HOUSE . . . . . No. 5151

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 24, 2026.

The committee on House Ways and Means to whom was referred the Bill relative to energy affordability, clean power and economic competitiveness (House, No. 4744), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 5151).

For the committee,

AARON MICHLEWITZ.

FILED ON: 2/24/2026

HOUSE . . . . . No. 5151

The Commonwealth of Massachusetts

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

An Act relative to energy affordability, clean power and economic competitiveness.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to forthwith provide energy affordability, independence and innovation in the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

SECTION 1. Chapter 25 of the General Laws is hereby amended by adding the following section:-

Section 24. (a) The department shall maintain a real-time, online, retail residential customer bill assessment dashboard. The dashboard shall provide: (i) visual representations, including, but not limited to, bar charts or line charts, to facilitate public understanding of both current and historical rate components charged to retail residential customers by each gas company and electric company, as defined in section 1 of chapter 164; and (ii) a summary explanation of each customer bill component and the corresponding utility cost recovery mechanism. The department shall make the dashboard publicly available in a machine-readable format.

(b) The department shall include an analysis of the benefits of the clean energy, greenhouse gas reduction, energy efficiency and demand response programs and procurements and any other programs, procurements or investments funded, in whole or in part, by electric or gas utility customers on the dashboard pursuant to subsection (a), as deemed appropriate by the department. Any quantitative analysis shall include the direct and indirect electric system benefits of such programs, procurements and investments, including, but not limited to, system reliability and avoided energy costs, and the indirect climate, health and economic benefits and any other benefits deemed appropriate by the department. The department shall develop such analysis with the department of energy resources, in consultation with the office of the attorney general.

SECTION 2. Section 2 of chapter 25A of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by striking out, in line 5, the words “4 divisions”.

SECTION 3. Said section 2 of said chapter 25A, as so appearing, is hereby further amended by striking out, in line 17, the words “of energy resources”.

SECTION 4. Said section 2 of said chapter 25A, as so appearing, is hereby further amended by striking out, in lines 19 to 26, inclusive, the words “and (iv) a division of clean energy siting and permitting, which shall establish standard conditions, criteria and requirements for the siting and permitting of small clean energy infrastructure facilities by local governments and provide technical support and assistance to local governments, small clean energy infrastructure facility project proponents and other stakeholders impacted by the siting and permitting of small clean energy infrastructure facilities at the local government level” and inserting in place thereof the following words:- (iv) a division of clean energy procurement,

which shall develop resource solicitation plans, administer procurements for clean energy generation and energy services and negotiate and manage contracts with clean energy generation and energy service facilities; and (v) a division of clean energy siting and permitting, which shall establish standard conditions, criteria and requirements for the siting and permitting of small clean energy infrastructure facilities by local governments and provide technical support and assistance to local governments, small clean energy infrastructure facility project proponents and other stakeholders impacted by the siting and permitting of small clean energy infrastructure facilities at the local government level.

SECTION 5. Section 6 of said chapter 25A, as so appearing, is hereby amended by striking out clauses (14) and (15) and inserting in place thereof the following 3 clauses:-

(14) develop and promulgate, in consultation with the state board of building regulations and standards, a municipal opt-in specialized stretch energy code that includes, but is not limited to, net-zero building performance standards and a definition of net-zero building, designed to achieve compliance with the commonwealth's statewide greenhouse gas emission limits and sublimits established pursuant to chapter 21N;

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

(16) develop resource solicitation plans, conduct procurements for resource solicitation plans as approved by the department of public utilities and negotiate and execute contracts with clean energy generation and energy services providers pursuant to section 22.

SECTION 6. Section 7 of said chapter 25A, as so appearing, is hereby amended by striking out the third paragraph and inserting in place thereof the following 2 paragraphs:-

All electric and gas companies, transmission companies, distribution companies, suppliers and aggregators, as defined in section 1 of chapter 164, and suppliers of natural gas, including aggregators, marketers, brokers and marketing affiliates of gas companies, excluding gas companies, as defined in said section 1 of said chapter 164, engaged in distributing or selling electricity or natural gas in the commonwealth shall make accurate reports to the department in such form and at such times, which shall be at least quarterly, as the department shall require pursuant to this section. Each such company, supplier and aggregator shall report semi-annually to the department the average of all rates charged for default, low-income and standard offer service to each customer class and for each sub-class within the residential class, respectively; provided, however, that all such rate information so reported pursuant to this paragraph shall be deemed public information only in its aggregate form. Each company, supplier and aggregator shall report to the department, in a form and at such times as the department shall require, detailed and accurate information, including, but not limited to, data regarding the: (i) number of customers; (ii) load served; (iii) amounts billed to customers in dollars; (iv) renewable and clean energy attribute certificate purchases; and (v) supply product offerings. The department may make such information, or aggregates of such information, available to the public on its website.

All resellers of petroleum products, including retail heating oil and propane suppliers, doing business in the commonwealth shall make accurate reports of price, inventory and product delivery data to the department, in a form and at such times as the department shall require. Any information regarding competitive supply that the department makes available to the public shall be presented only in aggregated or anonymized form and shall not include supplier-specific

pricing, offers or terms. Pricing and other commercially-sensitive information submitted pursuant to this paragraph shall be treated as confidential and used solely for regulatory oversight and market monitoring. Nothing in this section shall be construed to apply to an entity organizing or administering a program pursuant to section 137 of chapter 164.

SECTION 7. Said chapter 25A is hereby further amended by inserting after section 11F the following section:-

Section 11F¼. (a) The department, in consultation with the Massachusetts clean energy center shall return to electric ratepayers not less than 70 per cent of alternative compliance payments pursuant to sections 11F, 11F½, 17 and any portfolio standard adopted by the department of environmental protection pursuant to chapter 21N.

(b) The department, in consultation with the department of public utilities, shall establish a mechanism to ensure that: (i) all payments are returned to ratepayers in the service territory of the retail electricity supplier or municipal aggregator that submitted the payment on a per kilowatt-hour basis or other equitable crediting method; and (ii) the credits appear as annual bill reductions or refunds to ratepayers within 90 days of the close of the compliance year in which the payment was made.

(c) Any administrative costs associated with implementing subsection (a) shall be minimized and may be deducted from such payments prior to their return to ratepayers; provided, that such deductions shall not exceed reasonable expenses as approved by the department of public utilities.

(d) The department, in consultation with the department of public utilities, shall promulgate regulations to implement subsection (b).

SECTION 8. Said chapter 25A is hereby further amended by striking out section 11F1/4, inserted by section 7, and inserting in place thereof the following section:-

Section 11F ¼. (a) The department, in consultation with the Massachusetts clean energy center, shall return to electric ratepayers not less than 70 per cent of alternative compliance payments pursuant to sections 11F, 11F½, 17 and any portfolio standard adopted by the department of environmental protection pursuant to chapter 21N in any year where money in the funds exceeds the predicted level by 2 per cent and energy costs are a substantial burden to residents of the commonwealth.

(b) The department, in consultation with the department of public utilities, shall establish a mechanism to ensure that: (i) all payments are returned to ratepayers in the service territory of the retail electricity supplier or municipal aggregator that submitted the payment on a per kilowatt-hour basis or other equitable crediting method; and (ii) the credits appear as annual bill reductions or refunds to ratepayers within 90 days of the close of the compliance year in which the payment was made.

(c) The department, in consultation with the department of public utilities, shall promulgate regulations to implement subsection (b).

SECTION 9. Section 11F½ of said chapter 25A, as appearing in the 2024 Official Edition, is hereby amended by adding the following subsection:-

(f)(i) For the purposes of this subsection, “complete application” shall mean an application that includes all information and documentation required by the department’s regulations for qualification under this section, as in effect on the date the application is submitted.

(ii) An alternative energy generating source shall remain eligible to generate alternative energy credits and to participate in the alternative portfolio standard, subject to the requirements and limitations in effect on the date of its qualification, if the alternative energy generating source: (A) was qualified by the department under this section prior to January 1, 2028; or (B) submitted a complete application for qualification to the department prior to January 1, 2028, and subsequently receives such qualification.

(iii) The department shall not accept or process an application for qualification submitted on or after January 1, 2028.

(iv) An alternative energy generating source that does not satisfy clause (ii) shall not be eligible to generate alternative energy credits or participate in the alternative portfolio standard.

SECTION 10. Section 11F ¾ of said chapter 25A is hereby amended by striking out, in line 39, the words "(10) biomass fuel; and (11)" and inserting in place thereof the following words:- and (10).

SECTION 11. Said chapter 25A is hereby further amended by inserting after section 17 the following section:-

Section 17A. (a) The department may develop a statewide energy storage incentive program to encourage the continued development of energy storage resources connected to the electric distribution system throughout the commonwealth. If the department elects to develop the program, the department shall promulgate rules and regulations implementing the program which: (i) promote the orderly transition to a stable and self-sustaining energy storage market at a reasonable cost to ratepayers; (ii) consider underlying system costs, including, but not limited to, storage costs, balance of system costs, installation costs and soft costs; (iii) take into account

any federal or state incentives; (iv) minimize direct and indirect program costs and barriers; (v) consider environmental benefits, energy demand reduction, distribution system benefits and other avoided costs provided by energy storage resources; (vi) encourage energy storage resource deployment where it can provide benefits to the distribution system; (vii) ensure that the costs of the program are shared collectively among all ratepayers of the distribution companies; and (viii) promote investor confidence through long-term incentive revenue certainty and market stability.

(b) If the department proposes a tariff-based mechanism for the incentive program under this section, such program may include, to the extent feasible, both energy and environmental attributes, as defined section 22. Environmental attributes of the energy storage resources receiving incentives pursuant to this section shall be eligible for use by retail electric suppliers for compliance with their obligations pursuant to section 17.

SECTION 12. Section 21 of said chapter 25A, as appearing in the 2024 Official Edition, is hereby amended by inserting after the word “include”, in line 84, the following words:- a demonstrated consideration of the use of surplus interconnection service, as defined in section 69G of chapter 164, and.

SECTION 13. Said chapter 25A is hereby further amended by adding the following 5 sections:-

Section 22. (a) As used in this section and section 23, the following words shall, unless the context clearly requires otherwise, have the following meanings:

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

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

"Clean energy solicitation", a competitive solicitation for clean energy associated environmental attributes or energy services completed by the department under this section.

"Distribution company", as defined in section 1 of chapter 164.

"Energy services", operation of infrastructure that increases the deliverability or reliability of clean energy generation or reduces the cost of clean energy generation, including, but not limited to, transmission, energy storage, firm balancing resources and demand response technologies.

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

"Long-term contract", a contract for a period of not more than 30 years.

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

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

(c) The department shall publish a resource solicitation plan, which shall include, but shall not be limited to: (i) a description of the clean energy generation and energy services needs sufficient to maximize the commonwealth's ability to achieve compliance with the limits and sublimits established pursuant to sections 3 and 3A of chapter 21N, including resource type, nameplate capacity amounts and commercial operation dates for new resources; (ii) a schedule recommendation for clean energy solicitations that the department shall conduct within the subsequent 3 years following the department of public utilities approval of the resource solicitation plan; provided, however, that the resource solicitation plan shall include procurements for offshore wind energy generation that in total shall equal not less than 10 gigawatts of aggregate nameplate capacity not later than December 31, 2040; provided further, that the resource solicitation plan shall include procurements for solar energy generation that in total shall equal to approximately 10 gigawatts of aggregate nameplate capacity not later than December 31, 2040; (iii) economic development objectives and requirements for the clean energy solicitations; (iv) a mechanism to recover the costs associated with long-term contracts for environmental attributes or energy services entered into by the department under this section, including any administrative costs to support the department's requirements under this section; and (v) a review of the previous clean energy solicitations, if applicable. The department shall consult with the department of public utilities and attorney general's office in the development of the resource solicitation plan prior to filing at the department of public utilities; provided, that any ex parte rules established by the department of public utilities shall not apply to the consultation process. The department may revise and resubmit the resource solicitation plan to

the department of public utilities if the department seeks a revised schedule of procurements or seeks additional procurements.

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

(e) The department shall file the resource solicitation plan and its recommendations with the department of public utilities. The department of public utilities shall review the resource solicitation plan and recommendations to determine whether the resource solicitation plan is a reasonable, appropriate and cost-effective mechanism to achieve the goals of this section. The department of public utilities shall approve, approve with modifications or reject the plan within 7 months of submission. Upon approval of the resource solicitation plan, the department of public utilities shall implement the cost recovery mechanism consistent with the approved resource solicitation plan to recover costs associated with all contracts pursuant to this section not later than 3 months following the approval; provided, however, that the distribution companies shall not receive any remuneration, benefit or fee to compensate for costs associated with such contracts.

(f) The method for clean energy solicitations shall be proposed by the department and shall utilize a competitive bidding process. The department shall consult with the attorney general and may consult with other state agencies as applicable regarding the choice of solicitation methods. The department may coordinate any solicitation under this section with other states, municipal light plants, a municipality or group of municipalities with an approved municipal load aggregation plan pursuant to section 134 of chapter 164, or other governmental

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

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

applicable federal antidiscrimination laws; (vii) documentation that the bidder and its contractors and subcontractors are currently, and shall remain, in compliance with chapters 149, 151, 151A, 151B and 152, 29 U.S.C. § 201, et seq. and applicable federal anti-discrimination laws for the duration of the project; (viii) documentation of the bidder's history with picketing, work stoppages, boycotts or other economic actions against the bidder and a description or plan on how the bidder intends to prevent or address such actions; (ix) a description or plan for how the bidder intends to prevent or address such actions during all phases of the construction, reconstruction, renovation, development and operation of the project, including, but not limited to, the bidder's intended use of a project labor agreement; (x) documentation relative to whether the bidder and its contractors have been found in violation of state or federal safety regulations in the previous 10 years; (xi) documentation relative to the bidder's past use of project labor agreements and the bidder's compliance with sections 26 to 27F, inclusive, of chapter 149; (xii) plans for mitigation, minimization and avoidance of detrimental environmental and socioeconomic impacts, including through meaningful consultation with impacted environmental and socioeconomic stakeholders, including federally recognized and state acknowledged tribes and, in the case of offshore wind, commercial and recreational fishing; and (xiii) a plan for benefits from the project for low-income ratepayers and environmental justice populations, as defined in section 62 of chapter 30, in the commonwealth. The department may require a wage bond or other comparable form of insurance in an amount to be set by the department to ensure compliance with law, certifications or department obligations. The department shall give preference for proposals that demonstrate that their plans provide benefits to the commonwealth. The department shall give preference for proposals that demonstrate commitment to secure those benefits through firm and binding agreements or contracts. The department may require a wage

bond or other comparable form of insurance in an amount to be set by the department to ensure compliance with law, certifications or department obligations. The electric distribution companies may provide the department with technical advice on proposals' costs and benefits.

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

(i)(1) Bidders shall, in a timely manner, provide documentation and certifications as required by law or otherwise directed by the department. Incomplete or inaccurate information may be grounds for disqualification, dismissal or other action deemed appropriate by the department.

(2) Proposals received pursuant to a solicitation under this section shall be subject to review by the department, in consultation with the executive office of economic development, the executive office of energy and environmental affairs, the supplier diversity office and other state agencies as applicable. The department may request that other state agencies consulted pursuant to this subsection review and score proposals on specific criteria as established in the clean energy solicitation.

