systems applying for interconnection, net metering, or any solar incentive
2569 program established by the department of energy resources pursuant to section 25 of chapter
2570 25A. The common application shall be designed to minimize the administrative burden placed on
2571 applicants and reduce administrative costs. The electric distribution companies and department
2572 of energy resources shall jointly file a proposal for the design of common application with the
2573 department of public utilities within 9 months of the effective date of this section, and the
2574 department of public utilities shall complete its review of this joint proposal within 3 months of
2575 receipt. The application shall be made available to distributed generation facilities no later than
2576 24 months of the effective date of this section.

2577 SECTION 58. Notwithstanding any special law to the contrary, the department of energy
2578 resources shall update its regulations implementing the alternative energy portfolio standard as
2579 required by section 11F1/2 of chapter 25A to ensure that there is a smooth transition for qualified
2580 generation units prior to its repeal on January 1, 2028. As it develops transition guidance and
2581 regulations, the department of energy resources may take into consideration, among other issues,
2582 any contracts and associated obligations of existing qualified generating units and impacts on
2583 said existing qualified generating units. The department of energy resources is authorized to take
2584 actions to address issues identified as needing consideration during the transition to mitigate
2585 identified impacts on qualified generating units, including waiving requirements of section
2586 11F1/2 of chapter 25A of the General Laws and adjusting program parameters for individual
2587 categories of qualified generating units, but in no circumstance shall it be authorized to extend
2588 compensation to existing qualified generating units for generation occurring in 2028 or later.

2589 SECTION 59. Notwithstanding any special law to the contrary, where the
2590 Commonwealth or any political subdivision thereof proffers land within its control by lease or
2591 ownership and sub-leases or conveys such land to an end user, developer, or operator public
2592 lands for the construction, operation, or maintenance of a thermal energy network, heat loop and
2593 related renewable energy generation, distribution, and transmission infrastructure project work,
2594 those leases or conveyances shall be conditioned upon the lessee or awardee's agreement to enter
2595 into fully executed labor peace agreements with any bona fide labor organization that seeks to
2596 represent the lessee or awardee's employees working on the project, as permitted by federal law.

2597 Likewise, any funding, including grants and loans made by the Commonwealth,
2598 including but not limited to those made through the Massachusetts clean energy technology
2599 center under chapter 23J, to support the construction, operation, or maintenance of a thermal
2600 energy network or heat loop within the commonwealth shall be conditioned upon the recipient's
2601 agreement to enter into a fully executed labor peace agreement with any bona fide labor
2602 organization that seeks to represent the recipient's employees working on the project as their
2603 exclusive bargaining representative, as permitted by federal law.

2604 SECTION 60. Sections 2 and 3 shall apply to the next plan submitted pursuant to section
2605 21 of chapter 25 of the General Laws and shall take effect on January 1, 2028.

2606 SECTION 61. Section 9 shall take effect on January 1, 2028.

2607 SECTION 62. Section 4 shall take effect on January 1, 2040.