SENATE . . . . No. 3143

The Commonwealth of Massachusetts

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

SENATE, June 25, 2026.

The committee on Senate Ways and Means to whom was referred the House Bill relative to energy affordability, clean power and economic competitiveness (House, No. 5175) (also based on Senate, Nos. 2228, 2232, 2239, 2249, 2255, 2262, 2281, 2282, 2612 and 2780); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 3143; and by striking out the title and inserting in place thereof the following title: "An Act to save people money, repair the climate and grow the economy".

For the committee,
Michael J. Rodrigues

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1 SECTION 1. Paragraph (1) of subsection (c) of section 22 of chapter 21A of the General
2 Laws, as appearing in the 2024 Official Edition, is hereby amended by inserting the following
3 clause:- (i) to fund the Electric Vehicle Adoption Incentive Trust Fund established in section 19
4 of chapter 25A;

5 SECTION 2. Chapter 21N of the General Laws is hereby amended by striking out section
6 3B, as so appearing, and inserting in place thereof the following section:-

7 Section 3B. Upon the department approving a new plan under section 21 of chapter 25,
8 the secretary shall set a goal, expressed in tons of carbon dioxide equivalent, for the plan's
9 contribution to meeting each statewide greenhouse gas emissions limit and sublimit adopted
10 pursuant to this chapter.

11 SECTION 3. Section 1 of chapter 23J of the General Laws, as so appearing, is hereby
12 amended by striking out the definitions of "Clean energy" and "Clean energy research" and
13 inserting in place thereof the following 2 definitions:-

14 "Clean energy", advanced and applied technologies that significantly reduce or eliminate
15 the use of energy from nonrenewable sources, including, but not limited to: (i) energy efficiency;
16 (ii) demand response; (iii) energy conservation; (iv) carbon dioxide removal; (v) embodied

17 carbon reduction; or (vi) technologies powered, in whole or in part, by the sun, wind, water,
18 clean thermal energy, geothermal energy, including networked geothermal and deep geothermal
19 energy, hydrogen produced by non-fossil fuel sources and methods, alcohol, fuel cells, fusion
20 energy, nuclear fission or any other renewable, nondepletable or recyclable fuel; provided,
21 however, that "clean energy" shall include an alternative energy generating source as defined in
22 clauses (i) to (vi), inclusive, of subsection (a) of section 11F½ of chapter 25A.

23 "Clean energy research", advanced and applied research in new clean energy
24 technologies, including: (i) solar photovoltaic; (ii) solar thermal; (iii) wind power; (iv) clean
25 thermal energy including but not limited to, geothermal energy, including networked geothermal
26 and deep geothermal energy; (v) wave and tidal energy; (vi) advanced hydropower; (vii) energy
27 transmission and distribution; (viii) energy storage; (ix) renewable biofuels, including ethanol,
28 biodiesel and advanced biofuels; (x) renewable, biodegradable chemicals; (xi) advanced thermal-
29 to-energy conversion; (xii) fusion energy; (xiii) hydrogen produced by non-fossil fuel sources
30 and methods; (xiv) carbon capture and sequestration; (xv) carbon dioxide removal; (xvi) energy
31 monitoring; (xvii) green building materials and embodied carbon reduction; (xviii) energy
32 efficiency; (xix) energy-efficient lighting; (xx) gasification and conversion of gas to liquid fuels;
33 (xxi) industrial energy efficiency; (xxii) demand-side management; (xxiii) fuel cells; and (xxiv)
34 nuclear fission; provided, however, that "clean energy research" shall not include advanced and
35 applied research in coal, oil or natural gas.

36 SECTION 4. Section 8 of said chapter 23J, as so appearing, is hereby amended by
37 striking out clause (x) and inserting in place thereof the following clause:- (x) clean thermal
38 energy, geothermal energy, including networked geothermal and deep geothermal energy; and

39 SECTION 5. Subsection (f) of section 9 of said chapter 23J, as so appearing, is hereby
40 amended by striking out the first sentence and inserting in place thereof the following sentence:-
41 For the purposes of expenditures from the trust fund, “renewable energy technologies eligible for
42 assistance” shall mean technologies eligible as class I or class II renewable energy generating
43 sources under section 11F of chapter 25A, microcombined heat and power units less than 60
44 kilowatts, solar hot water, clean thermal energy, geothermal heating and cooling projects,
45 including networked geothermal and deep geothermal energy, biomass thermal and storage and
46 conversion technologies connected to qualifying generation projects; provided, however, that
47 climatetech technologies eligible for assistance shall be consistent with the definition of
48 “climatetech” in section 1.

49 SECTION 6. Subsection (b) of section 3 of chapter 23M of the General Laws, as so
50 appearing, is hereby amended by striking out the first sentence and inserting in place thereof the
51 following sentence:- The agency shall, in conjunction with the department, develop program
52 guidelines governing the terms and conditions under which financing for commercial PACE
53 projects may be made available to the commercial sustainable energy program.

54 SECTION 7. Section 12N of chapter 25 of the General Laws, as so appearing, is hereby
55 amended by striking out, in line 7, the word “69W” and inserting in place thereof the following
56 word:- 69X.

57 SECTION 8. Section 19 of said chapter 25, as so appearing, is hereby amended by
58 striking out, in line 1, the words “shall require” and inserting in place thereof the following
59 words:- shall, subject to subsection (g) of section 21, require.

60 SECTION 9. Said section 19 of said chapter 25, as so appearing, is hereby further
61 amended by striking out, in lines 3 to 5, inclusive, the words “energy efficiency programs
62 including, but not limited to, demand side management programs” and inserting in place thereof
63 the following words:- programs supporting building decarbonization through the elimination of
64 fossil fuel end uses or the reduction of energy use through energy efficiency and load
65 management resources.