(3) Proposals received pursuant to a solicitation under this section may be subject to review by the electric distribution companies in order to develop and provide technical advice.

(j) The department shall issue a final, binding determination of the selected bid or bids; provided, however, that the final contract or contracts executed shall be subject to review by the department of public utilities. The department shall propose draft contracts and take all reasonable actions to structure the contracts, pricing or administration of the products purchased

under this section to contribute towards achieving compliance with limits and sublimits established pursuant to sections 3 and 3A of chapter 21N in a cost-effective manner that minimizes rate-payer impacts. The department shall consider the use of pricing mechanisms or pricing structures, including, but not limited to, indexed pricing.

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

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

Section 23. (a) There shall be a separate, non-budgeted special revenue fund known as the central procurement fund, which shall be administered by the department, without further appropriation, for funding long-term contracts consistent with this section.

(b) The fund shall be credited with: (i) funds or revenue collected by distribution companies pursuant to a tariff approved by the department of public utilities in furtherance of the objectives and requirements of this section; (ii) revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; (iii) interest earned on such funds or revenues; (iv) bid fees collected by the department from participants in clean energy solicitations conducted pursuant to this section; (v) other revenue from public and private sources, including gifts, grants and donations; and (vi) any funds provided from other sources.

(c) All amounts credited to the fund shall be used solely for activities and expenditures consistent with the public purposes of this section, section 22 and section 24, including the ordinary and necessary administrative and personnel expenses of the department related to the administration and operation of the fund and performance of the duties established by this section and section 22. Revenues deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in the following fiscal year. No expenditure made from the fund shall cause the fund to be in deficit at any point.

Section 24. (a) The department shall establish a state-led offshore wind pre-development and project acceleration program.

(b) The offshore wind pre-development and project acceleration program shall enable the commonwealth to partner with offshore wind developers through co-investment or other suitable

state financing mechanisms in pre-development activities specific to individual projects. The primary objectives of the program shall be to: (i) accelerate project timelines; (ii) streamline the readiness of offshore wind generation projects; (iii) reduce project risk, including, but not limited to, concerns related to federal permitting, supply chain and interconnection obstacles; (iv) support workforce growth and community buy-in; and (iv) enhance price competitiveness and transparency for clean energy solicitations conducted pursuant to section 22.

(c) The offshore wind pre-development and project acceleration program shall enable the department to partner with developers to maintain project progress and ensure that developers are ready to advance rapidly to construction and commercial operation, consistent with the schedules and resource needs identified in the resource solicitation plan pursuant to section 22.

(d) Eligible pre-development activities for state co-investment shall be prioritized for projects having previously participated in the department's procurement process. Eligible pre-development activities may include, but shall not be limited to: (i) permitting and site assessment studies; (ii) fisheries and environmental science studies; (iii) pre-front end engineering design; (iv) engineering and design work that informs permitting and project procurement; (v) necessary transmission planning; (vi) engineering required prior to the execution of a contract; and (vii) support for the timely utilization of regional supply chain and port infrastructure.

(e)(1) The department may fund the offshore wind pre-development and project acceleration program through the central procurement fund established pursuant to section 23, appropriations by the general court, federal funds or other public or private sources.

(2) Any financial arrangement under the offshore wind pre-development and project acceleration program shall include a mechanism to ensure recovery of any co-investment capital provided by the commonwealth upon the project reaching commercial operation.

Section 25. (a) For the purposes of this section, the term "state smart solar permitting platform" shall mean an internet-based platform that automates plan review, produces a code-compliant approval and immediately issues a permit or permit revision in response to the receipt of an acceptable application to construct a residential solar energy system and associated equipment.

(b)(1) The department shall establish and administer a state smart solar permitting platform for the purpose of expediting plan review of applications submitted to municipalities to construct and issue permits for residential solar energy systems and associated equipment.

(2) The state smart solar permitting platform shall be capable of performing the following:

(i) performing robust code compliance checks using algorithms to evaluate characteristics of the proposed residential solar energy system to determine whether the proposed system aligns with the requirements of the state electrical code and the state building code;

(ii) producing construction documents to be used for the inspection of a residential solar energy system and for recordkeeping purposes;

(iii) immediately releasing permits and permit revisions to construct a residential solar energy system;

(iv) providing users with the ability to submit an application to construct a residential solar energy system 24 hours a day, except when the platform is unavailable due to an upgrade or maintenance;

(v) allowing the use of electronic signatures, stamps, seals and other certifications and documents on all applications and submitted materials necessary for issuance of a permit; and

(vi) processing permit applications for residential solar energy systems and associated equipment, including, but not limited to, photovoltaic panels, energy storage systems, main electrical panel upgrades and main breaker deratings, that provide electrical power to detached 1- and 2-family dwellings.

(c) A municipality shall either allow for the submission of applications to construct a residential solar energy system and associated equipment through the smart solar permitting platform or through an alternative automated solar permitting platform that satisfies the functions pursuant to subsection (b) in an equivalent manner as the smart solar permitting platform. A municipality that adopts an alternative automated solar permitting platform shall not require an applicant to submit documentation to receive a permit to construct a residential solar energy system and associated equipment that is not required by the state smart solar permitting platform.

(d) A municipality that does not allow for the submission of applications to construct a residential solar energy system through the state smart solar permitting platform shall submit an annual compliance report to the department with sufficient information for the department to determine whether their alternative automated solar permitting platform adopted by the municipality satisfies all of the functions pursuant to subsection (b). The department may establish guidelines for submission of a local compliance report, may assess whether the

alternative automated solar permitting platform implemented by the municipality satisfies all the requirements set forth in this section and shall provide public access to the compliance reports and any assessments of compliance on the department's website.

(e) If the department determines that a municipality has elected to utilize an alternative automated solar permitting platform and is not in compliance with this section, contractors may utilize the state smart solar permitting platform for residential solar energy systems in that municipality's jurisdiction.

(f) To defray the cost of developing and administering the state smart solar permitting platform, the department may establish fees to be collected by the department, a municipality or a third-party entity acting on behalf of the department or a municipality. A municipality shall remit to the department all monies collected by the authority through solar permit surcharge fees.

Section 26. (a) The department shall develop and implement a statewide solar incentive program to encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental and industrial electricity customers throughout the commonwealth. The department shall, after notice and the opportunity for public comment, promulgate regulations implementing a solar incentive program that promotes a stable solar development market at a reasonable cost to ratepayers and supports the commonwealth's ability to achieve compliance with limits and sublimits established pursuant to sections 3 and 3A of chapter 21N.

(b) The solar incentive program established by the department pursuant to subsection (a) shall: (i) consider underlying system development costs, including, but not limited to, module costs, balance of system costs, installation and interconnection costs and soft costs; (ii) take into

account electricity revenues and any federal or state incentives; (iii) rely on market-based mechanisms or price signals as much as possible to set incentive levels; (iv) minimize direct and indirect program costs and barriers; (v) feature a known or easily estimated budget to achieve program goals through use of an adjustable block incentive, a competitive procurement model, tariff or other declining incentive framework; (vi) differentiate incentive levels to support diverse installation types and sizes that provide unique benefits, including, but not limited to, community-shared solar facilities, low-income solar facilities and municipal or other governmental entity-owned solar facilities, and which may include differentiation by utility service territory, location or size of the solar renewable energy generating source; (vii) ensure that the utility ratepayer realizes the direct benefits of the solar incentive program; (viii) include land use restrictions that align with the commonwealth's land use priorities; (ix) consider environmental benefits, energy demand reduction and other avoided costs provided by solar renewable energy generating facilities; (x) encourage solar generation where it can provide benefits to the distribution system; (xi) ensure that the costs of the program are shared collectively among all ratepayers of the distribution companies; (xii) promote investor confidence through long-term incentive revenue certainty and market stability; and (xiii) include reasonable and appropriate protections for ratepayers.

(c) Environmental attributes, as defined in section 22, of the solar photovoltaic facilities receiving incentives pursuant to this section shall be eligible for use by retail electric suppliers pursuant to their obligations pursuant to section 11F and section 17, as applicable.

(d) The department may establish a land use and mitigation plan, including establishing fees for mitigating impacts caused by solar development and projects participating in the program and receiving incentives pursuant to this section. The department may establish

requirements for the solar incentive program and eligibility requirements for pollinator-friendly solar installations participating in the program pursuant to this section.

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

SECTION 14. Chapter 40 of the General Laws is hereby amended by adding the following section:-

Section 72. Any city or town which accepts this section may by a vote of its town meeting or legislative body, whichever is applicable, prohibit by ordinance, by-law or vote any supplier, energy marketer or energy broker, as those terms are defined in section 1 of chapter 164, from executing a new contract or renewing an existing contract for generation services with any individual residential retail customer within such city or town. This section shall not apply to, or otherwise affect, any government body that aggregates the load of residential retail customers as part of a municipal aggregation plan pursuant to section 134 of chapter 164, and shall not apply to, or otherwise affect, any entity organizing or administering a program pursuant to section 137 of chapter 164. The attorney general may bring an action under section 4 of chapter 93A to enforce this section and to obtain restitution, civil penalties, injunctive relief or any other relief available under chapter 93A.

SECTION 15. Chapter 81 of the General Laws is hereby amended by inserting after section 7M the following section:-

Section 7N. (a)(1) For the purposes of this section, the word “department” shall mean the Massachusetts Department of Transportation.

(2) The department may permit the installation, construction and maintenance of high voltage transmission lines along state highways with full and limited control of access, including the interstate system, as defined in 700 CMR 3.01, subject to such limitations as the department deems necessary to protect public safety or ensure the proper function of the state highway. Any electric company, as defined in section 1 of chapter 164, that seeks to install a high voltage transmission line along a state highway shall, in each case, submit an application, along with the report required under subsection (b), to the department and the energy facilities siting board, established pursuant to section 69H of said chapter 164, that demonstrates that: (i) the installation shall not adversely affect the safety, durability, construction, traffic operations, maintenance or service life of the state highway; (ii) the installation shall not unduly interfere with or impair the present use or future expansion of the state highway; (iii) access for constructing and servicing the high voltage transmission line shall not adversely affect safety and traffic operations or damage any state highway facility; (iv) the electric company conducted a transmission line corridor analysis pursuant to paragraph (1) of subsection (c); and (v) the installation aligns with the criteria in paragraph (2) of subsection (c).

(b)(1) When a permittable route along a state highway has been identified by the department and the electric company or developer, a constructability, access and maintenance report shall be prepared by the electric company or developer. The department shall consult with the electric company or developer in the preparation of the report and shall include the terms and conditions for constructing the high voltage transmission line. The report shall include an agreed-upon timeframe during which the department shall not request relocation of the high voltage

transmission line. The report shall be approved by both the department and the electric company or developer prior to the department issuing a permit for use of the state highway right-of-way.

(2) If the department requires a high voltage transmission line located within its right-of-way to be relocated, the department shall notify the electric company not less than 1 year before any required relocation.

(3) In all cases of new installations of high voltage transmission lines along state highways, the electric company shall obtain a state highway access permit and install the high voltage transmission line in accordance with the approved permit.

(4) If the energy facilities siting board denies a high voltage transmission line co-location request, the reasons for the denial shall be submitted to the department, the department of public utilities and be made publicly available, within 90 days of the denial.

(c)(1) Prior to selecting a route for any high voltage transmission line, the electric company shall conduct a transmission line corridor analysis, which shall consider the following corridors in order of priority: (i) existing utility corridors; (ii) interstate, freeway and state highways and railroad corridors; and (iii) new utility corridors.

(2) Permitting on such corridors shall be consistent, to the greatest extent feasible, to the following criteria: (i) economic and engineering considerations; (ii) reliability of the electric system; (iii) public safety; and (iv) the protection of the environment.

SECTION 16. Chapter 149 of the General Laws is hereby amended by inserting after section 27H the following section:-

Section 27I. (a) As used in this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Commissioner", director of the department of labor standards.

"Construction", as defined in section 27D.

"Electric company", as defined in section 1 of chapter 164.

"Gas company", as defined in section 1 of chapter 164.

"Public commissioner", the commissioner of the department of public utilities.

"Thermal energy network", a system of interconnected ground-source heat pumps that uses the subsurface temperature of the earth to deliver heating and cooling to buildings on a closed loop of pipeline.

(b) All construction on a thermal energy network or on any utility infrastructure impacted by the construction of a thermal energy network requiring the excavation, construction, reconstruction or repair of public lands, rights of way, public works or buildings that is not performed by workers directly employed by a gas company or electric company shall be performed and procured in accordance with this section.

(c)(1) No public authority, including, but not limited to, the commonwealth, its subdivisions, a county, district or a municipality, shall permit or agree to construction by a gas company or electric company requiring the excavation, construction, reconstruction or repair of public lands, rights of way, public works or buildings unless said agreement contains a stipulation requiring workers not directly employed by a gas company or electric company to be paid prescribed rates of wages, as determined by the commissioner, for performing work related

to the construction of a thermal energy network. Any such approval that does not contain said stipulation shall be invalid and no construction may commence under that approval. Said rates of wages shall be requested of the commissioner by the public commissioner or public body together with the gas company or electric company on whose service territory the public infrastructure lies and shall be furnished by the commissioner in a schedule containing the classifications of jobs and the rate of wages to be paid for each job. Said rates of wages shall include payments to health and welfare plans, pension plans and supplementary unemployment plans. If no such said plans are in effect between employers and employees, the amount of such payments shall be paid directly to employees. Such requests for rates shall be made every 6 months.

(2) Any entity paying less than the rates of wages determined pursuant to paragraph (1), including payments to health and welfare funds, pension plans and supplementary unemployment plans or the equivalent in wages, on said works, and any entity accepting for their own use, or for the use of any other person, as a rebate, gratuity or in any other guise, any part or portion of said wages or health and welfare funds, pension plans and supplementary unemployment plans shall have violated this section and shall be punished or shall be subject to a civil citation or order as provided in section 27C.

(d) A worker claiming to be aggrieved by a violation of this section may, within 90 days after the filing of a complaint with the attorney general, or sooner if the attorney general assents in writing, and within 3 years after the violation, institute and prosecute in their own name and on their own behalf, or for themself and for others similarly situated, a civil action for injunctive relief, for any damages incurred and for any lost wages and other benefits pursuant to section 150. An employee so aggrieved, who prevails in such an action, shall be awarded: (i) treble

damages, as liquidated damages, for any lost wages and other benefits and (ii) the costs of the litigation and reasonable attorneys' fees.

SECTION 17. Section 1 of chapter 164 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by inserting after the definition of "Energy management services" the following definition:-

"Energy marketer", any entity, firm, partnership, association, private corporation or other third-party entity who contracts with or is otherwise directly engaged and compensated by a supplier to sell electric generation services, or who contracts with and is directly compensated by a third-party marketer of the supplier to sell electric generation services on behalf of a supplier, that markets, advertises or otherwise offers to sell generation service to retail customers, including, but not limited to, entities engaged in door-to-door, telemarketing or tabletop interactions with retail customers. "Energy marketer" shall not include contractors, agents or employees engaged in incidental activities where compensation is not tied to customer enrollment.