66 SECTION 10. Said section 19 of said chapter 25, as so appearing, is hereby further
67 amended by inserting after the figure “164”, in line 8, the following words:- ; provided, however,
68 that if a municipality or part of a municipality is served by a municipal light plant and by a gas
69 distribution company that is not owned by a corporate parent company that operates an electric
70 distribution company in the commonwealth, the department: (i) may, notwithstanding any
71 general or special law to the contrary, designate the municipal light plant or an electric
72 distribution company to administer building decarbonization and energy efficiency programs for
73 the municipality or part of the municipality; and (ii) shall promulgate regulations to effect that
74 designation.

75 SECTION 11. Subsection (a) of said section 19 of said chapter 25, as so appearing, is
76 hereby further amended by striking out the third and fourth sentences and inserting in place
77 thereof the following sentence:- In addition to the aforementioned mandatory charge, such
78 programs administered by the electric distribution companies, a municipal light plant subject to a
79 designation by the department pursuant to this subsection and municipal aggregators with energy
80 plans certified by the department under said subsection (b) of said section 134 of said chapter
81 164, shall be funded, without further appropriation, by: (i) amounts generated by the distribution
82 companies and municipal aggregators under the Forward Capacity Market program administered

83 by ISO–NE, as defined in section 1 of said chapter 164; (ii) cap and trade pollution control
84 programs subject to section 22 of chapter 21A including, but not limited to, not less than 80 per
85 cent of amounts generated by the carbon dioxide allowance trading mechanism established under
86 the Regional Greenhouse Gas Initiative as defined in subsection (a) of said section 22 of said
87 chapter 21A and the NOx Allowance Trading Program; (iii) the building decarbonization and
88 energy efficiency surcharge established pursuant to subsection (c) approved by the department;
89 and (iv) other funding as approved by the department after consideration of the: (A) effect of any
90 rate increases on residential and commercial consumers; and (B) availability of other private or
91 public funds, utility-administered or otherwise, that may be available for building
92 decarbonization, electrification, energy efficiency or load management.

93 SECTION 12. Said section 19 of said chapter 25, as so appearing, is hereby further
94 amended by striking out, in lines 35 to 37, inclusive, the words "gas energy efficiency programs
95 proposed by gas distribution companies including, but not limited to, demand side management
96 programs" and inserting in place thereof the following words:- the statewide building
97 decarbonization and energy efficiency investment plan and the actions directed in subsections (c)
98 and (d), from gas distribution companies to be directed to the electric distribution companies and
99 municipal aggregators with certified energy plans according to a method approved by the
100 department.

101 SECTION 13. Subsection (b) of said section 19 of said chapter 25, as so appearing, is
102 hereby further amended by striking out the second to fourth sentences, inclusive.

103 SECTION 14. Said section 19 of said chapter 25, as so appearing, is hereby further
104 amended by striking out subsections (c) and (d) and inserting in place thereof the following 2
105 subsections:-

106 (c) Building decarbonization and energy efficiency program funds shall be pooled as
107 approved by the department such that all pooled funds may be used to fund and deliver aspects
108 of the statewide building decarbonization and energy efficiency plan prepared pursuant to section
109 21, regardless of which electric distribution company, municipal aggregator, gas distribution
110 company or municipal light plant serves the ratepayer, as long as the customer is served by an
111 investor owned electric distribution company or gas distribution company. Not less than 20 per
112 cent of the statewide plan funds shall be allocated to the low-income residential sector to support
113 comprehensive residential building decarbonization, energy efficiency and education programs.

114 (d) Notwithstanding this section, the department shall annually direct the electric
115 distribution companies and municipal aggregators with certified energy plans to jointly transfer,
116 on or before December 31, not less than $12,000,000 in funds collected pursuant to this section
117 to the Climatetech Investment Fund established in section 15 of chapter 23J; provided, that funds
118 shall be appropriated for the climatetech equity workforce and market development program
119 pursuant to subsection (c) of section 13 of chapter 23J.

120 SECTION 15. Said chapter 25 is hereby further amended by striking out sections 21 and
121 22, as so appearing, and inserting in place thereof the following 2 sections:-

122 Section 21. (a)(1) Every 3 years, on or before March 31, the electric distribution
123 companies and municipal aggregators with certified energy plans shall, in coordination with the
124 energy efficiency advisory council established in section 22, jointly prepare a cost-effective

125 statewide building decarbonization and energy efficiency investment plan, which shall provide
126 for programs designed to support building decarbonization through the elimination of fossil fuel
127 end uses or the reduction of fossil fuel energy use through energy efficiency and load
128 management resources; provided, however, that the plan shall, in a cost effective manner, be
129 prepared with substantial consideration of impacts on ratepayers' bills and the prudent use of
130 ratepayer funds and designed to maximize energy efficiency and reduce greenhouse gas
131 emissions to help meet statewide greenhouse gas emission limits and sublimits adopted pursuant
132 to chapter 21N.

133 (2) The statewide plan shall include: (i) an assessment performed by the department of
134 energy resources of the estimated lifetime cost, reliability and magnitude of available building
135 decarbonization, energy efficiency and load management resources; (ii) the amount of demand
136 resources, including building decarbonization, electrification, efficiency, conservation, demand
137 response and load management, that are proposed to be acquired under the plan and the basis for
138 this determination; (iii) the estimated energy cost savings that the acquisition of such resources
139 will provide to electricity and natural gas consumers, including, but not limited to, reductions in
140 capacity and energy costs and increases in rate stability and affordability for customers,
141 including low-income customers; (iv) the cost-effective budget with consideration of ratepayer
142 bill impacts, that is needed to support the programs; (v) a fully reconciling funding mechanism,
143 which may include, but shall not be limited to, the charge authorized by section 19; (vi) the
144 estimated amount of reduction in peak load that will be realized from each option; (vii) an
145 estimate of the social value of greenhouse gas emissions reductions that will result from the plan,
146 including a numerical value of the plan's contribution to meeting each statewide greenhouse gas
147 emissions limit and sublimit set by statute or regulation, together with provisions for giving each

148 value prominent display in communications and plan documents; (viii) data showing the
149 percentage of all monies collected that will be used for direct consumer benefit, such as
150 incentives and technical assistance to carry out the plan; (ix) consideration of historic and present
151 program participation by low- and moderate-income households, renters and small business
152 ratepayers; (x) strategies and investments that the programs will undertake to achieve equitable
153 access for low- and moderate-income households, renters and small business ratepayers and
154 reduce or eliminate any disparities in program uptake, including consideration of a sliding scale
155 of subsidies for homes based on the home's assessed value; (xi) an analysis of ratepayer bill
156 impacts, including illustrative annual rate and bill impacts; and (xii) a method for capturing the
157 following data to assess the plan's services to low- and moderate-income households, renters and
158 small business ratepayers: (A) the total number of ratepayers per municipality served; (B) the
159 total statewide plan surcharge dollars paid by ratepayers as part of their utility bills per
160 municipality served; and (C) the total incentives provided by the program administrators by
161 municipality served, delineated by utility and sector, including residential, residential low-
162 income and commercial and industrial. The plan may include a proposed mechanism which
163 provides performance incentives to the companies based on their success in meeting or
164 exceeding the building decarbonization, energy efficiency and load management goals in said
165 plan.

166 (3) The statewide plan shall include a description of programs, which may include, but
167 shall not be limited to: (i) energy efficiency and load management programs, including energy
168 storage and other active demand management technologies; (ii) a program to provide not more
169 than 1 per cent of funds to agencies or quasi-governmental agencies including, but not limited to,
170 the Massachusetts Community Climate Bank and MassDevelopment, through revolving funds or

171 loans to finance energy improvements; (iii) energy efficiency and load management programs,
172 including energy storage and other active demand management technologies; (iv) programs to
173 support building decarbonization through the elimination of fossil fuel end uses; (v) programs for
174 research, development and commercialization of products or processes, which support building
175 decarbonization through the elimination of fossil fuel end uses; (vi) programs for development of
176 markets for such products and processes, including recommendations for new appliance and
177 product efficiency standards; (vii) programs providing support for energy use assessment, real
178 time monitoring systems, engineering studies and services related to new construction or major
179 building renovation, including integration of such assessments, systems, studies and services
180 with building energy codes, programs and processes, or those regarding the development of high
181 performance or sustainable buildings that exceed building energy codes; (viii) programs for
182 planning and evaluation; (ix) programs providing commercial, industrial and institutional
183 customers with greater flexibility and control over building decarbonization and energy
184 efficiency investments funded by the programs at their facilities; (x) programs for public
185 education regarding building decarbonization, solar energy, energy efficiency and load
186 management programs; (xi) programs for the purchase of electric chargers, energy efficient
187 appliances and heating, air conditioning and lighting devices; (xii) programs delivering home
188 energy scorecards at the time of a home energy assessment; (xiii) programs that result in
189 customers switching to renewable energy sources or other clean energy technologies, including,
190 but not limited to, programs that combine efficiency and building decarbonization through the
191 electrification of fossil fuel end uses with renewable generation, solar energy, clean thermal
192 energy, as defined in section 3 of chapter 25A, and storage; (xiv) programs to serve targeted
193 geographic areas and provide enhanced services that differ from the statewide program offerings,

194 including programs offered as enhancements by municipal aggregators with energy plans
195 certified by the department under subsection (b) of section 134 of chapter 164; (xv) programs
196 that may result in greenhouse gas emission reductions or energy savings realized after the
197 statewide plan term; (xvi) programs to coordinate with gas utility non-pipeline alternatives
198 investments, including but not limited to clean thermal energy, as defined in section 3 of chapter
199 25A; and (xvii) services to assist customers in decarbonization, load management and energy
200 efficiency planning and implementation, which shall include education about other programs or
201 resources outside the statewide plan that support the adoption of solar energy, clean thermal
202 energy and other clean energy technology, building decarbonization measures, load management
203 measures or energy efficiency measures.

204 (4) The statewide plan shall not include spending on incentives, programs or support for
205 systems, equipment, workforce development or training as they relate to new fossil fuel
206 equipment unless such spending is for low-income households, emergency facilities, hospitals, a
207 backup thermal energy source for a heat pump where technically or economically necessary or
208 hard to electrify uses, such as industrial processes. The plan shall not allow for expenditures on
209 program planning and administration to exceed 5 per cent of the total energy efficiency
210 expenditures of the 3-year term.

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

216 measures to fossil fuel utilizing measures, and the calculation shall be subject to the conditions in
217 paragraph (2).

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

224 (3) Sector cost effectiveness shall be reviewed periodically by the department and by the
225 energy efficiency advisory council. For the purpose of reviewing cost effectiveness, programs
226 may be aggregated by sector. Any sector with a benefit cost ratio greater than 1.0 indicating
227 benefits are greater than costs shall be considered cost-effective. The department may adopt
228 alternative screening criteria appropriate for the evaluation of cost effectiveness of market
229 transformation programs. If a sector fails the cost-effectiveness test as part of the review process,
230 its component programs shall either be modified so that the sector meets the test or shall be
231 terminated.

232 (c) The low-income residential building decarbonization, load management and energy
233 efficiency and education programs shall be implemented through the low-income weatherization
234 and fuel assistance program network and shall be coordinated with the statewide plan with the
235 objective of standardizing implementation and ensuring that low income ratepayers remain
236 eligible for the low income weatherization assistance program approved by the United States
237 Department of Energy pursuant to Title IV of the Energy Conservation and Production Act.