SECTION 18. Said section 1 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "Gas company" and inserting in place thereof the following definition:-

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

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

SECTION 19. Said section 1 of said chapter 164, as so appearing, is hereby further amended by inserting after the definition of "Petroleum products" the following definition:-

"Portable solar generation device", a moveable photovoltaic generation device that: (i) has a maximum power output of not more than 1,200 watts; (ii) is designed to be connected to a building's electrical system through a standard 120-volt alternating current outlet; (iii) is intended primarily to offset part of the customer's electricity consumption; (iv) includes a device or feature that prevents the system from energizing the building's electrical system during a power outage; (v) meets the standards of the most recent version of the National Electrical Code; and (vi) is certified by Underwriters Laboratories, Inc. or an equivalent nationally recognized testing laboratory.

SECTION 20. Said chapter 164 is hereby further amended by striking out section 1B, as so appearing, and inserting in place thereof the following section:-

Section 1B. (a) The department shall define service territories for each distribution company by March 1, 1998, based on the service territories actually served on July 1, 1997, and following, to the extent possible, municipal boundaries. After March 1, 1998, until terminated by effect of law or otherwise, the distribution company shall have the exclusive obligation to provide distribution service to all retail customers within its service territory and no other person shall provide distribution service within such service territory without the written consent of such distribution company which shall be filed with the department and the clerk of the municipality so affected.

(b) Each distribution company shall provide its customers with default service and shall offer a default service rate to its customers who have chosen retail electricity service from a non-utility-affiliated generation company or supplier but who require electric service because of a failure of such company or the supplier to provide contracted service or who, for any reason, have never chosen or have stopped receiving such service. The distribution company shall procure supply for such service through competitive bidding or through such other process approved by the department, including procurements of varying lengths and in combination with other distribution companies; provided, however, that standard default service rates, excluding time-varying rates and monthly variable service rates, for residential customers shall be changed not more than once every 6 months. Any department-approved provider of service, including an affiliate of a distribution company, shall be eligible to participate in the competitive bidding process. The department may require a separate mechanism for recovering certain charges, to be itemized separately on a customer bill, including, but not limited to, those in connection with the wholesale electric markets as administered by ISO New England, Inc. or federal tariffs on imports to such markets. In implementing this section, the department shall ensure universal service for all ratepayers and sufficient funding to meet the need therefor.

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

(d) The department shall adopt rules and promulgate regulations necessary to carry out this section, including a procedure for default service procurement and governing a customer's ability to return to the default service after choosing retail access from a non-utility-affiliated generation company.

SECTION 21. Section 1D of said chapter 164, as so appearing, is hereby amended by striking out the fourth paragraph and inserting in place thereof the following paragraph:-

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

SECTION 22. Paragraph (1) of section 1F of said chapter 164, as so appearing, is hereby amended by striking out subparagraphs (ii) and (iii) and inserting in place thereof the following 4 subparagraphs:-

(ii) All private, non-profit or co-operative aggregators established pursuant to sections 135, 136 or 137 seeking to do business in the commonwealth shall submit a license application to the department, subject to rules and regulations promulgated by the department and subject to the payment of a fee, the amount of which shall be determined by the department.

(iii) All energy brokers, energy marketers and suppliers seeking to do business in the commonwealth shall submit a license application to the department, subject to rules and regulations promulgated by the department, and shall be subject to the payment of an annual fee, the amount of which shall be determined by the department; provided, that said amount shall be not more than $10,000 and may be set at different amounts for energy brokers, energy marketers and suppliers.

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

(v) Any energy marketer shall be a legal agent of the supplier. No energy marketer may sell electric generation services on behalf of a supplier unless such energy marketer has received appropriate training directly from such supplier. This subparagraph shall not apply to third-party

brokers or consultants or agents acting on behalf of customers that are compensated by the customer as part of the customer's electric contract price.

SECTION 23. Said section 1F of said chapter 164, as so appearing, is hereby further amended by striking out paragraph (4).

SECTION 24. Paragraph (7) of said section 1F of said chapter 164, as so appearing, is hereby amended by striking out the fifth through seventh sentences, inclusive, and inserting in place thereof the following 3 sentences:- The department may impose a civil penalty and such other terms or conditions as the department considers appropriate, including, but not limited to, restitution to customers harmed by the violation and suspension or revocation of an entity's retail license if the department, after a hearing or other proceeding, determines that a distribution company, person, firm, supplier or other corporation doing business in the commonwealth has violated: (i) the code of conduct established pursuant to this paragraph; (ii) any rule or regulation promulgated by the department pursuant to sections 1A to 1H, inclusive, or section 1L; (iii) chapter 93A; or (iv) any rule or regulation promulgated by the attorney general pursuant to section 102C. Civil penalties imposed pursuant to this paragraph shall not exceed $100,000 for each violation, up to a maximum of $10,000,000 in the aggregate for multiple violations and shall not be inclusive of any financial restitution the department requires to be provided to specific customers determined to be harmed by such violation. Each day during which a violation continues shall constitute a separate offense.

SECTION 25. Said section 1F of said chapter 164, as so appearing, is hereby further amended by striking out, in line 336, the words "30 days" and inserting in place thereof the following words:- 2 years.

SECTION 26. Said chapter 164 is hereby further amended by inserting after section 1K the following 2 sections:-

Section 1L. (a) For the purposes of this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Clean energy generation", as defined in section 22 of chapter 25A.

"Environmental attributes", as defined in section 22 of chapter 25A.

"Low-income residential customer", a customer currently enrolled in a discounted residential rate class, commonly known as an R2 electric rate tariff.

"Renewable energy certificates" or "RECs", certificates associated with unit specific energy provided for in regulations promulgated pursuant to section 11F of chapter 25A.

"Renewable energy generating source", as defined in subsection (b) of section 11F of chapter 25A.

(b) A licensed supplier other than a municipal aggregation supplier shall not provide electric supply service to a low-income residential customer.

(c) A licensed supplier offering electric service to a residential customer other than a municipal aggregation supplier:

(i) shall not automatically renew a residential customer's fixed-rate contract to a variable-rate contract;

(ii) may automatically renew a residential customer's contract; provided, that:

(1) the customer provides affirmative consent to automatic renewal at the time of enrollment or anytime thereafter; and

(2) the supplier provides multiple renewal notices, which shall clearly disclose the renewal rate, term and instructions on how to opt-out of the renewal, prior to contract expiration, as follows: (A) the first notice not less than 60 days prior to contract expiration; (B) the second notice not less than 30 days prior to contract expiration; and (C) the final notice not less than 15 days prior to contract expiration;

(iii) shall not offer to a residential customer a variable rate other than a rate that adjusts for seasonal variation more than twice in a single year or a time-of-use rate that establishes different rates for periods within a single day or as otherwise approved by the department;

(iv) shall, for all in-person sales and telephonic sales, conduct third-party verification confirming the customer's affirmative and informed consent to the terms of enrollment;

(v) shall not impose on a residential customer a fee for cancellation or early termination of an electricity supply agreement; and

(vi) may offer a voluntary renewable or green energy product; provided, that:

(1) the supplier shall disclose to the residential customer, in plain language and prior to enrollment, that the customer shall not receive electricity directly from renewable energy generating sources or clean energy generation and that the supplier shall acquire and retire renewable energy certificates or other eligible environmental attributes in an amount equal to the customer's usage;

(2) the disclosure shall identify the resource types and geographic origins of the RECs to be retired; provided, that if such information is not available at the time of enrollment, the supplier shall disclose the resource types and geographic origins of RECs retired for a substantially similar product over the prior 12 months, and shall provide the specific product's REC details to the residential customer not later than 60 days after the first billing cycle;

(3) the RECs shall be sourced from any certificate tracking system that records issuance, transfer and retirement, assigns unique serial numbers and prevents double counting; and

(4) the supplier shall annually report to the department the amount, type and location of environmental attributes retired on behalf of residential customers and the percentage retired in excess of applicable portfolio requirements.

(d) The department shall establish and maintain a public website for residential customers to compare available retail electricity supply products. Suppliers shall list at least 1 product available to residential customers on said website. The department shall ensure that the website includes, but shall not be limited to: (i) the current and, where possible, future default service rate available to a customer pursuant to section 1B; (ii) the default supply rate of any municipal aggregation offering available to a customer pursuant to section 134; (iii) the contract term for all products listed; (iv) the percentage of renewable or clean energy content included in the product, including information on the source or location of such content, as determined by the department; (v) all additional products and services included as part of the product; and (vi) the estimated monthly cost to the customer. The website shall allow for products to be sorted and compared to each other.

(e) Not less than quarterly, suppliers shall provide to the department: (i) a list detailing each rate the supplier charged to residential retail customers in the previous quarter; and (ii) the number of low-income and non-low-income residential customers charged each rate included in such list by rate class. The department shall publish average rates charged to customer classes and the aggregate number of customers served on the department's website. Any information regarding competitive supply that the department makes available to the public shall be presented only in aggregated or anonymized form and shall not include supplier-specific pricing, offers or terms. Supplier-submitted pricing and other commercially sensitive information shall be treated as confidential and used solely for regulatory oversight and market monitoring.

(f) Not less than annually, suppliers shall provide data to the department concerning any environmental attributes retired in connection with the generation service provided to individual residential retail customers. The data shall include the geographic location and fuel type of each such attribute and the percentage of the supply purchased in excess of the supplier's annual obligations under the clean and renewable energy portfolio standards established by the department of environmental protection and department of energy resources, respectively. The department shall publish this information from each supplier on its website. Any information regarding competitive supply that the department makes available to the public shall be presented only in aggregated or anonymized form and shall not include supplier-specific pricing, offers or terms. Supplier-submitted pricing and other commercially sensitive information shall be treated as confidential and used solely for regulatory oversight and market monitoring.

(g) A licensed supplier shall provide written notice to the department prior to any assignment or transfer of their supplier license. Notice shall be provided to the department at least 30 days prior to the effective date of the proposed assignment or transfer. The department

may, upon its review of such notice, require certain conditions or deny assignment or transfer of the license.

(h) Not less than quarterly, the department shall publish each supplier's and electric and gas distribution company's complaint data, sourced from complaints made to the department and complaints made to the attorney general, as provided to the department annually, on the department's website.

(i) Notwithstanding any general or special law to the contrary, nothing in this section shall be construed to apply to any entity organizing or administering a program pursuant to section 137.

Section 1M. (a) For the purposes of this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Agreement", a contract between a distributed energy resource provider and a consumer for a distributed energy resource or a related product, including, but not limited to: (i) the purchase of a residential solar electric system; (ii) a lease for a third-party owned residential solar electric system; (iii) a residential power purchase agreement; or (iv) a community solar subscription agreement.

"Community solar facility", a solar facility that serves 1 or more residential electric customers through the allocation of net metering credits or other types of bill credits in exchange for compensation to the solar facility owner; provided, that a solar facility that provides credits to a consumer that is also the owner of the solar facility shall not be considered a community solar facility.

"Community solar provider", an entity that organizes, owns or operates a community solar facility, or that is otherwise engaged in soliciting consumers, members or subscribers for 1 or more community solar facilities, through its own employees or agents, on its own behalf.

"Community solar subscription agreement", an agreement between a community solar provider and a consumer for the sale and purchase of net metering credits or other types of bill credits generated by a community solar facility.

"Comparable equipment", similar equipment to the proposed system design that maintains at least the same kilowatt-AC and kilowatt DC system size.

"Consumer", a natural person who seeks or acquires goods or services for personal, family or household use.

"Distributed energy resources energy marketer", any person, firm, partnership, association, private corporation or other third-party that contracts with or is otherwise directly engaged and compensated by a distributed energy resource provider to generate customer leads, sell distributed energy resources or that contracts with and is directly compensated by a third-party marketer of the distributed energy resource provider to sell products enabled by distributed energy resources on behalf of a distributed energy resource provider, that markets, advertises or otherwise offers to sell distributed energy resources and related products to consumers that is acting as an agent for a distributed energy resource provider, including, but not limited to, individuals or entities engaged in door-to-door, telemarketing, direct mail or in-person sales with consumers.

"Distributed energy resource provider", a provider of distributed energy resources to consumers including distributed generation, energy storage systems and demand response

products. “Distributed energy resource provider” shall include, but shall not be limited to, community solar providers and solar companies.

“Environmental attributes”, as defined in section 22 of chapter 25A.

“Lease”, a contract, as provided by 12 C.F.R. 1013.2, in the form of a bailment or lease for the use of personal property by a natural person primarily for personal, family or household purposes, for a period not less than 4 months and for a total contractual obligation not more than the applicable threshold amount, whether or not the lessee has the option to purchase or otherwise become the owner of the property at the expiration of the lease.

“Power purchase agreement”, a financial agreement where a distributed energy resource provider arranges for the design, permitting, financing and installation of a residential solar electric system and sells the power generated to the consumer.

“Residential solar electric system”, a facility for the generation of electricity that: (i) uses solar energy to generate electricity; (ii) is located on the property of a consumer of an electric utility; (iii) is connected on the customer’s side of the electricity meter; (iv) provides electricity primarily to offset customer load on that property; and (v) is primarily for personal, family or household purposes.

“Salesperson”, an employee or independent contractor hired by a licensed distributed energy resource provider or distributed energy resources energy marketer and who solicits, sells, negotiates or executes agreements for distributed energy resources and related products, including, but not limited to, residential solar electric systems and community solar facilities. “Salesperson” shall not include: (i) an officer of record of a corporation licensed pursuant to this section or a manager, member or officer of record of a limited liability company; (ii) a general

partner listed on record with the secretary of the commonwealth; (iii) a person who contacts the prospective buyer for the exclusive purpose of scheduling appointments for a salesperson; (iv) persons or businesses who solely provide referrals to a licensed distributed energy resource provider or contact information for licensed distributed energy resource providers; or (v) a person listed in the records of the office of consumer affairs and business regulation as then associated with a licensee.

"Solar company" or "solar installation company", any form of business organization or any other nongovernmental legal entity, including, but not limited to, a corporation, partnership, association, trust or unincorporated organization, that engages in transactions directly with residential consumers to sell and install residential solar electric systems or energy storage systems or to install residential solar electric systems or energy storage systems owned by third parties from whom consumers will lease residential solar electric systems or energy storage systems or purchase electricity generated by such systems. "Solar company" shall not include an entity that is a third-party owner of systems or a financier of such systems who does not sell or install residential solar electric systems or energy storage systems or individuals who self-install a system.

(b)(1) All distributed energy resource providers seeking to do business in the commonwealth shall submit a license application to the department, subject to: (i) rules and regulations promulgated by the department; and (ii) an application fee, the amount to be determined by the department. The application process shall not require the submission of an application in a docket or a public comment period.

(2) Distributed energy resource providers shall be subject to an annual licensing fee in an amount not more than $1,000 per license.

(3) The department shall maintain a list of all licensed distributed energy resource providers, which shall be available to any consumer requesting such information. The department shall keep confidential any information it receives regarding the volume of sales from a distributed energy resource provider.

(4) The department may deny a license to any applicant or suspend or revoke a license if the applicant or licensee has: (i) knowingly made a false statement of a material fact to the department; (ii) had a license revoked by any governmental authority responsible for regulation of the applicant or licensee; or (iii) violated this section or otherwise not met the requirements of this section or any regulation promulgated pursuant to this section.

(c)(1) All salespersons of residential solar electric systems or community solar subscription agreements shall be annually registered with the department. An independent contractor may be retained as a salesperson by 1 or more licensed distributed energy resource providers or distributed energy resources energy marketers. A salesperson may be employed by 1 or more licensed distributed energy resource providers or distributed energy resources energy marketers. Any salesperson selling residential solar electric systems or community solar subscription agreements without obtaining a certificate of registration as required by this section or without completing any future required training, as applicable, shall be punished with a fine not exceeding $5,000 for each violation.