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

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

245 (e) The statewide plan prepared under subsection (a) shall be submitted for approval and
246 comment by the energy efficiency advisory council organized pursuant to section 22 every 3
247 years on or before March 31. The electric distribution companies and municipal aggregators shall
248 provide any additional information requested by the council that is relevant to consideration of
249 the plan. The electric distribution companies and municipal aggregators shall work
250 collaboratively with the council to understand the impacts of proposed energy efficiency budgets
251 on ratepayers before the plans and budgets are finalized and presented to the department for
252 review. The electric distribution companies and municipal aggregators may make any changes or
253 revisions to reflect the input of the council.

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

259 (2) Not later than 120 days after submission of the statewide plan under this subsection,
260 the department shall issue a decision on the statewide plan which ensures that the electric
261 distribution companies and municipal aggregators with certified energy plans have, in a cost-
262 effective manner, considering ratepayers' bill impacts and the prudent use of any ratepayer
263 funds, complied with the requirements of this section and considered climate, environmental and
264 equity benefits, and shall approve, modify and approve or reject and require the resubmission of
265 the plan accordingly. The department shall determine the effectiveness of the plan on an annual
266 basis.

267 (3) The statewide plan approved pursuant to this subsection shall be in effect for 3 years.
268 Mid-term modifications to a sector that propose an increase to a sector budget shall not be
269 approved unless there is a corresponding decrease in said sector such that no increase occurs in
270 either the plan or a sector within the plan.

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

278 (g) If the electric distribution companies and municipal aggregators with certified energy
279 plans have not reasonably complied with the statewide plan, the department may open an
280 investigation. In any such investigation, the electric distribution companies and municipal

281 aggregators shall have the burden of proof to show whether there is good cause for failing to
282 reasonably comply with the statewide plan. If the electric distribution companies or municipal
283 aggregators do not meet this burden, the department may levy a fine of not more than the $0.05
284 per kilowatt-hour times the shortfall of kilowatt-hours saved, as applicable, depending upon the
285 facts and circumstances and degree of fault, which shall be paid to the department of energy
286 resources within 60 days after the end of the year in which the department levies the fine. The
287 fine shall not impact ratepayers and shall not be imposed on municipal aggregators with certified
288 energy plans. The department of energy resources shall use the fines collected under this
289 subsection to maximize programs supporting building decarbonization or energy efficiency.

290 (h) The need for a program administrator to prepare for meetings with the energy
291 efficiency advisory council during the department's 120-day review period after submission of
292 the plan shall not constitute good cause in a motion for an extension of time to respond to
293 discovery or in a motion for an extension of time to respond to a record request from the
294 department.

295 (i) All customer data collected by the electric and gas distribution companies and
296 municipal aggregators, contractors, vendors or other implementation partners as part of an
297 energy audit report or provision of energy efficiency and decarbonization services pursuant to
298 implementation of the approved statewide building decarbonization and energy efficiency
299 investment plans shall be confidential. No person shall disclose the name of a customer, the
300 contents of an energy audit report prepared for such customer or other customer information
301 associated with provision of energy efficiency and decarbonization services to any person other
302 than the following, unless the customer or subsequent purchaser waives his right to
303 confidentiality with respect to such information: (i) the customer; (ii) a subsequent purchaser of

304 the building serviced; (iii) the electric and gas distribution companies; (iv) municipal aggregators
305 that administer statewide building decarbonization and energy efficiency investment plans; (v)
306 the authorized vendors and other implementation partners of the electric and gas distribution
307 companies and municipal aggregators that administer statewide building decarbonization and
308 energy efficiency investment plans; (vi) the department of energy resources, its authorized
309 vendors and other implementation partners; and (vii) the executive office of energy and
310 environmental affairs; provided, however, that tenants in an audited building shall have the right
311 to inspect the energy audit report for the building in which they live.

312 Nothing in this section shall prohibit the sharing of customer data between electric and
313 gas distribution companies, municipal aggregators and municipal light plants as approved by the
314 department in furtherance of the commonwealth's public policy goals, including, but not limited
315 to, integrated energy planning.

316 All customer data collected pursuant to implementation of approved statewide building
317 decarbonization and energy efficiency investment plans, including, but not limited to, the name
318 of the customer, contents of an energy audit report, decarbonization or energy efficiency
319 measures installed and participation in load management and demand response programs, shall
320 not be deemed to be a public record as defined in clause Twenty-sixth of section 7 of chapter 4
321 and shall not be subject to demand for production under section 10 of chapter 66.

322 Section 22. (a) The commissioner shall appoint and convene an energy efficiency
323 advisory council, which shall consist of 19 members, including 1 person representing each of the
324 following: (i) middle income residential consumers; (ii) the low-income weatherization and fuel
325 assistance program network; (iii) the environmental community; (iv) large non-profit,

326 commercial and industrial end-users; (v) low- and moderate-income interests; (vi) building
327 decarbonization policy experts; (vii) organized labor, as recommended by the president of the
328 Massachusetts AFL-CIO; (viii) the department of environmental protection; (ix) the office of the
329 attorney general; (x) the executive office of economic development; (xi) Massachusetts
330 Nonprofit Network, Inc.; (xii) a city or town; (xiii) the Massachusetts Association of Realtors;
331 (xiv) a business located in the commonwealth that performs decarbonization services; (xv) the
332 department of energy resources; (xvi) banking, mortgage, lending and other institutions
333 specializing in real property finance; and (xvii) 3 members experienced in the management and
334 fiscal control of large private-sector business organizations. The council shall have a
335 subcommittee dedicated to the issues of affordability and ratepayer bill impacts of not fewer than
336 5 members, to be chaired by a member selected by the governor. Interested parties shall apply to
337 the department for designation as members. Members shall serve for terms of 5 years and may be
338 reappointed. The commissioner of the department of energy resources shall serve as chair of the
339 council. A member of the council who is a representative of building decarbonization policy
340 experts shall not have a contractual relationship with an electric or natural gas distribution
341 company doing business in the commonwealth, or any affiliate of such company, or any
342 municipal aggregator. There shall be 1 non-voting, ex-officio member from each of the electric
343 and natural gas distribution companies, 1 from each of the municipal aggregators, 1 from the
344 heating oil industry, 1 from ISO New England and 1 from the Massachusetts clean energy
345 technology center established pursuant to section 2 of chapter 23J.