(2) Every salesperson of a residential solar electric system or community solar subscription agreement shall pay an annual registration fee in an amount established by the

department as necessary to administer the registration and renewal of such salespersons; provided, that the registration fee shall not be more than $250 annually. The registration fee shall be payable upon application for registration and renewal.

(3) The department may deny a registration to any applicant or suspend or revoke a registration if the applicant or registered salesperson has: (i) knowingly made a false statement of a material fact to the department; (ii) had a registration revoked by any governmental authority responsible for regulation of the applicant or registered salesperson; or (iii) violated this section or otherwise not met the requirements of this section or any regulation promulgated pursuant to this section.

(4) Prior to engaging in any sales or marketing of a residential solar electric system or community solar subscription agreement, a salesperson shall state the name of the distributed energy resource provider and, if applicable, distributed energy resources energy marketer, that they are selling on behalf of and the purpose of the engagement. A salesperson shall wear an identification badge with their name, photo, company name, company license number and salesperson registration number.

(5) In the absence of a local ordinance to the contrary, a salesperson of residential solar electric systems or community solar subscription agreements shall not visit any residence to conduct sales except between the hours of 9:00 a.m. and 8:00 p.m.; provided, however, that a consumer may schedule an in-person meeting time with a salesperson between the hours of 8:00 p.m. and 9:00 a.m..

(6) A salesperson of residential solar electric systems or community solar subscription agreements shall not wear apparel, carry equipment or distribute materials that includes the logo

or emblem of an electric distribution company, retail energy supply company or government agency, or use any language suggesting a relationship with an electric distribution company, retail energy supply company or government agency where no actual relationship exists.

(7) The department may require training and certification as a requirement for salesperson registration.

(d)(1) The department shall establish a code of conduct and any necessary regulations applicable to distributed energy resource providers, salespersons and the marketing and sale of distributed energy resources and related products to consumers pursuant to the requirements established in subsection (c).

(2) Any distributed energy resource provider or distributed energy resources energy marketer doing business in the commonwealth who violates any provision of the code of conduct, any rule or regulation promulgated by the department pursuant to this section or chapter 93A shall be subject to having conditions placed on its license by the department, including, but not limited to, the revocation of their license and a civil penalty not to exceed $2,500 for each violation for each day that the violation persists; provided, however, that the maximum civil penalty shall not exceed $50,000 for any related series of violations. Any such civil penalty shall be determined by the department after a public hearing, except for a civil penalty agreed to as part of an informal review or consent agreement. In determining the amount of the penalty, the department shall consider the appropriateness of the penalty to the size of the business of the person, firm or corporation charged, the gravity of the violation and the good faith of the person, firm or corporation charged in attempting to achieve compliance after notification of a violation.

Civil penalties shall not include any financial restitution the department requires to be provided to specific customers determined to be harmed by the violation.

(e) Before entering into an agreement with any consumer, a distributed energy resource provider shall provide the consumer with a separate written disclosure in no smaller than 10 point font and not more than 4 pages in length. The department shall develop forms for the consumer disclosures required by this section through a process with input from distributed energy resource providers and the public and may consider use of any existing disclosure forms for transactions published by the commonwealth and any national standards regarding disclosure forms. The department may establish different types of disclosure forms for different types of residential solar electric systems products, including, but not limited to, community solar subscriptions, solar leases, power purchase agreements and direct purchases of residential solar electric systems. This subsection shall not apply to: (i) the transfer of title or rental of real property on which a residential solar electric system is or is expected to be located; (ii) a lender, governmental entity or other third-party that enters into an agreement with a customer to finance a residential solar electric system but is not a party to a system purchase agreement, power purchase agreement or lease agreement; (iii) an agreement for a solar electric system that is not for residential use; or (iv) an agreement for a residential solar electric system that is installed as a feature on new construction.

(f)(1) All disclosure forms for residential solar energy systems installed at a residence shall contain: (i) the name, address, telephone number, email address and state contractor license or registration number of the solar company; (ii) the name, address, telephone number, email address and state contractor license or registration number of the installer if different from the solar company; (iii) the name, address, telephone number, email address and state contractor

license or registration number of the system maintenance provider if different from the solar company; (iv) the payment schedule for upfront costs, including any payments due at signing, commencement of installation and completion of installation, if applicable; (v) system design assumptions, including system size, estimated first year production, estimated annual system production degradation, presence of energy storage, energy storage capacity and a description of the equipment needed to provide backup power; (vi) a disclosure notifying the consumer whether and to what extent system maintenance and repairs are included in the agreement and any system maintenance costs for which the consumer will be responsible; (vii) if applicable, a statement in close proximity to the description of the project that shall be separately acknowledged by the customer and that reads: “I understand comparable equipment may be installed but the proposed kilowatts-AC system size and kilowatts-DC system size will not decrease.”; (viii) a disclosure describing warranties for the repair of any damage to the consumer’s residence in connection with the system installation or removal; (ix) a description or location in the agreement of any performance or production guarantees, if applicable; (x) an estimated start and completion date for installation and a statement in close proximity that reads; “The actual start and completion date depends on many factors such as delays related to permitting and interconnection approvals which are controlled by your local jurisdiction and local utility respectively.”; (xi) a brief description of the basis for any savings estimates that were provided to the consumer, if applicable, which shall include, at a minimum, the applicable utility rates, assumptions for increases to future electricity rates and estimated system production and status of utility compensation for excess energy generated by the system at the time of contract signing; (xii) a disclosure concerning the retention or ownership of any renewable energy certificates or other environmental attributes; and (xiii) a statement using the following language: “The assumptions

used to estimate savings such as utility rates may change. There may be fees that cannot be offset with solar. Excess electricity sent back to the grid may be credited at rates below what you pay for electricity. For further information regarding rates, you may contact your local utility or the Department of Public Utilities. Tax and other state and federal incentives are subject to change or termination by executive, legislative or regulatory action, which may impact savings estimates. Please read your contract carefully for more details.”.

(2) In the case of a purchase of a residential solar electric system, the disclosure form required in paragraph (1) shall include at a minimum: (i) the purchase price for the system; (ii) the amount of any dealer fees or other finance related charges that would not be charged to a consumer in a similar cash transaction, if applicable; (iii) the estimated start and completion dates for installation; and (iv) a disclosure notifying the purchaser of the responsible party or parties for obtaining interconnection approval.

(3) In the case of a lease for a residential solar electric system, the disclosure form required in paragraph (1) shall include at a minimum: (i) the length of the lease; (ii) monthly payments for the term of the lease; (iii) total estimated lease payments over the term of the lease; (iv) any payment increases and the timing of any such increases, if applicable; (v) the total number of lease payments; (vi) payment due dates and the manner in which the consumer shall receive invoices; (vii) any 1 time or recurring fees, including, but not limited to, the circumstances triggering any late fees, if applicable; (viii) a disclosure notifying the consumer whether the lessor will be filing a fixture filing on the system; and (ix) a disclosure describing the transferability of the lease and any conditions for lease transfers in connection with a consumer selling their home.

(4) In the case of a power purchase agreement, the disclosure form required in paragraph (1) shall include at a minimum: (i) the length of the power purchase agreement; (ii) rates for the term of the power purchase agreement; (iii) any rate or payment increases and the timing of any such increase, if applicable; (iv) the total number of power purchase agreement payments; (v) payment due dates and the manner in which the consumer shall receive invoices; (vi) any 1 time or recurring fees, including, but not limited to, the circumstances triggering any late fees, if applicable; (vii) a disclosure notifying the purchaser if the owner of the system will be filing a fixture filing on the system; and (viii) a disclosure describing the transferability of the system in connection with the consumer selling their home.

(5) All disclosure forms for community solar subscription agreements shall include at a minimum: (i) the name, address, telephone number and email address of the community solar provider; (ii) the payment schedule for upfront costs, including any payments due at signing or enrollment costs, if applicable; (iii) the size of the subscription; (iv) rates or expected payments owed for the first year of the community solar subscription agreement; (v) any rate or payment increases and the timing of any such increases, if applicable; (vi) a description or location in the agreement of any performance guarantees, if applicable; (vii) a brief description of the basis for any savings estimates that were provided to the purchaser, if applicable, which shall include, at a minimum, the applicable utility rates, assumptions for increases to future electricity rates and estimated system production and status of utility compensation at the time of contract signing; (viii) a disclosure concerning the retention or ownership of any renewable energy certificates or other environmental attributes; and (ix) a statement using the following language: “The assumptions used to estimate savings such as utility rates may change. There may be fees that cannot be offset with solar. For further information regarding rates, you may contact your local

utility or the Department of Public Utilities. Tax and other state and federal incentives are subject to change or termination by executive, legislative or regulatory action, which may impact savings estimates. Please read your contract carefully for more details."

(g)(1) Agreements offered by distributed energy resource providers to consumers shall adhere to the requirements set forth in section 2 of chapter 142A and the additional contracting requirements in this subsection. This subsection shall not apply to: (i) the transfer of title or rental of real property on which a residential solar electric system is or is expected to be located; (ii) a lender, governmental entity or other third party that enters into an agreement with a customer to finance a residential solar electric system but is not a party to a system purchase agreement, power purchase agreement or lease agreement; (iii) an agreement for a solar electric system that is not for residential use; or (iv) an agreement for a residential solar electric system that is installed as a feature on new construction.

(2) An agreement for the purchase of a residential solar electric system shall also include: (i) the name, license or registration number, address, telephone number and email address of the solar company and the installer, if different; (ii) if applicable, the name, license or registration number, telephone number and email address of the salesperson who solicited or negotiated the agreement; (iii) the purchase price for the system; (iv) the payment schedule for the system, if any; (v) a description of the project system size expressed in kilowatts-DC and kilowatts-AC, the solar modules to be installed, the inverters to be installed, the monitoring to be installed and, if applicable, the energy storage system to be installed; (vi) if applicable, a statement in close proximity to the description of the project that shall be separately acknowledged by the customer, which shall read: "I understand comparable equipment may be installed but the proposed kilowatts-AC system size and kilowatts-DC system size will not decrease."; and (vii)

an explanation of which parties are responsible for filing the interconnection application and permits.

(3) An agreement for the lease of a residential solar electric system shall also include: (i) the name, license or registration number, address, telephone number and email address of the lessor and the installer, if different; (ii) if applicable, the name, telephone number, license or registration number and email address of the salesperson who solicited or negotiated the agreement; (iii) the total number of payments under the lease and the payment schedule for the leased system, including the number, amount and due dates or periods of payments; (iv) a description of the project, including the system size expressed in kilowatts-DC, the solar modules to be installed, the inverters to be installed and, if applicable, the residential energy storage system to be installed; (v) a description of any maintenance and repair responsibilities for each party; (vi) a description of whether the consumer has the right to purchase the leased system either during the lease term or at the term of the lease and the purchase price; (vii) a description of the options to transfer the lease to third-parties and the conditions for the transfer; (viii) which parties are responsible for filing interconnection application and permits; and (ix) a description of any security interest filed against the system, including Uniform Commercial Code-1 filings.

(4) A power purchase agreement shall also include: (i) the name, license or registration number, address, telephone number and email address of the solar company and the solar installation company, if different from the company who sells a solar power purchase agreement; (ii) if applicable, the name, telephone number, license or registration number and email address of the salesperson who solicited or negotiated the agreement; (iii) the payment schedule for the sale of output of the residential solar electric system, including the number, amount and due dates or periods of payments; (iv) a description of the project, including the residential solar

electric system size expressed in kilowatts-DC and kilowatts-AC, the solar modules to be installed, the inverters to be installed, the monitoring to be installed and, if applicable, the residential energy storage system to be installed; (v) a description of any maintenance and repair responsibilities for each party; (vi) a description of whether the owner has the right to purchase the residential solar electric system either during the term of the solar power purchase agreement or at term of the solar power purchase agreement and the purchase price; (vii) a description of the options for the owner to transfer the contract to third-parties and the conditions for the transfer; (viii) which parties are responsible for filing interconnection application and permits; and (ix) a description of any security interest filed against the residential solar electric system, including Uniform Commercial Code-1 filings.

(5) A community solar subscription agreement shall also include: (i) the name, license or registration number, address, telephone number and email address of the community solar provider; (ii) if applicable, the name, telephone number, license or registration number and email address of the salesperson who solicited or negotiated the agreement; (iii) an explanation of billing procedures, subscription sizing and expected impacts to the consumer's utility bill; (iv) all possible fees or charges under the agreement; (v) terms and conditions for early termination on the part of the consumer and community solar provider; (vi) an explanation of contract renewal terms and procedures, if applicable; and (vii) a description of the options for the community solar provider to transfer the contract to third-parties and the conditions for the transfer. No community solar subscription agreement shall contain an early termination fee. Early terminations initiated by a consumer shall be processed within 60 days.

(6) A distributed energy resource provider shall retain a copy of all signed agreements for the duration of the agreement but not less than 4 years after the date of execution.

(7) Notwithstanding any general or special law to the contrary, in connection with any sale of a residential solar electric system or community solar subscription agreement, a consumer shall have at least 5 business days after the date of the transaction and receipt of the signed agreement to cancel the agreement without any financial penalty. A salesperson shall verbally explain to the consumer their right to rescind the agreement without penalty upon the consumer signing the agreement.

(h) Any distributed energy resource provider that sells itself to another company, whether through stock sale, asset sale or bankruptcy, shall notify the department and all consumers it has an agreement with of the transaction and shall provide both the department and all consumers with the contact address, telephone number, electronic mail and website of the new company within 90 days upon the transaction completion. A consumer may seek recovery pursuant to chapter 93A against a distributed energy resource provider for failure to comply with this subsection.

(i) The department shall retain license and registration fees collected pursuant to subsections (b) and (c) to cover its administrative expenses associated with carrying out its responsibilities under this section.

SECTION 27. Said chapter 164 is hereby further amended by striking out section 15, as appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

Section 15. A gas or electric company under the supervision of the department that is selling, offering for sale or issuing bonds, debentures, notes or other evidence of indebtedness, exclusive of stock, payable at periods of more than 5 years after the date thereof, shall invite proposals for the purchase thereof; provided, however, that the manner of solicitation of such

proposals shall be competitive and in the public interest, as determined by the department; and provided further, that a gas or electric company may reserve the right to reject any and all proposals.

SECTION 28. Section 15A of said chapter 164, as so appearing, is hereby amended by striking out, in line 5, the word “than” and inserting in place thereof the following word:- that.

SECTION 29. Section 69G of said chapter 164, as so appearing, is hereby amended by inserting after the word “project”, in line 52, the following words:- , including the use of surplus interconnection service.

SECTION 30. Said section 69G of said chapter 164, as so appearing, is hereby further amended by striking out the definition of “Director” and inserting in place thereof the following definition:-

“Director”, the director of the energy facilities siting division appointed pursuant to section 12N of chapter 25, who shall serve as the director of the board; provided, however, that the director may issue decisions on de novo adjudications of local permit applications pursuant to section 69W; and provided further, that the director may issue determinations to require a project applicant to submit an application for a consolidated permit as a large clean transmission and distribution infrastructure facility under sections 69H and 69T, pursuant to section 69X.

SECTION 31. Said section 69G of said chapter 164, as so appearing, is hereby further amended by striking out the definition of “Large clean transmission and distribution infrastructure facility” and inserting in place thereof the following definition:-

“Large clean transmission and distribution infrastructure facility”, electric transmission and distribution infrastructure and related ancillary infrastructure that is: (i) a new electric transmission line having a design rating of not less than 69 kilovolts and that is not less than 1 mile in length on a new transmission corridor, including any ancillary structure that is an integral part of the operation of the transmission line; (ii) a new electric transmission line having a design rating of not less than 115 kilovolts that is not less than 10 miles in length on an existing transmission corridor except reconductored or rebuilt transmission lines at the same voltage, including any ancillary structure that is an integral part of the operation of the transmission line; (iii) any other new electric transmission infrastructure requiring zoning exemptions, including standalone transmission substations and upgrades and any ancillary structure that is an integral part of the operation of the transmission line; (iv) any proposed reconductoring, replacement or rebuilding of a transmission facility or group of transmission facilities, including any ancillary structure that is an integral part of the operation of the transmission line, that is reviewed pursuant to section 69X; and (v) facilities needed to interconnect offshore wind to the grid; provided, however, that the large clean transmission and distribution facility shall be: (A) designed, fully or in part, to directly interconnect or otherwise facilitate the interconnection of clean energy infrastructure to the electric grid; (B) approved by the regional transmission operator in relation to interconnecting clean energy infrastructure; (C) proposed to ensure electric grid reliability and stability; or (D) shall help facilitate the electrification of the building and transportation sectors. “Large clean transmission and distribution infrastructure facility” shall not include new transmission and distribution infrastructure that solely interconnects new and existing energy generation powered by fossil fuels on or after January 1, 2026.

SECTION 32. Said section 69G of said chapter 164, as so appearing, is hereby further amended by inserting after the definition of “Solar facility” the following definition:-

“Surplus interconnection service”, a form of interconnection service that allows a generation facility to use any unused capability, as defined in Schedule 22 to Section II of the ISO New England Inc. Transmission, Markets, and Services Tariff, established in an interconnection agreement for an existing generating facility that has achieved commercial operation such that if surplus interconnection service is utilized, the total amount of interconnection service at the same point of interconnection, as defined in Schedule 22 to Section II of the ISO New England Inc. Transmission, Markets, and Services Tariff, would remain the same.

SECTION 33. Section 69H of said chapter 164, as so appearing, is hereby amended by inserting after the word “alternatives”, in line 42, the following words:- , including the use of surplus interconnection service,.

SECTION 34. Clause (iii) of the third paragraph of section 69J of said chapter 164, as appearing in section 76 of chapter 14 of the acts of 2025, is hereby amended by inserting after the word “energy” the following words:- , use of surplus interconnection service.

SECTION 35. Section 69T of said chapter 164, as appearing in the 2024 Official Edition, is hereby amended by inserting after the word “including”, in line 52, the following words:- surplus interconnection service and other.

SECTION 36. Said chapter 164 is hereby further amended by inserting after section 69W the following section:-

Section 69X. (a) A transmission company shall file with the board any proposed reconductoring, replacement or rebuilding of a transmission facility or group of transmission facilities on an existing transmission corridor that has an estimated cost of not less than $25,000,000 prior to commencing construction.

(b) Not later than 90 days following a submission pursuant to subsection (a), the director, at their sole discretion, may require a project applicant to submit an application for a consolidated permit as a large clean transmission and distribution infrastructure facility pursuant to section 69H and 69T; provided, that the applicant shall seek and obtain a consolidated permit from the board before it may proceed with construction. The director shall notify the project applicant within 5 days of determining that the director shall require submission of an application pursuant to said section 69H and 69T. The board may establish rules that permit an applicant for a project reviewed pursuant to this section to forego certain pre-filing requirements pursuant to said section 69T.

(c) In determining whether to require submission of an application under subsection (b), the director shall consider: (i) the identified need for the project; (ii) the project scope, timing, cost and alternatives considered, including, but not limited to, the deployment of advanced conductors, grid-enhancing technologies and other advanced transmission technologies; (iii) whether the proposed project would address a near-term reliability risk; and (iv) whether there are sufficient mechanisms in the regional transmission planning process to evaluate projects subject to this section.

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

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

SECTION 37. Said chapter 164 is hereby further amended by inserting after section 83 the following section:-

Section 83A. (a)(1) Notwithstanding any general or special law, rule, regulation or order to the contrary, the department may provide for management and operations audits of gas companies and distribution companies. Such audits shall be performed no more frequently than once every 5 years for said companies; provided, however, that the department may order supplemental, audits on specific aspects of gas company and distribution company operations and performance, as necessary. The department shall order such audits be performed by its staff or by an independent auditor.

(2) If the department orders an audit to be performed by an independent auditor, the department shall: (i) select the auditor, subject to the applicable procurement laws and regulations; and (ii) require the company being audited to enter into a contract with the auditor that shall include: (A) providing for their payment by the company at no cost to the ratepayers of said company; and (B) that the independent auditor shall work for and be under the direction of the department according to such terms as the department may determine are necessary and reasonable.

(b)(1) An audit report detailing the findings and recommendations of the audit shall be filed with the department and a copy of the report shall be provided to the office of ratepayer advocacy established pursuant to section 11E of chapter 12.

(2) If the audit report findings provide any evidence that the company violated department regulation or other applicable laws, the audit report may recommend an appropriate penalty to be paid by the company. No penalty recommended in an audit report's findings shall be recoverable from ratepayers.

(3) The department shall solicit comments on the audit report from the company subject to the audit, the office of ratepayer advocacy and other interested parties.

(4) After review of the audit report and any comments received pursuant to paragraph (3), the department shall make findings to determine whether the proposed recommendations should be implemented by the company.

(c)(1) Not later than 30 days after the department's findings pursuant to paragraph (4) of subsection (b), each company subject to an audit shall submit to the department, in a form prescribed by the department, a report detailing the company's plan to implement the department's findings. The company shall provide a copy of the plan to the office of ratepayer advocacy, which may submit comments to the department within 30 days of receipt of the company's plan.

(2) The department, after review of the company's plan and any comments received, may require each company to amend its plan in a particular manner. Such plan shall thereafter become enforceable upon approval by the department.

(3) The department may commence a proceeding to examine any such company's compliance with the recommendations of the audit pursuant to subsection (b) and may issue reasonable and appropriate penalties for any noncompliance. The cost of any penalties shall be borne solely by the company and shall not be recoverable by ratepayers.

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

SECTION 38. Section 92B of said chapter 164, as appearing in the 2024 Official Edition, is hereby amended by striking out subsections (c) through (e), inclusive, and inserting in place thereof the following 4 subsections:-

(c)(1) For the purposes of subsections (c) through (e), inclusive, "virtual power plant" shall mean an actively coordinated aggregation of behind-the-meter distributed energy resources, including, but not limited to, electric vehicles and chargers, electric water heaters, smart thermostats, smart plugs, smart buildings and their controls, battery storage systems such as those installed with rooftop solar systems, and flexible commercial and industrial loads, that are dispatchable and can balance electricity demand and supply and reduce or shift demand.

(2) An electric-sector modernization plan developed pursuant to subsection (a) shall include the following:

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

(A) a detailed summary and timeline for all current, proposed and under development programs and investments, including all investments and programs developed as part of the

energy efficiency investment plan authorized pursuant to section 21 of chapter 25, all investments and programs authorized by the department related to electric grid modernization, building electrification, transportation electrification and distributed energy resources, and all efforts to make use of advanced metering infrastructure, that: (1) directly or indirectly manage energy demand to reduce its impact on and provide benefits to the electric power system; or (2) utilize or otherwise enable dispatchable distributed energy resources to provide benefits or services to the electric grid, including, but not limited to, reducing, deferring or eliminating transmission or distribution infrastructure investments, avoiding development of new fossil fuel-based power generation, reducing wholesale energy market costs or enabling wholesale energy market participation;

(B) quantitative 5-year and 10-year targets for peak load reduction, including targets for system-wide peak and separate targets for non-coincident sub-system peaks, and electric system benefits for both load management and virtual power plants, including, but not limited to, targets set as part of the statewide energy efficiency investment plan and any other plans approved by the department;

(C) a qualitative and quantitative evaluation of the benefits of such programs to reduce, defer or eliminate the need for transmission or distribution infrastructure investments, including, but not limited to, all cases where such programs reduce, defer or eliminate specific, future infrastructure investment needs identified through the company's current or prior electric-sector modernization plans or through the company's core capital planning process, as applicable;

(D) a detailed methodology and approach for ensuring that such programs are optimized to reduce, defer or eliminate infrastructure investment needs identified through the company's

current or prior electric-sector modernization plans or through the company's core capital planning process; provided, that such methodology shall be as consistent as practicable with the comparable methodology employed by each other electric company; and

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

(ii) information on the flexible interconnection program required pursuant to section 158, including, but not limited to:

(A) a detailed summary of the flexible interconnection program and a timeline for all, additional proposed and under development alternative interconnection solutions, and associated investments, that meet the definition of flexible interconnection pursuant to subsection (a) of said section 158, including, but not limited to, relevant efforts to make use of advanced metering infrastructure and smart inverters; and

(B) a qualitative and quantitative evaluation of the benefits of the flexible interconnection program and proposed and under development alternative interconnection solutions to reduce, defer or eliminate the need for transmission or distribution infrastructure investments, including, but not limited to, all cases where the flexible interconnection program and proposed and under development alternative interconnection solutions reduce, defer or eliminate specific

infrastructure investment needs identified through the company's current or prior electric-sector modernization plans or through the company's core capital planning process, as applicable; and

(iii) a comprehensive description and summary of how the load management and virtual power plant plan provided pursuant to clause (i) and the flexible interconnection program required pursuant to section 158 are integrated with other distribution system planning efforts to most effectively reduce costs and maximize benefits to ratepayers, advance energy affordability and help the commonwealth realize its statewide greenhouse gas emissions limits and sublimits pursuant to chapter 21N.

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

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

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

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

(iv) solicit input from the permit regulatory office established in section 3H of chapter 23A, the interagency permitting board established in section 62 of said chapter 23A and the Massachusetts office of business development established in section 1 of said chapter 23A regarding the planning scenarios, modeling and proposed investments related to economic development and new housing;

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

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

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

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

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

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

(D) a community engagement plan with targeted engagement for environmental justice populations, as defined in section 62 of chapter 30, in the service territory; and

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

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

(2) An electric company shall submit its electric-sector modernization plan, together with a demonstration of the Grid Modernization Advisory Council's review, input and recommendations, including, but not limited to, a list of each individual recommendation, the status of each recommendation and an explanation of whether and why each recommendation was adopted, adopted as modified or rejected, along with a statement of any unresolved issues, to the department in accordance with a schedule determined by the department. An electric

company shall submit any input received from entities pursuant to clauses (iv) and (v) of subsection (d) and a summary of the input provided by such entities.

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

(f) An electric-sector modernization plan developed by an electric company pursuant to subsection (a) shall propose discrete, specific, enumerated investments to the distribution and, where applicable, transmission systems, alternatives to such investments and alternative approaches to financing such investments, that facilitate grid modernization, greater reliability, communications and resiliency, increased enablement of distributed energy resources, increased transportation electrification, increased building electrification, accommodate increased economic development and new housing and the minimization or mitigation of ratepayer impacts, in order to meet the statewide greenhouse gas emissions limits and sublimits pursuant to chapter 21N. An electric company shall submit 2 reports per year to the department and the joint committee on telecommunications, utilities and energy on the deployment of approved investments in accordance with any performance metrics included in the approved plans.

SECTION 39. Said chapter 164 is hereby further amended by inserting after section 92C the following section:-

Section 92D. (a) An interconnection service agreement shall not require an interconnecting customer to make a cash payment for interconnection costs prior to the commencement of construction of required electric power system upgrades. An electric distribution company may require an interconnecting customer to furnish a surety bond or letter of credit for common system modification payments required under an interconnection service agreement. Following the posting of a surety bond or letter of credit, the electric distribution company shall invoice the interconnecting customer for cash payments that reflect actual spending and costs incurred by the electric distribution company, on a mutually agreed upon timeline or following the completion of construction.

(b) A provision in an interconnection service agreement between an electric distribution company and an interconnecting customer that requires a cash payment for interconnection costs to be paid prior to the commencement of construction shall be void, and electric distribution companies shall accept a surety bond or letter of credit in lieu of cash.

SECTION 40. Section 94 of said chapter 164, as appearing in the 2024 Official Edition, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

Not less than every 5 years, electric companies and gas companies shall file with the department schedules, under a filing schedule as prescribed by the department and in such form as the department shall prescribe, showing all rates, prices and charges to be charged or collected within the commonwealth for the sale and distribution of gas or electricity, together with all forms of contracts to be used in connection with such schedules; provided, however, that the requirement to file a schedule with the department not less frequently than every 5 years shall not

apply to a company or corporation as defined in section 1 of chapter 165. Rates, prices and charges in such a schedule may be changed by any such company by filing a schedule setting forth the changed rates, prices and charges; provided, however, that until the effective date of any such change no different rate, price or charge shall be charged, received or collected by the company filing such a schedule from those specified in the schedule then in effect; provided further, that a company may: (i) continue to charge, receive and collect rates, prices and charges under a contract lawfully entered into before the schedule takes effect or until the department otherwise orders, after notice to the company, a public hearing and makes a determination that the public interest so requires; and (ii) sell and distribute gas or electricity under a special contract hereafter made at rates or prices differing from those contained in a schedule in effect; and provided further, that a copy of the contract, in each instance, shall be filed with the department, except that a contract of a company whose sole business in the commonwealth is the supply of electricity in bulk need not file, unless otherwise required by the department.

SECTION 41. Said chapter 164 is hereby further amended by inserting after section 94I the following section:-

Section 94J. (a) For the purposes of this section, the term “default budget billing” shall mean an equalized payment arrangement where the customer’s annual gas usage is projected and the customer is billed in equal monthly charges; provided, that default budget billing shall be calculated by dividing the 12-month gas usage of each customer into 12 equal monthly amounts at retail rates in effect at the time of the calculation to be billed to the residential customer on the customer’s monthly bill, unless a customer chooses to opt-out of the default budget billing.

(b) Each gas company shall implement default budget billing for residential customers and residential customers shall be automatically enrolled in default budget billing. Any residential customer with less than 12 months of historical usage at their current service address or who has a past due balance shall not be eligible for default budget billing.

(c) The bill for a customer participating in default budget billing shall be reviewed in the twelfth month and shall be reconciled to reflect the actual retail rates and usage applicable to each customer over the prior 12-month budget billing period, with such reconciled amount charged or credited to each customer during a non-peak billing cycle, as determined by the gas company. Customers shall have the option of spreading the reconciliation amount over a 12-month billing cycle. A gas company may normalize customer usage for weather fluctuations during the prospective annual billing cycle to calculate level monthly payments or implement other such methods to minimize the impact of year-end reconciliations on customers.

(d) The department shall evaluate and modify any ratemaking procedures, service-quality guidelines or other requirements, as appropriate, to ensure that default budget billing shall be implemented without causing unintended financial disruptions to gas companies.