346 (b) The council shall review the statewide plan prepared pursuant to section 21 and any
347 related information. The council shall, as part of the approval process by the department, seek to
348 maximize net economic benefits through building decarbonization or energy efficiency and load

349 management resources and to achieve energy, capacity, climate and environmental goals through
350 a sustained and integrated statewide building decarbonization and energy efficiency effort while
351 giving substantial consideration to the affordability and ratepayer bill implications of such effort.
352 The council shall: (i) review and approve program plans and budgets; (ii) work with program
353 administrators in preparing energy resource assessments; (iii) determine the economic, system
354 reliability, climate and air quality benefits of efficiency and load management resources; (iv)
355 conduct and recommend relevant research; and (v) recommend long-term building
356 decarbonization, efficiency and load management goals to maximize economic savings and
357 achieve environmental goals. The council shall, as part of its review of the statewide plan,
358 examine opportunities to offer joint programs providing similar efficiency measures that save
359 more than 1 fuel resource or to coordinate programs targeted at saving more than 1 fuel resource;
360 provided, however, that any costs for joint programs shall be allocated equitably among the
361 programs. Approval of building decarbonization, energy efficiency and demand response plans
362 and budgets shall require a 2/3 vote. The council shall submit its approval and comments to the
363 electric distribution companies and municipal aggregators not later than 3 months after
364 submission of the plan, following which the electric distribution companies and municipal
365 aggregators may make any changes or revisions to the plan to reflect the input of the council.

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

370 Annually, the council shall submit to the department a proposal regarding the level of
371 funding required for the retention of expert consultants and reasonable administrative costs. The

372 proposal shall be approved by the department either as submitted or as modified by the
373 department. The department shall allocate funds sufficient for these purposes from the electric
374 and gas energy efficiency funds authorized under sections 19 and 21; provided, however, that
375 such allocation shall not exceed 1 per cent of such funding on an annual basis. The consultants
376 used under this section shall be experts in building decarbonization, load management and
377 energy efficiency and shall be independent.

378 (d) The electric distribution companies and municipal aggregators shall provide quarterly
379 reports to the council on the implementation of the statewide plan. The reports shall include: (i) a
380 description of the progress in implementing the statewide plan; (ii) a summary of the savings
381 secured to date; (iii) a quantification of the degree to which the activities undertaken pursuant to
382 the statewide plan contribute to meeting the greenhouse gas emission reduction goal set forth by
383 the secretary of energy and environmental affairs pursuant to section 3B of chapter 21N; and (iv)
384 such other information as the council shall reasonably determine. Annually, as part of a quarterly
385 report required under this subsection, the electric distribution companies and municipal
386 aggregators shall, in order to assess the statewide plan's services to low- and moderate-income
387 households, renters and small business ratepayers, provide, consistent with the data aggregation
388 method approved by the department, the: (i) total number of ratepayers per municipality served;
389 (ii) total energy efficiency surcharge dollars paid by ratepayers as part of their utility bills per
390 municipality served; and (iii) total incentives provided by the program administrators by
391 municipality served, delineated by utility and sector, including residential, residential low-
392 income and commercial and industrial. The electric distribution companies and municipal
393 aggregators shall provide an annual report to the department and the joint committee on
394 telecommunications, utilities and energy on the implementation of the plan. The annual report

395 shall include descriptions of the programs, expenditures, cost-effectiveness and savings and other
396 benefits during the previous year and a quantification of the degree to which the activities
397 undertaken pursuant to each plan contribute to meeting all greenhouse gas emission limits and
398 sublimits imposed by law. The quarterly and annual reports shall be made available to the
399 public.

400 SECTION 16. Subsection (d) of section 21 of said chapter 25, inserted by section 15, is
401 hereby amended by striking out paragraph (2).

402 SECTION 17. Said chapter 25 is hereby further amended by adding the following
403 section:-

404 Section 24. (a) The department shall maintain a real-time, online, retail residential
405 customer bill assessment dashboard, which shall use bar charts, line charts or other visual
406 representations to facilitate public understanding of both current and historical bill components
407 charged to retail residential customers by each gas company and electric company, as defined in
408 section 1 of chapter 164. The dashboard shall also include a summary explanation of each
409 customer bill component and the corresponding utility cost recovery mechanism. The department
410 shall make the dashboard publicly available in a machine-readable format.

411 (b) The department shall also include an analysis of the benefits of any clean energy,
412 greenhouse gas reduction, energy efficiency and demand response programs and procurements
413 and any other programs, procurements or investments funded, in whole or in part, by electric or
414 gas utility customers on such dashboard, as deemed appropriate by the department. Any
415 quantitative analysis shall include the direct and indirect electric system benefits of such
416 programs, procurements and investments, such as system reliability and avoided energy costs,

417 indirect climate, health and economic benefits and any other benefits deemed appropriate by the
418 department. The department shall develop such analysis with the department of energy resources,
419 in consultation with the office of the attorney general.