SECTION 42. Section 138 of said chapter 164, as appearing in the 2024 Official Edition, is hereby amended by striking out the definition of "Class I net metering credit" and inserting in place thereof the following definition:-

"Class I net metering credit", a credit equal to the excess kilowatt-hours by time of use billing period, if applicable, multiplied by the sum of the distribution company's: (i) default service kilowatt-hour charge in the ISO-NE load zone where the customer is located; (ii) distribution kilowatt-hour charge; and (iii) transmission kilowatt-hour charge; provided,

however, that this shall not include the demand side management and renewable energy kilowatt-hour charges set forth in sections 19 and 20 of chapter 25; and provided further, that credit for a Class I net metering facility that is not an agricultural net metering facility or that is not using solar, anaerobic digestion or wind as its energy source shall be the average monthly clearing price at the ISO-NE.

SECTION 43. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "Class II net metering credit" and inserting in place thereof the following definition:-

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

SECTION 44. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "Class III net metering credit" and inserting in place thereof the following definition:-

"Class III net metering credit", a credit equal to the excess kilowatt-hours by time of use billing period, if applicable, multiplied by the sum of the distribution company's: (i) default service kilowatt-hour charge in the ISO-NE load zone where the customer is located; and (ii) transmission kilowatt-hour charge; provided, however, that for a Class III net metering facility of a municipality or other governmental entity, the credit shall be equal to the excess kilowatt-hours

multiplied by the sum of (i) and (ii) and the distribution kilowatt-hour charge; and provided further, that this shall not include the demand side management and renewable energy kilowatt-hour charges set forth in sections 19 and 20 of chapter 25.

SECTION 45. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "Market net metering credit" and inserting in place thereof the following definition:-

"Market net metering credit", (i) a credit equal to 60 per cent of the excess kilowatt-hours by time of use billing period, if applicable, multiplied by the sum of the distribution company's: (a) default service kilowatt-hour charge in the ISO-NE load zone where the customer is located; (b) distribution kilowatt-hour charge; and (c) transmission kilowatt-hour charge; provided, however, this shall not include the demand side management and renewable energy kilowatt-hour charges set forth in sections 19 and 20 of chapter 25; or (ii) for net metering facilities of a municipality or other governmental entity, a credit equal to the excess kilowatt-hours by time of use billing period, if applicable, multiplied by the sum of the distribution company's: (a) default service kilowatt-hour charge in the ISO-NE load zone where the customer is located; (b) distribution kilowatt-hour charge; and (c) transmission kilowatt-hour charge; provided, however, that this shall not include the demand side management and renewable energy kilowatt-hour charges set forth in said sections 19 and 20 of said chapter 25; and, provided further, that credits shall only be allocated to an account of a municipality or government entity.

SECTION 46. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "Neighborhood net metering credit" and inserting in place thereof the following definition:-

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

SECTION 47. Said section 138 of said chapter 164, as so appearing, is hereby further amended by inserting after the definition of "Solar net metering facility" the following 2 definitions:-

"Supply rate net metering facility", a Class I, Class II or Class III net metering facility, or neighborhood net metering facility, that is authorized to interconnect to the distribution system by a distribution company on or after January 1, 2026, and that is not a cap exempt facility pursuant to subsection (i) of section 139; provided, however, that "supply rate net metering facility" shall not include a Class I, Class II or Class III net metering facility, or neighborhood net metering facility, that submitted an interconnection application to a distribution company before November 1, 2025.

"Supply rate net metering credit", a credit equal to the excess kilowatt-hours by time of use billing period, if applicable, multiplied by the difference between the distribution company's default service kilowatt-hour charge in the ISO-NE load zone where the customer is located and the distribution company's costs associated with: (i) the renewable energy portfolio standard requirements established pursuant to section 11F of chapter 25A; (ii) the alternative energy portfolio standard requirements established pursuant to section 11F1/2 of said chapter 25A; (iii)

the clean peak portfolio standard requirements established pursuant to section 17 of said chapter 25A; (iv) any portfolio standard requirements established by the department of environmental protection pursuant to sections 3 and 6 of chapter 21N; and (v) the distribution company's basic service administrative cost factor.

SECTION 48. Section 139 of said chapter 164, as so appearing, is hereby amended by striking out, in line 106, the figure "10" and inserting in place thereof the following figure:- 20.

SECTION 49. Said section 139 of said chapter 164, as so appearing, is hereby further amended by striking out, in lines 137 and 138 and lines 145 to 147, inclusive, each time they appear, the words "that are not net metering facilities of a municipality or other governmental entity under subsection (f)".

SECTION 50. Said section 139 of said chapter 164, as so appearing, is hereby further amended by adding the following subsection:-

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

SECTION 51. Section 139A of said chapter 164, as so appearing, is hereby amended by striking out the definition of "Small hydroelectric power net metering facility" and inserting in place thereof the following definition:-

"Small hydroelectric power net metering facility", a single turbine-generator unit facility with either a nameplate or demonstrated operational capacity of 2 megawatts or less, using water to generate electricity that is connected to a distribution company; provided, however, that separate turbine-generator units sharing a common point of interconnection or parcel shall not be aggregated to determine facility capacity.

SECTION 52. Section 141 of said chapter 164, as so appearing, is hereby amended by striking out the last sentence.

SECTION 53. Said chapter 164 is hereby further amended by inserting after section 143 the following section:-

Section 143A. (a) A portable solar generation device shall be exempt from: (i) the interconnection requirements under this chapter; (ii) requirements to enter into an interconnection agreement; and (iii) the net metering program requirements under this chapter.

(b) A distribution company shall not require a customer using a portable solar generation device to: (i) obtain the company's approval before installing or using the system; (ii) pay any fee or charge related to the system; or (iii) install any additional controls or equipment beyond what is integrated into the system. A distribution company shall not be liable for any damage or injury caused by a portable solar generation device.

SECTION 54. Said chapter 164 is hereby further amended by adding the following 11 sections:-

Section 152. (a) Gas companies may develop programs to build, own and operate geothermal energy infrastructure for individual customers in their existing service territories, if the infrastructure is designed and built to interconnect with future adjacent geothermal energy infrastructure or the customer's energy use exceeds 1 megawatt. Gas companies shall prioritize commercial customers that currently receive all or a significant amount of their energy from natural gas-powered combined heat and power facilities.

(b)The department shall review and approve any program pursuant to subsection (a).

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

Section 153. (a) The department shall require that distribution companies and gas companies provide discounted rates for low-income customers and eligible moderate-income customers. The cost of such discounts shall be included in the bills charged to all customers of a distribution company or gas company and the department shall establish a mandatory non-bypassable fixed monthly charge to fund such discounts; provided, however, that such charge shall be determined separately for each customer class. The department shall permit statewide cost recovery of such discounts across distribution companies, and separately gas companies, to promote rate equity across the state. Each distribution company and gas company shall guarantee payment to the generation supplier for all power sold to low-income and eligible moderate-income customers at the discounted rates.

(b) Eligibility for the low-income discount rates provided for in this section shall be established in a manner approved by the department, including, but not limited to, verification of a low-income customer's receipt of any means-tested public benefit or verification of eligibility for the home energy assistance program, or its successor program, for which eligibility does not exceed 200 per cent of the federal poverty level based on a household's gross income. Such public benefits may include, but shall not be limited to including, assistance that provides cash, housing, food or medical care, including, but not limited to, transitional assistance for needy families, supplemental security income, emergency aid to elderly, disabled and children program, food stamps, public housing, federally subsidized or state-subsidized housing, the home energy assistance program, veterans' benefits and similar benefits. In a program year in

which maximum eligibility for the home energy assistance program, or its successor program, exceeds 200 per cent of the federal poverty level, a household that is income eligible for the home energy assistance program shall be eligible for the low-income discount rates required by this subsection. Eligibility for the moderate-income discount rate provided for in this section shall be established by criteria determined by the department for verification of an eligible moderate-income customer. Following initial verification of eligibility for the low-income or moderate-income discount rate, eligibility may be reevaluated no less than every 2 years thereafter.

(c) Each distribution company and gas company shall conduct substantial outreach efforts to make the low-income or moderate-income discount available to eligible customers. Outreach may include establishing an automated program of matching customer accounts with: (i) lists of recipients of said means-tested public benefit programs and, based on the results of said matching program, to presumptively offer a low income discount rate to eligible customers so identified; and (ii) criteria established by the department for verification of a moderate-income customer to presumptively offer a moderate-income discount rate to eligible customers so identified; provided, however, that the distribution company or gas company, within 60 days of the presumptive enrollment, shall inform any such low-income customer or eligible moderate-income customer of the presumptive enrollment and all rights and obligations of a customer under the program, including the right to withdraw from the program without penalty.

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

(e) Each distribution company and gas company shall produce information, in the form of a mailing, webpage or other approved method of distribution, to their customers, to inform them of available rebates, discounts, credits and other cost-saving mechanisms that may help lower monthly utility bills and shall provide such information to customers semi-annually, unless otherwise required by this chapter.

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

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

Section 154. The department shall supervise thermal energy facilities operated by gas companies to ensure the public safety of utility-scale non-emitting thermal energy systems, including networked geothermal and deep geothermal energy facilities, and any equipment used in the manufacturing of thermal energy infrastructure and transportation of thermal energy. The department shall monitor and evaluate the methods, practices and condition of all such facilities and equipment and shall make such examinations and investigations as necessary to ensure the safety of operations. The department may promulgate regulations to implement this section.

Section 155. (a) Every gas company shall develop, submit and periodically amend a comprehensive just transition plan, which shall be included as part of any climate compliance plan submission directed by the department. Each just transition plan shall be amended every 2 years.

(b) Each gas company plan shall provide projections for any attrition among its employees and among its outside contractors over both the 2-year period of the just transition plan, and over the course of the gas company's efforts to comply with the 2050 statewide greenhouse gas emissions limit under section 3 of chapter 21N, or its complete retirement of its gas pipeline, whichever is later.

(c) As part of their just transition plans, all gas companies shall identify training and employment opportunities and initiatives for workers who may be displaced by the gas company's compliance with the commonwealth's greenhouse gas emissions goals, which shall include, but shall not be limited to, any agreement reached with labor organizations representing a gas company's employees or the employees of its outside contractors.

Section 156. (a) For the purposes of this section and section 157, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Distribution asset entitlement", an entitlement held by a non-utility third party to use a distribution company's infrastructure to move electricity across the distribution grid, with approval by the department.

"Non-utility third party", a third-party entity that enters into a lease agreement pursuant to this section; provided, that a non-utility third party shall not be an affiliate of a distribution company.

"Thermal heat loop asset entitlement", an entitlement held by a non-utility third party to use a gas company's infrastructure to move geothermal energy across a gas company's thermal heat loop, with approval by the department.

"Thermal network asset entitlement", an entitlement held by a non-utility third party to use a gas company's thermal network infrastructure to move geothermal energy across the gas company's thermal network system, with approval by the department.

"Transmission asset entitlement", an entitlement held by a non-utility third party to use a distribution company's infrastructure to move electricity across the transmission grid, with approval by the department.

(b) A distribution company may, subject to approval by the department, enter into a lease agreement for either distribution asset entitlements or transmission asset entitlements with a non-utility third party.

(c)(1) The department shall review an application by a distribution company to enter into a lease agreement for either distribution asset entitlements or transmission asset entitlements with a non-utility third party to provide:

(i) financing and other money for investment in distribution projects or transmission projects; and

(ii) direct benefits to the distribution company's customers above and beyond the direct distribution-related or transmission-related services provided through the assets funded through the financing arrangement.

(2) The information in the application may include a framework that sets forth the manner in which the distribution company and its non-utility third party shall opt into specific leases under the framework in a future filing and with the department reviewing the terms of that framework filing.

(3) Not later than 9 months after filing by a distribution company, the department shall, following an adjudicatory hearing pursuant to chapter 30A, review the application to determine whether it provides net benefits to the customers of the distribution company, and based on that review, determine whether to approve, approve conditionally, reject without prejudice or reject the application with prejudice .

(4) The department's determination of whether an application provides net benefits to customers of the distribution company shall consider the charitable financial contributions required under clause (vi) of subsection (d) as customer benefits.

(d) Any agreements for leasing entitlements to distribution assets or transmission assets that are entered into through such negotiations and signed by the distribution company and a non-utility third party may contain provisions allowing the non-utility third party to lease distribution asset entitlements to distribution projects or transmission asset entitlements to transmission projects of the distribution company; provided, that the actual distribution asset entitlement leases or the transmission asset entitlement leases under the agreement shall include the following:

(i) the distribution projects covered by the distribution asset entitlement lease or the transmission projects covered by the transmission asset entitlement lease shall remain under the ownership, operational control, maintenance and regulatory compliance responsibility of the distribution company; provided, that the maximum value of the non-utility third party's investment interest in distribution projects covered by the distribution asset entitlement lease shall be 49.9 per cent of the total value of the distribution projects and the maximum value of the

non-utility third party's investment interest in transmission projects covered by the transmission asset entitlement lease shall be 49.9 per cent of the total value of the transmission projects;

(ii) the distribution company shall have the necessary permits and approvals for the projects covered by the distribution asset entitlement lease or transmission asset entitlement lease, including, but not limited to, any and all approvals by the department, that the projects have been constructed and have commenced commercial operation;

(iii) the specific terms of any distribution asset entitlement lease or transmission asset entitlement lease covered by the application, including the length of the lease, the rental payments for the lease, any prepayment terms, including, but not limited to, the dollar amount, and for the rental payments, and the maximum percentage interest the non-utility third party shall hold in the assets covered by the distribution asset entitlement lease;

(iv) a requirement that the non-utility third party pay its pro-rata share of operating and maintenance expenses for the covered distribution assets or the covered transmission assets over the term of the lease;

(v) the ratemaking methodology that is proposed to be used to calculate the rate that the non-utility third party shall charge to the distribution company's ratepayers to recover the non-utility third party's costs associated with its distribution entitlement or its transmission entitlement;

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

transmission asset entitlements; provided, that not less than 50 per cent of said profits shall be committed to providing energy affordability for low- and moderate-income families;

(vii) ratepayer protections to ensure that: (a) the distribution asset entitlement lease or the transmission asset entitlement lease shall not lead to double recovery of the costs associated with the covered assets and that the distribution company shall not charge rates that recover any of the costs that are otherwise being recovered in the distribution rate charged by the non-utility third party that holds the distribution asset entitlement lease; and (b) the rate that the non-utility third party is able to charge for recovering the costs associated with its distribution asset entitlement lease or the transmission rate charged by the non-utility third party that holds the transmission asset entitlement lease shall not exceed the rate that would otherwise be charged by the distribution company for its cost to recover the investment in assets covered by the lease in the absence of the lease agreement;

(viii) the list of projects covered by the application if the application includes 1 or more specific leases being proposed for departmental review and approval;

(ix) the process proposal for any department approvals of specific projects and specific future leases if the application includes a framework for the distribution asset entitlement leases or for the transmission asset entitlement leases but contemplates subsequent filings to the department to submit actual leases that are subject to an approved framework; and

(x) where a distribution asset entitlement lease or a transmission asset entitlement lease allows for prepayment of rent by the non-utility third party to the distribution company, the lease shall include a requirement that the non-utility third party be responsible for obtaining its own financing for the prepaid rent.