420 (c) The department shall conduct periodic comprehensive customer bill assessment
421 investigations, which shall include, but not be limited to, identifying: (i) each cost component of
422 the residential customer bills for each gas company and electric company and each associated
423 utility cost recovery mechanism and regulatory approval process; (ii) the annual rate increase for
424 each cost component for the previous 10 years; (iii) the specific authorization, whether by
425 statute, regulation, department order or otherwise, of each cost component appearing on a gas or
426 electric company residential customer's bill and the date that the cost component was first
427 authorized; (iv) a comparison of cost components, individually or grouped as deemed
428 appropriate by the department, to current and historical cost components charged by investor
429 owned utilities in the states of Maine, Vermont, New Hampshire, Rhode Island and Connecticut;
430 and (v) the current and average total cost for each cost component to each residential customer
431 class per kilowatt-hour or per therm, and on a monthly basis for a typical user in each rate class.
432 The investigations shall also consider whether it is in the public interest to establish a maximum
433 threshold for the amount charges assessed to gas or electric company residential customers may
434 change from one month to another month and, if so, what the appropriate threshold should be.
435 The department shall solicit public comment during the course of its investigation. The
436 department shall complete an initial comprehensive customer bill assessment investigation
437 within 180 days of the effective date of this section, update such investigation thereafter at
438 intervals of not more than 3 years and make the findings of each investigation accessible in the
439 retail residential customer bill assessment dashboard, as described in subsection (a).

440 SECTION 18. Section 2 of chapter 25A of the General Laws, as appearing in the 2024
441 Official Edition, is hereby amended by striking out the second paragraph and inserting in place
442 thereof the following paragraph:-

443 There shall be within the department: (i) a division of energy efficiency, which shall
444 work with the department of public utilities regarding energy efficiency programs; (ii) a division
445 of renewable and alternative energy development, which shall oversee and coordinate activities
446 that seek to maximize the installation of renewable and alternative energy generating sources that
447 will provide benefits to ratepayers, advance the production and use of biofuels and other
448 alternative fuels as the division may define by regulation and administer the renewable portfolio
449 standard and the alternative portfolio standard; (iii) a division of green communities, which shall
450 serve as the principal point of contact for local governments and other governmental bodies
451 concerning all matters under the jurisdiction of the department of energy resources, with the
452 exception of matters involving the siting and permitting of small clean energy infrastructure
453 facilities; (iv) a division of clean energy procurement, which shall develop resource solicitation
454 plans, administer procurements for clean energy generation and energy services and negotiate
455 and manage contracts with clean energy generation and energy service facilities; and (v) a
456 division of clean energy siting and permitting, which shall establish standard conditions, criteria
457 and requirements for the siting and permitting of small clean energy infrastructure facilities by
458 local governments and provide technical support and assistance to local governments, small
459 clean energy infrastructure facility project proponents and other stakeholders impacted by the
460 siting and permitting of small clean energy infrastructure facilities at the local government level.
461 Each division shall be headed by a director appointed by the commissioner and shall be a person
462 of skill and experience in the field of energy efficiency, renewable energy or alternative energy,

463 energy regulation or policy, project development contracting and finance and land use and
464 planning. Each director shall be the executive and administrative head of their respective division
465 and shall be responsible for administering and enforcing the law relative to their division and to
466 each administrative unit thereof under the supervision, direction and control of the
467 commissioner. Each director shall serve at the pleasure of the commissioner, receive such salary
468 as may be determined by law and devote full time during regular business hours to the duties of
469 their office. In the case of an absence or vacancy in the office of a director, or in the case of
470 disability as determined by the commissioner, the commissioner may designate an acting director
471 to serve as director until the vacancy is filled or the absence or disability ceases. The acting
472 director shall have all the powers and duties of the director and shall have similar qualifications
473 as the director.

474 SECTION 19. Section 3 of said chapter 25A, as so appearing, is hereby amended by
475 inserting after the definition of "Clean peak resource" the following definition:-

476 "Clean thermal energy", energy derived from renewable and nonfossil sources that can be
477 delivered through technology that moves or captures heat rather than produces it through
478 combustion, including, but not limited to, geothermal energy and energy derived from
479 wastewater, waste heat, solar sources, ambient air sources or other noncombustion sources;
480 provided, however, that such energy shall not emit a greenhouse gas as defined in section 1 of
481 chapter 21N; and provided further, that such energy may be delivered as a product to a
482 distributed network of buildings from a central location and may take the form of, or rely upon,
483 hot water or steam.

484 SECTION 20. Said section 3 of said chapter 25A, as so appearing, is hereby further
485 amended by inserting after the definition of “Energy savings” the following definition:-

486 “Geothermal energy”, energy derived from (i) surface and subsurface ground sources,
487 including bedrock and the earth beneath the bedrock; (ii) surface water, including the rivers,
488 ponds and lakes within the commonwealth and the sea adjacent to the commonwealth; and (iii)
489 subsurface water within the commonwealth, including groundwater, springs and aquifers;
490 provided, however, that such energy shall not emit a greenhouse gas as defined in section 1 of
491 chapter 21N; and provided further, that such energy may take the form of deep geothermal
492 energy.

493 SECTION 21. Section 6 of said chapter 25A, as so appearing, is hereby amended by
494 striking out, in line 63, the word “and”.

495 SECTION 22. Said section 6 of said chapter 25A, as so appearing, is hereby further
496 amended by striking out clause (15) and inserting in place thereof the following 2 clauses:-

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

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

504 SECTION 23. Section 7 of said chapter 25A, as so appearing, is hereby amended by
505 striking out, in line 21 and 22, the words "with total storage capacity of over fifty thousand
506 gallons".

507 SECTION 24. Said Section 7 of said chapter 25A, as so appearing, is hereby further
508 amended by striking out the third paragraph and inserting in place thereof the following 2
509 paragraphs:-

510 All electric companies, gas companies, transmission companies, distribution companies,
511 suppliers and aggregators, as defined in section 1 of chapter 164, and suppliers of natural gas,
512 including aggregators, marketers, brokers and marketing affiliates of gas companies, excluding
513 gas companies, as defined in said section 1 of said chapter 164, engaged in distributing or selling
514 electricity or natural gas in the commonwealth shall make accurate reports to the department in
515 such form and at such times, which shall be not less than quarterly, as the department shall
516 require pursuant to this section. Each such company, supplier and aggregator shall report semi-
517 annually to the department the average of all rates charged for default, low-income and standard
518 offer service to each customer class and for each sub-class within the residential class,
519 respectively; provided, however, that all such rate information so reported pursuant to this
520 paragraph shall be deemed public information, and no such rate information shall be protected as
521 trade secrets, confidential, competitively sensitive or other proprietary information pursuant to
522 section 5D of chapter 25. Each such company, supplier and aggregator shall report to the
523 department, in such form and at such times as the department shall require, detailed and accurate
524 information, including, but not limited to, data regarding number of customers, load served,
525 amounts billed to customers in dollars, renewable and clean energy attribute certificate purchases

526 and supply product offerings. The department may make such information, or aggregates of such
527 information, available to the public on its website.

528 All resellers of petroleum products, including retail heating oil and propane suppliers,
529 doing business in the commonwealth shall make accurate reports of price, inventory and product
530 delivery data to the department in such form and at such time as the department shall require. A
531 retail heating oil or propane supplier who operates in the commonwealth shall make the daily
532 delivery price of heating oil or propane for residential heating customers available in a clear and
533 conspicuous manner. If the retail heating oil or propane supplier operates a website for customers
534 in the commonwealth, the daily delivery price shall be clearly and conspicuously displayed on
535 the dealer's website.

536 SECTION 25. Section 10 of said chapter 25A, as so appearing, is hereby amended by
537 striking out, in line 57, the figure "164" and inserting in place thereof the following figure:- 21A.

538 SECTION 26. Subsection (a) of section 11F of said chapter 25A, as so appearing, is
539 hereby amended by striking out clauses (5) and (6) and inserting in place thereof the following 5
540 clauses:- (5) an additional 3 per cent of sales each year thereafter until December 31, 2026; (6)
541 an additional 1 per cent of sales thereafter until December 31, 2030; (7) an additional 3 per cent
542 of sales each year thereafter until December 31, 2033; (8) an additional 2 per cent of sales each
543 year thereafter until December 31, 2036; and (9) an additional 1 per cent of sales each year
544 thereafter.

545 SECTION 27. Section 11F½ of said chapter 25A, as so appearing, is hereby amended by
546 striking out subsection (a) and inserting place thereof the following subsection:-

547 (a) The department shall establish an alternative energy portfolio standard for all retail
548 electricity suppliers selling electricity to end-use customers in the commonwealth. Every retail
549 electric supplier providing service under contracts executed or extended on or after January 1,
550 2009 shall provide a minimum percentage of kilowatt-hour sales, as determined by the
551 department, to end-use customers in the commonwealth from alternative energy generating
552 sources, and the department shall annually thereafter determine the minimum percentage of
553 kilowatt-hour sales to end-use customers in the commonwealth, which shall be derived from
554 alternative energy generating sources. For the purposes of this section, "alternative energy
555 generating source" shall mean a source which generates energy using any of the following: (i)
556 combined heat and power; (ii) flywheel energy storage; (iii) energy efficient steam technology;
557 (iv) fuel cells; (v) any facility that generates useful thermal energy using sunlight, biomass,
558 biogas, liquid biofuel or waste-to-energy that is a component of either conventional municipal
559 solid waste plant technology in commercial use or naturally occurring temperature differences in
560 ground, air or water, whereby 1 megawatt-hour of alternative energy credit shall be earned for
561 every 3,412,000 British thermal units of net useful thermal energy produced and verified through
562 an on-site utility grade meter or other means satisfactory to the department; ; or (vi) any other
563 alternative energy technology approved by the department under an administrative proceeding
564 conducted under chapter 30A; provided, however, that facilities using biomass fuel shall be low-
565 emission and use efficient energy conversion technologies and fuel that is produced by means of
566 sustainable forestry practices; provided, further, that no biomass or combined heat and power
567 source shall be eligible for qualification under this section unless it has submitted a complete
568 application for qualification to the department on or before January 1, 2028; provided further,
569 that any application submitted after such date shall be deemed ineligible for qualification;

570 provided further, that for the purposes of this section, "complete application" shall mean an
571 application that includes all information and documentation required by the department's
572 regulations for qualification under this section, as in effect on the date the application is
573 submitted. The following technologies and fuels shall not be considered alternative energy
574 generating sources: (i) coal; (ii) petroleum coke; (iii) oil; (iv) natural gas, except when used in
575 combined heat and power or as a biogas generating useful thermal energy or fuel cell
576 technology; (v) construction and demolition debris, including, but not limited to, chemically-
577 treated wood; and (F) nuclear power.

578 SECTION 28. Section 11G of said chapter 25A, as so appearing, is hereby amended by
579 striking out, in lines 2, 4, 10, 14 and 15, the word "energy" and inserting in place thereof, in each
580 instance, the following words:- building decarbonization and energy.

581 SECTION 29. Said section 11G of said chapter 25A, as so appearing, is hereby further
582 amended by striking out, in line 11, the word "weatherization" and inserting in place thereof the
583 following words:- building decarbonization, weatherization.

584 SECTION 30. Said chapter 25A is hereby further amended by striking out section 14, as
585 so appearing, and inserting in place thereof the following section:-

586 Section 14. (a) A state agency, building authority, local governmental body or the
587 judiciary may contract for energy conservation, building decarbonization and energy efficiency
588 projects that have a total project cost of not more than $300,000, directly and without further
589 solicitation, with electric and gas utilities, their subcontractors, contractors certified by the
590 division of capital asset management and maintenance and other providers of energy
591 conservation, building decarbonization and energy efficiency services authorized under sections

592 19 and 21 of chapter 25 and section 11G. For the purposes of this section, “energy conservation,
593 building decarbonization and energy efficiency projects” shall mean projects to promote energy
594 conservation, building decarbonization and energy efficiency, including, but not limited to: (i)
595 energy conserving modification to windows and doors; (ii) caulking and weatherstripping; (iii)
596 insulation; (iv) automatic energy control systems; (v) hot water systems; (vi) equipment required
597 to operate variable steam, hydraulic and ventilating systems; (vii) plant and distribution system
598 modifications; (viii) devices for modifying fuel openings and thermal conduits; (ix) electrical or
599 mechanical motor or furnace ignition systems; (x) utility plant system conversions; (xi)
600 replacement or modification of lighting fixtures; (xii) energy recovery systems; (xiii) on-site
601 electrical generation equipment using new renewable energy generating sources as defined in
602 section 11F; (xiv) decarbonization activities; and (xv) cogeneration systems.