(e) In reviewing the methodology proposed under clause (v) of subsection (d) for an application filed by a distribution company in which the non-utility third party to the lease agreement under paragraph (1) of subsection (c) is a non-profit entity or wholly owned subsidiary of a non-profit third party, the department shall allow the use of the following methodologies if requested in the application:

(i) a hypothetical capital structure; provided, that requests for use of a hypothetical capital structure consisting of 50 per cent equity and 50 per cent debt shall be considered presumptively reasonable if the non-utility third party is a non-profit entity or the wholly owned subsidiary of a non-profit entity, and if the non-utility third party shall use 100 per cent debt to finance its investment and therefore lacks a meaningful actual capital structure for the purpose of this investment;

(ii) a proxy return on equity; provided, that requests for use of the distribution company's then-approved return on equity shall be considered presumptively just and reasonable;

(iii) a levelized fixed rate to recover capital costs; provided, that requests for using a cost-recovery structure based on a fixed and levelized rate over the term of the lease shall be considered presumptively just and reasonable as long as the non-utility third party can provide evidence that such recovery shall not violate the requirement under clause (vii) of subsection (d) that the non-utility third party's rate recovery shall be no higher than what the distribution company could recover in the absence of the lease; or

(iv) a formula rate to recover operations and maintenance costs; provided, that requests for using a formula rate design that includes an adjustment factor to recover the non-utility third

party's pro-rata share of the distribution company's actual annual operations and maintenance costs shall be considered presumptively just and reasonable.

(f) After a distribution asset entitlement lease agreement or transmission asset entitlement lease agreement is entered into between a distribution company and a non-utility third party for a particular set of approved projects, the non-utility third party shall file for departmental approval of rates using the methodology approved in subsections (d) and (e), using a compliance filing submission to the department. The department shall act within 60 days on the compliance filing submission.

(g) Within 1 year of approval of an application and for every year thereafter, until the end of the lease-entitlement agreement, the non-utility third party shall submit to the department an annual report on the dollar amount of charitable financial contributions provided that includes, at a minimum, the uses of those financial charitable contributions, and a copy of its Internal Revenue Service Form 990.

(h) The non-utility third party shall notify the department within 24 hours of receiving any notices by state or federal governments to cease and desist or if its tax-exempt status has been revoked, including remedies to hold ratepayers harmless.

(i) The department shall promulgate regulations establishing the eligible uses of charitable financial contributions under this section and section 157. Categories for eligible uses may include, but shall not be limited to: (i) support for low- and moderate-income energy assistance programs; (ii) programs that support the deployment of energy efficiency, solar, storage, building electrification or transportation electrification for environmental justice populations, as defined in section 62 of chapter 30; (iii) direct benefits for communities that are

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

Section 157. (a) A distribution company may, subject to approval by the department, enter into a lease agreement for either thermal network asset entitlements or thermal heat loop asset entitlements with a non-utility third party.

(b)(1) The department shall review an application by a gas company to enter into a lease agreement for a thermal network asset entitlement or thermal heat loop asset entitlement with a non-utility third party to provide:

(i) financing and other money for investment in thermal projects; and

(ii) direct benefits to the gas company's customers above and beyond the direct thermal-related services provided through the assets funded through the financing arrangement.

(2) The information in the application may include a framework that sets forth the manner in which the gas company and its non-utility third party shall opt into specific leases under the framework in a future filing and with the department reviewing the terms of that framework filing.

(3) Not later than 9 months after filing, the department shall, following an adjudicatory hearing pursuant to chapter 30A, review the application to determine whether it provides net benefits to the customers of the gas company and, based on that review, determine whether to approve, approve conditionally, reject without prejudice or reject the application with prejudice .

(4) The department's determination of whether an application provides net benefits to customers of the gas company shall consider the charitable financial contributions required under clause (vi) of subsection (c) as customer benefits.

(c) Any agreements for leasing entitlements to thermal network assets or thermal loop assets that are entered into through such negotiations and signed by the gas company and a non-utility third party may contain provisions allowing the non-utility third party to lease thermal network asset entitlements to thermal network projects or thermal heat loop asset entitlements to thermal heat loop projects of the gas company; provided, that the actual thermal network asset entitlement leases or the thermal heat loop asset entitlement leases under the agreement shall include the following:

(i) the thermal network projects covered by the thermal network asset entitlement lease or the thermal heat loop projects covered by the thermal heat loop asset entitlement lease shall remain under the ownership, operational control, maintenance and regulatory-compliance responsibility of the gas company; provided, that the maximum value of the non-utility third party's investment interest in thermal network projects covered by the thermal network-entitlement lease shall be 49.9 per cent of the total value of the thermal network projects and the maximum value of the non-utility third party's investment interest in thermal heat loop projects covered by the thermal heat loop asset entitlement lease shall be 49.9 per cent of the total value of the thermal heat loop projects;

(ii) the gas company shall have all necessary permits and approvals for the projects covered by the thermal network asset entitlement lease or thermal heat loop asset entitlement

lease, including, but not limited to, any and all approvals by the department, that the projects have been constructed and have commenced commercial operation;

(iii) the specific terms of any thermal network asset entitlement lease or thermal heat loop asset entitlement lease covered by the application, including the length of the lease, the rental payments for the lease, any prepayment terms, including, but not limited to, the dollar amount, and for the rental payments, and the maximum percentage interest the non-utility third party shall hold in the assets covered by the thermal network asset entitlement lease or thermal heat loop asset entitlement lease;

(iv) a requirement that the non-utility third party pay its pro-rata share of operating and maintenance expenses for the covered thermal network assets or the covered thermal heat loop assets over the term of the lease;

(v) the ratemaking methodology that is proposed to be used to calculate the rate that the non-utility third party shall charge to the gas company's ratepayers to recover the non-utility third party's costs associated with its thermal network entitlement or, in the case of a thermal heat loop for a single customer, the ratemaking methodology that is proposed to be used to calculate the rate at which the non-utility third party shall charge to the gas company's ratepayer that is using the thermal heat loop to recover the non-utility third party's cost associated with its thermal heat loop entitlement;

(vi) a binding commitment by the non-utility third party to make charitable financial contributions tied to a share of its annual after-tax profits that result from revenues it receives from the gas company's customers' use of the thermal network asset entitlements or the thermal

heat loop asset entitlements; provided, that not less than 50 per cent of said profits shall be committed to providing energy affordability for low- and moderate-income families;

(vii) ratepayer protections to ensure that: (a) the thermal network asset entitlement lease or the thermal heat loop asset entitlement lease shall not lead to double recovery of the costs associated with the covered assets and that the gas company shall not charge rates that recover any of the costs that are otherwise being recovered in the thermal rate charged by the non-utility third party that holds the thermal network asset entitlement lease; and (b) the rate that the non-utility third party is able to charge for recovering the costs associated of its thermal network asset entitlement lease or the thermal heat loop rate charged by the non-utility third party that holds the thermal heat loop asset entitlement lease shall not exceed the rate that would otherwise be charged by the gas company for its cost to recover the investment in assets covered by the lease in the absence of the lease agreement;

(viii) the list of projects covered by the application if the application includes 1 or more specific leases being proposed for departmental review and approval;

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

(x) where a thermal network asset entitlement lease or a thermal heat loop asset entitlement lease allows for prepayment of rent by the non-utility third party to the gas company, the lease shall include a requirement that the non-utility third party be responsible for obtaining its own financing for the prepaid rent.

(d) In reviewing the methodology proposed under clause (v) of subsection (c) for an application filed by a gas company in which the non-utility third party to the lease agreement under subsection (b) is a non-profit entity or wholly owned subsidiary of a non-profit third party, the department shall allow the use of the following methodologies if requested in the application:

(i) a hypothetical capital structure; provided, that requests for use of a hypothetical capital structure consisting of 50 per cent equity and 50 per cent debt shall be considered presumptively reasonable if the non-utility third party is a non-profit entity or the wholly owned subsidiary of a non-profit entity, and if the non-utility third party shall use 100 per cent debt to finance its investment and therefore lacks a meaningful actual capital structure for the purpose of this investment;

(ii) a proxy return on equity; provided, that requests for use of the gas company's then-approved return on equity shall be considered presumptively just and reasonable;

(iii) a levelized fixed rate to recover capital costs; provided, that requests for using a cost-recovery structure based on a fixed and levelized rate over the term of the lease shall be considered presumptively just and reasonable as long as the non-utility third party can provide evidence that such recovery shall not violate the requirement under clause (vii) of subsection (c) that the non-utility third party's rate recovery shall be no higher than what the gas company could recover in the absence of the lease; or

(iv) a formula rate to recover operations and maintenance costs; provided, that requests for using a formula rate design that includes an adjustment factor to recover the non-utility third party's pro-rata share of the gas company's actual annual operations and maintenance costs shall be considered presumptively just and reasonable.

(e) After a thermal network asset entitlement lease agreement or thermal heat loop asset entitlement lease agreement is entered into between a gas company and a non-utility third party for a particular set of approved projects, the non-utility third party shall file for departmental approval of rates using the methodology approved in subsections (c) and (d), using a compliance filing submission to the department. The department shall act within 60 days on the compliance filing submission.

(f) Within 1 year of approval of an application and for every year thereafter, until the end of the lease entitlement agreement, the non-utility third party shall submit to the department an annual report on the dollar amount of charitable financial contributions provided that includes, at a minimum, the uses of those financial charitable contributions and a copy of its Internal Revenue Service Form 990.

(g) The non-utility third party shall notify the department within 24 hours of receiving any notices by state or federal governments to cease and desist or if its tax-exempt status has been revoked, including remedies to hold ratepayers harmless.

Section 158. (a) For the purposes of this section, “flexible interconnection” shall mean a process by which a distribution company allows new customer load to connect, and distributed energy resources to interconnect, to the electric distribution grid based on an agreed upon curtailment schedule or protocols and associated tariff, contract or technical requirements, as applicable.

(b) Each distribution company shall offer, and the department shall approve, a comprehensive flexible interconnection program designed to enable the efficient connection of new customer loads and to maximize the deployment of distributed energy resources, while

minimizing associated electric infrastructure costs. The program shall: (i) be as consistent as practicable across all distribution company service territories; (ii) utilize existing technologies and capabilities deployed by the distribution company; and (iii) offer additional solutions over time as the distribution company deploys additional technologies.

(c) Each distribution company may request modifications to any approved flexible interconnection program from the department provided that the modifications are presented to stakeholders, including, but not limited to, commercial and industrial customers, higher education campuses, hospital campuses, housing and other real estate developers, solar developers, battery developers and entities pursuing electrified transportation, impacted by the planned modifications at least 3 months prior to filing requested modifications with the department. Upon presenting such modifications to stakeholders, the distribution company shall, at a minimum: (i) accept comments on the modifications; (ii) allow stakeholders to propose modifications; (iii) develop consensus language among stakeholders, to the extent possible; and (iv) include in their filing a summary of all alternative proposals provided by stakeholders and an explanation of why the distribution company did not choose to adopt such proposals. Each distribution company shall include a list of the stakeholders that provided feedback in its filing.

Section 159. (a) For the purposes of this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

“Bidirectional electric vehicle”, an electric vehicle that is capable of both receiving and discharging electricity.

“Electric vehicle supply equipment” or “EVSE”, a device or system designed and used specifically to transfer electrical energy between an electric vehicle and the electric grid.

"V2G AC", a bidirectional electric vehicle that discharges AC power from a vehicle by converting DC energy from the battery to AC power via an onboard inverter.

"V2G DC", a bidirectional electric vehicle that discharges DC power from a vehicle which is then converted to AC power via an offboard inverter.

"V2G system interconnection", a process by which a distribution company allows a V2G system to interconnect to the electric distribution grid for the purpose of operating in parallel with the grid.

"Vehicle-to-grid system" or "V2G system", a combination of hardware and software in or around the EVSE and bidirectional electric vehicle that forms a distributed energy resource for the purposes of communication with and programmed flow of energy into an out-of-the-vehicle battery in support of electrical loads or systems offboard the electric vehicle, including the electric grid.

(b) Each distribution company shall offer a comprehensive process for the interconnection of a V2G system at residential buildings which shall:

(i) provide a pathway for interconnection for V2G systems supporting V2G AC and V2G DC electric vehicles;

(ii) utilize standards adopted by a nationally recognized testing laboratory certified by the United States Occupational Safety and Health Administration, including, but not limited to, the standards developed by Underwriters Laboratories, Inc., UL 1741 CRD for Grid Support Distributed Energy Resource Systems and UL 1741 SC;

(iii) be as consistent as practicable across all distribution company service territories;

(iv) require an interconnection application or interconnection agreement for bidirectional electric vehicles and associated EVSE that that are not configured to operate in parallel with the grid; provided, that said application shall be required for each location that enables V2G; and

(v) utilize best practices from comprehensive V2G system interconnection processes adopted by other states and utilities, as practicable.

(c) The department shall issue guidance to the distribution companies as needed regarding the development of the V2G system interconnection process.

(d) The distribution companies shall file proposed tariff provisions or tariff revisions and any other documents necessary to implement the required V2G system interconnection process with the department.

Section 160. (a) As used in this section the term “labor peace agreement” shall mean an agreement between an employer and labor organization that, at a minimum, protects the commonwealth’s proprietary interest by prohibiting the labor organization and its members from engaging in picketing, work stoppages, boycotts, strikes and any other economic interference with the employer’s business operations for the duration of the agreement.

(b) Where the commonwealth or any political subdivision thereof conveys ownership or possession of land within its control to an end user, developer or operator of public lands for the construction, operation, or maintenance of a thermal energy network, heat loop and related renewable energy generation, distribution and transmission infrastructure project work, those conveyances shall be conditioned upon the grantee’s agreement to enter into fully executed labor peace agreements with a bona fide labor organization that seeks to represent the grantee’s

employees working on the project as their exclusive bargaining representative, as permitted by federal law.

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

Section 161. (a) For the purposes of this section, "energy project" shall refer to non-fossil fuel related energy efficiency upgrades, high-efficiency electric heat pumps, energy storage systems, demand response equipment, on-site solar energy generation equipment or any combination thereof, inclusive of ancillary equipment or upgrades needed to complete the installation of said equipment or upgrades.

(b) Electric distribution companies shall develop inclusive utility investment program proposals designed to permit customers to finance the construction of energy projects through an optional tariff payable directly through their electric bill.

(c) Programs developed by the electric distribution companies under this section shall enable the distribution companies to offer to make investments in energy projects to customer properties with low-cost capital and use an opt-in tariff to recover the costs from customers that participate. Programs shall be designed to provide customers with immediate and ongoing electric bill savings relative to baseline electric bill costs if they choose to participate. Programs

shall allow residential electric customers that own the property, or renters that have permission from the property owner, to agree to the installation of an energy project. Programs shall ensure: (i) that eligible projects shall not require upfront payments; provided, however, that customers may pay down the costs for projects with a payment to the installing contractor in order to qualify projects that cannot be justified through the available energy cost savings; (ii) that participants shall agree the distribution company may recover its costs for the projects at their location by paying for the project through an optional tariff directly through the participant's electricity bill, allowing participants to benefit from installation of energy projects without traditional loans; (iii) accessibility by low-income residents and environmental justice populations, as defined in section 62 of chapter 30; and (iv) that all other available financial incentives are maximized by participants to the greatest extent possible.

(d) In developing inclusive utility investment program proposals, the distribution companies shall review existing models and programs in other jurisdictions, including, but not limited to, the Pay As You Save system, developed by the Energy Efficiency Institute, Inc. Distribution companies shall actively coordinate with and integrate programs under this section with the 3-year energy efficiency plans established pursuant to section 21 of chapter 25.

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

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

(g) In approving distribution company program proposals, the department shall establish conditions by which distribution companies may connect program participants to energy project vendors. In setting conditions for connection, the department may prioritize vendors that have a history of good relations with the commonwealth, including, but not limited to, vendors that have hired participants from commonwealth-created job training programs.

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

(i) Distribution companies shall consult with the department of energy resources, the Massachusetts clean energy technology center and the attorney general in developing program proposals under this section and shall release draft program design proposals for public comment not less than 60 days before filing with the department.

(j) The department shall establish program design parameters or guidelines.

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

Section 162. The department shall accept and review tariffs proposed by gas companies to enable renewable natural gas produced by anaerobic digesters or landfills to be delivered to individual commercial and industrial customers through a gas company's distribution system under bilateral agreements between commercial and industrial customers and such facilities. The department shall approve such tariffs only upon a showing that all costs associated with the covered activities are recovered in tariffed rates and no costs are imposed on non-participating customers.

SECTION 55. Chapter 503 of the acts of 1982 is hereby repealed.

SECTION 56. Section 83B of chapter 169 of the acts of 2008, as most recently amended by section 97 of chapter 239 of the acts of 2024, is hereby further amended by striking out the definition of "Firm energy delivery", inserted by section 60 of chapter 179 of the acts of 2022, and inserting in place thereof the following definition:-

"Firm energy delivery", dispatchable non-emitting energy provided in a long-term contract with guaranteed continuous availability at rated power for 1 or more discrete multi-day periods of extreme heat and cold weather, low non-dispatchable power production or other grid contingencies, as designated by the department of energy resources, to ensure electric reliability and security in a zero-carbon electric system; provided, however, that "firm energy delivery" may include, but shall not be limited to, energy from multiple non-emitting energy generation resources, surplus interconnection service and energy storage systems managed in a coordinated manner, in addition to other market services.

SECTION 57. Said section 83B of said chapter 169, as so amended, is hereby further amended by inserting after the definition of “Offshore wind energy generation” the following definition:-

“Surplus interconnection service”, a form of interconnection service that allows a generation facility to use any unused capability, as defined in Schedule 22 to Section II of the ISO-New England, Inc. Transmission, Markets and Services Tariff, established in an interconnection agreement for an existing generating facility that has achieved commercial operation such that if surplus interconnection service is utilized, the total amount of interconnection service at the same point of interconnection, as defined in Schedule 22 to Section II of the ISO-New England, Inc. Transmission, Markets, and Services Tariff, would remain the same.

SECTION 58. Subsection (b) of section 83C of said chapter 169, as appearing in section 61 of chapter 179 of the acts of 2022, is hereby amended by striking out the figure “2027” and inserting in place thereof the following figure:- 2029.

SECTION 59. Subsection (c) of said section 83C of said chapter 169, as so appearing, is hereby amended by inserting after the word “costs” the following words:- , including surplus interconnection service,.

SECTION 60. Said subsection (c) of said section 83C of said chapter 169, as so appearing, is hereby further amended by inserting after the word “delivery” the following words:- , including surplus interconnection service.

SECTION 61. Paragraph (1) of subsection (e) of said section 83C of said chapter 169, as so appearing, is hereby amended by inserting after the word “costs”, the second time it appears, the following words:- , including surplus interconnection service costs,.

SECTION 62. Said paragraph (1) of said subsection (e) of said section 83C of said chapter 169, as so appearing, is hereby further amended by inserting after the word “possible” the following words:- , including the use of surplus interconnection service,.

SECTION 63. Subsection (c) of section 83E of said chapter 169, inserted by section 98 of chapter 239 of the acts of 2024, is hereby amended by inserting after the word “locations” the following words:- and the efficient utilization of existing transmission infrastructure by the use of surplus interconnection service.

SECTION 64. Section 11 of chapter 75 of the acts of 2016 is hereby repealed.

SECTION 65. Section 11A of said chapter 75, inserted by section 63 of chapter 179 of the acts of 2022, is hereby repealed.

SECTION 66. (a) There is hereby established an electric rates task force to advise and make recommendations to the joint committee on telecommunications, utilities and energy and the executive office of energy and environmental affairs on the current and future cost of electricity in the commonwealth.

(b) The task force shall consist of the following members: the executive director of the office of energy transformation, who shall serve as chair, the secretary of energy and environmental affairs or a designee; the commissioner of energy resources or a designee; 1 representative from the department of public utilities; 2 members appointed by the speaker of the

house of representatives who shall have a background in and understanding of electric rates; 2 members appointed by the president of the senate who shall have a background in and understanding of electricity rates; the chairs of the joint committee on telecommunications, utilities and energy; the attorney general, or a designee; 1 representative from each investor-owned electric utility with a combined service territory of more than 100,000 retail and commercial customers; and 1 representative from ISO New England, Inc.

(c) The executive director of the office of energy transformation may assign staff and resources, as necessary, for the work of the task force.

(d)(1) Not later than September 30, 2027, the task force shall produce a report which shall: (i) identify each cost component that comprises the electric bill of residential and commercial customers of each investor-owned electric distribution company in the commonwealth with a combined service territory of more than 100,000 retail and commercial customers; (ii) include the total revenue raised statewide from each cost component separated by utility and customer class; (iii) include the current total cost to each customer class on a kilowatt-hour basis and monthly basis for a typical user in each rate class; and (iv) include the annual rate increase for each cost component for the previous 10 years and the projected annual rate increases or range of rate increases expected over the next 5 years. The report shall compare individual rate components to current and projected rate components of all other New England states and at least 3 other states considered to be economic competitors of the commonwealth.

(2) The cost components identified pursuant to clause (i) of paragraph (1) shall include the date of origin and purpose of each cost component and whether said cost components are related to electric utility distribution costs, regional transmission costs or energy supply costs and

whether the cost components were added as a result of compliance with meeting greenhouse gas reduction goals established pursuant to section 3 of chapter 21N of the General Laws; provided, that the report shall include and identify any cost components that are expected to be added to ratepayer bills over the next 10 years. The cost components identified pursuant to clause (i) of paragraph (1) may be combined if they serve a similar purpose; provided, that the cost components shall not be currently listed separately on a customer bill or necessary to meet greenhouse gas reduction goals pursuant to said section 3 of said chapter 21N.

(e)(1) The report pursuant to subsection (d) shall be made publicly available on the websites of the attorney general and the executive office of energy and environmental affairs for public comment for 30 days.

(2) The task force shall consider all public comments and may make any changes to the report based on public comment, if applicable, as determined by the task force.

(f) Not later than 30 days after the closing of the public comment period pursuant to subsection (e) for the report pursuant to subsection (d), the task force shall submit a final report to the governor, the speaker of the house, the president of the senate, the house and senate committees on ways and means, the chairs of the joint committee on telecommunications, utilities and energy and the clerks of the house and senate.

(g) The report pursuant to subsection (d) and the final report pursuant to subsection (f) shall be made publicly available on the websites of the attorney general and the executive office of energy and environmental affairs.

SECTION 67. (a) The inspector general shall conduct a comprehensive review of the Mass Save program focused on ensuring that the program is running effectively and efficiently.

The inspector general shall conduct a comprehensive review of program administrators' practices and review of the Mass Save budgets, including administrative and marketing budgets, to ensure ratepayer funds are being used efficiently and effectively.

(b) The inspector general shall review: (i) methods of supporting the energy efficiency goals of the Mass Save program while increasing ratepayer affordability; (ii) program growth over time, including whether the program is effectively and efficiently using ratepayer dollars to support the goals of the program; (iii) whether the program has transformed beyond the original goals of the program and whether the program can continue to be supported by ratepayers or has become unsustainable as currently structured; (iv) the administrative needs of the program including the role of the program administrators; (v) the growth of the budget of the Mass Save program from 1 year to the next, including, but not limited to, a review of the appropriate size of the program to ensure ratepayers are not overburdened; (vi) how the program is prioritizing incorporating peak load management to provide ratepayer savings; (vii) incorporating smart home programs and how to effectively and efficiently promote programs within the program; and (viii) any other matters the inspector general deems relevant to supporting the operations and efficiency of the Mass Save program.

(c) Not later than July 1, 2027, the inspector general shall file a report of its findings and recommendations with the secretary of energy and environmental affairs, the commissioner of energy resources, the clerks of the house of representatives and the senate, the chairs of the house and senate committees on ways and means and the chairs of the joint committee on telecommunications, utilities and energy. Recommendations shall include any remodeling of the program to reorganize, as necessary.

SECTION 68. (a) Notwithstanding any general or special law, rule or regulation to the contrary, program administrators of the approved energy efficiency investment plan, authorized pursuant to section 21 of chapter 25 of the General Laws, shall require household income verification for all eligible customers and renters in designated equity communities, as designated pursuant to the 2025-2027 3-year plan to qualify for comprehensive moderate-income rebates and incentives; provided, however, that household income verification shall not be required for low-income eligible customers and renters; and provided further, that incentives shall remain accessible to residents in affordable housing.

(b) To qualify for comprehensive moderate-income rebates and incentives under subsection (a), a landlord of a rental property located in a designated equity community shall provide sufficient documentation to the program administrators demonstrating that not less than 50 per cent of the occupied dwelling units in the property are rented to households that meet the applicable income eligibility requirements.

SECTION 69. (a) Not later than July 1, 2026, each electric or gas company, as defined in section 1 of chapter 164 of the General Laws, and municipal aggregator with a 2025 to 2027 energy efficiency plan approved by the department of public utilities pursuant to section 21 of chapter 25 of the General Laws, shall file with the department of public utilities a mid-term modification to its approved energy efficiency plan that results in savings for ratepayers; provided, that said savings shall be not less than $1,000,000,000. The mid-term modification shall prioritize reducing the plan’s marketing, advertising and administrative budgets.

(b) Not later than 60 days after receiving such filings, the department of public utilities shall approve mid-term modifications that result in aggregate savings of not less than $1,000,000,000.

SECTION 70. The offshore wind pre-development and project acceleration program established pursuant to section 24 of chapter 25A of the General Laws, inserted by section 13, shall further the commonwealth's goal to contract for offshore wind energy generation equal to approximately 5,600 megawatts of aggregate nameplate capacity not later than June 30, 2029, pursuant to section 83C of chapter 169 of the acts of 2008.

SECTION 71. (a) Not later than 1 year after the effective date of this act, a municipality shall notify the department of energy resources of its intent to implement an alternative automated solar permitting platform pursuant subsection (c) of section 25 of chapter 25A of the General Laws, inserted by section 13.

(b) Not later than 18 months after the effective date of this act, any municipality that notifies the department of energy resources pursuant to subsection (a) shall enable access to the alternative platform.

SECTION 72. Not later than 2 years after the effective date of this act, a municipal authority that allows submission of residential solar permit applications through the state smart solar permitting platform pursuant to paragraph (1) of subsection (b) of section 25 of chapter 25A of the General Laws, inserted by section 13, shall revise its permitting fee schedule to reflect the reduction in resources expended to permit residential solar energy systems.

SECTION 73. The department of energy resources, in consultation with the department of public utilities, shall develop, through a public process, a consumer educational brochure that

shall be provided to the consumer not later than when the disclosure form required by section 1M of chapter 164 of the General Laws, inserted by section 26, is provided to the consumer. The brochure may include, but shall not be limited to, information regarding solar photovoltaic technology, solar compensation policies such as net metering, federal tax credits, questions to ask solar companies, consumer rights and sources of additional information that are available to assist consumers. Use of the consumer educational brochure shall be required 90 days after it is made available by the department of energy resources and the department of public utilities.

SECTION 74. A disclosure form pursuant to section 1M of chapter 164 of the General Laws, inserted by section 26, shall be required for use with all new agreements entered into beginning 180 days after the initial final disclosure form is published by the department of public utilities.

SECTION 75. The department of public utilities shall evaluate salesperson training and certification programs, including the American National Standards for "Solar Salesperson Training," ANSI SEIA 401, beginning January 1, 2027, and determine if such training and certification shall be a requirement for salesperson registration pursuant to section 1M of chapter 164 of the General Laws, inserted by section 26, effective January 1, 2028.

SECTION 76. Not later than 1 year after the effective date of this act, each electric company shall submit a supplement to the electric-sector modernization plan approved by the department of public utilities. The supplement shall account for the changes to subsections (c) and (d) of section 92B of chapter 164 of the General Laws made pursuant to section 38. An electric company shall consult with the Grid Modernization Advisory Council established in section 92C of said chapter 164 not later than 120 days before the electric company files the

supplement with the department, and the Grid Modernization Advisory Council shall return the supplement to the company with recommendations not later than 70 days before the company files the supplement with the department.

SECTION 77. The department of public utilities shall allow gas company schedules pursuant to section 94 of chapter 164 of the General Laws to update the filing schedule on a rolling basis.

SECTION 78. (a) Not later than July 1, 2026, gas companies shall file program proposals with the department of public utilities pursuant to section 152 of chapter 164 of the General Laws, inserted by section 54.

(b) The department of public utilities shall complete its review of the filed program proposals not later than January 31, 2027.

SECTION 79. (a) Not later than 60 days after the effective date of this act, the department of public utilities shall issue guidance to distribution companies regarding the development of the flexible interconnection program required by section 158 of chapter 164 of the General Laws, inserted by section 54.

(b) Not later than 180 days after the effective date of this act, the distribution companies shall file with the department of public utilities initial proposed model tariff provisions or tariff revisions and any other documents necessary to implement the required flexible interconnection program required by said section 158 of said chapter 164.

SECTION 80. (a) Not later than 120 days after the effective date of this act, the department of public utilities shall issue guidance to the distribution companies as needed

regarding the development of the V2G system interconnection process pursuant to subsection (c) of section 159 of chapter 164 of the General Laws, inserted by section 54.

(b) Not later than 180 days after the effective date of this act, distribution companies shall file with the department of public utilities proposed tariff provisions or tariff revisions and any other documents necessary to implement the V2G interconnection process, pursuant to subsection (d) of said section 159 of said chapter 164, inserted by section 54.

(c) Not later than 1 year after the effective date of this act, the department of public utilities shall approve, deny or modify and approve the proposed tariff provisions or tariff revisions submitted by the distribution companies pursuant to subsection (d) of said section 159 of said chapter 164, inserted by section 54. A V2G system proposal filed pursuant to said subsection (d) shall be deemed approved if the department does not approve, deny or modify and approve such proposed tariff provisions or tariff revisions not later than 1 year after the effective date of this act.

SECTION 81. (a) The department of public utilities shall publish guidance required pursuant to section 161 of chapter 164 of the General Laws, inserted by section 54, not later than January 1, 2027.

(b) Electric distribution companies shall submit inclusive utility investment program proposals pursuant to said section 161 of chapter 164 to the department of public utilities for its review not later than September 1, 2026, and the department shall complete its review of said proposals not later than July 1, 2027.

(c) Any program proposal approved by the department of public utilities pursuant to said section 161 of chapter 164 shall be made available to eligible customers of the distribution company not later than January 1, 2028.

SECTON 82. Section 8 shall take effect on July 1, 2029.

SECTION 83. Section 25 of chapter 25A of the General Laws, inserted by section 13, shall take effect 1 year after the effective date of this act.

SECTION 84. Sections 23 and 52 and section 153 of chapter 164 of the General Laws, inserted by section 54, shall take effect 1 year after the effective date of this act.

SECTION 85. Section 41 shall take effect on November 1, 2026.