603 (b) For purposes of this section, “total project cost” shall mean all construction costs of
604 an energy conservation project applicable to a discrete building or property, whether borne by
605 the utility, state agency, building authority, local governmental body or the judiciary, including,
606 but not limited to, the costs associated with equipment purchase and installation of such
607 equipment. Ancillary services provided at no cost by utilities, such as auditing and design, shall
608 not be considered part of project cost.

609 (c) A state agency, building authority, local governmental body or the judiciary may pay
610 for such energy conservation, building decarbonization and energy efficiency projects through
611 additions to their monthly utility bills.

612 (d) Sections 44A to 44M, inclusive, of chapter 149 and section 39M of chapter 30 shall
613 not apply to contracts entered into under this section.

614 (e) Notwithstanding subsection (a), the division of capital asset management and
615 maintenance may contract for energy conservation, building decarbonization and energy
616 efficiency projects that have a total project cost of not more than $500,000, directly and without
617 further solicitation, with electric and gas utilities, their subcontractors, contractors certified by
618 the division and other providers of such energy conservation, building decarbonization and
619 energy efficiency projects authorized under sections 19 and 21 of chapter 25 and section 11G.

620 SECTION 31. Said chapter 25A is hereby further amended by inserting after section 17
621 the following section:-

622 Section 17A. (a) The department may develop a statewide energy storage incentive
623 program to encourage the continued development of energy storage resources connected to the
624 electric distribution system throughout the commonwealth. If the department develops the
625 program, the department shall promulgate rules and regulations implementing the program
626 which: (i) promote the orderly transition to a stable and self-sustaining energy storage market at
627 a reasonable cost to ratepayers; (ii) consider underlying system costs, including, but not limited
628 to, storage costs, balance of system costs, installation costs and soft costs; (iii) take into account
629 any federal or state incentives; (iv) minimize direct and indirect program costs and barriers; (v)
630 consider environmental benefits, energy demand reduction, distribution system benefits and
631 other avoided costs provided by energy storage resources; (vi) encourage energy storage resource
632 deployment where it can provide benefits to the distribution system; (vii) ensure that the costs of
633 the program are shared collectively among all ratepayers of the distribution companies; and (viii)
634 promote investor confidence through long-term incentive revenue certainty and market stability.

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

640 SECTION 32. Section 19 of said chapter 25A, as so appearing, is hereby amended by
641 striking out subsection (a) and inserting in place thereof the following subsection:-

642 (a) There shall be an Electric Vehicle Adoption Incentive Trust Fund to be expended,
643 without further appropriation, by the department of energy resources for funding electric vehicle
644 incentive programs consistent with this section. The fund shall be credited with: (i) money from
645 public and private sources, including gifts, grants and donations; (ii) interest earned on such
646 money; (iii) any other money authorized by the general court and specifically designated to be
647 credited to the fund; and (iv) any funds provided from other sources; provided, that the
648 department shall, subject to the availability of sufficient proceeds, rely on the RGGI Auction
649 Trust Fund established in section 35II of chapter 10 to fund the Electric Vehicle Adoption
650 Incentive Trust Fund and the green communities program established in section 10. The
651 department shall expend amounts from the Electric Vehicle Adoption Incentive Trust Fund
652 sufficient to pay rebates and other financial incentives to all parties qualified to receive them
653 pursuant to subsections (b) to (d), inclusive. No expenditure from the Electric Vehicle Adoption
654 Incentive Trust Fund shall cause the fund to be deficient at the close of a fiscal year. Revenues
655 deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the
656 General Fund and shall be available for expenditure in the following fiscal year. If, in the
657 estimate of the commissioner, rebates and other financial incentives paid or projected to be paid

658 to consumers are likely to exceed the revenue available in such fund during the current fiscal
659 year or the 12 months ensuing immediately thereafter, the commissioner shall make additional
660 funds available as needed from alternative compliance payments collected pursuant to sections
661 11F, 11F ½, and 17.

662 SECTION 33. Said chapter 25A is hereby further amended by adding the following 5
663 sections:-

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

666 "Clean energy generation", electrical energy output, or that portion of the electrical
667 energy output, excluding any electrical energy utilized for parasitic load of a clean existing
668 generation unit, that qualifies under clean energy standard regulations established pursuant to
669 subsection (c) of section 3 of chapter 21N.

670 "Clean energy solicitation", a competitive solicitation for clean energy associated
671 environmental attributes or energy services completed by the department conducted pursuant to
672 this section.

673 "Commercial operation date", the date defined in a contract on which an energy
674 generation project is deemed to be fully capable of delivering power to the grid on a commercial
675 basis.

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

677 "Energy services", operation of infrastructure that increases the efficiency, deliverability
678 or reliability of clean energy generation or reduces the cost of clean energy generation, including,

679 but not limited to, transmission, advanced transmission, energy storage, load management and
680 demand response technologies.

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

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

687 (b) Notwithstanding any general or special law to the contrary, in order to maximize the
688 commonwealth's ability to achieve compliance with limits and sublimits established pursuant to
689 sections 3 and 3A of chapter 21N, the department shall investigate the necessity, benefits and
690 risks of solicitations for environmental attributes or energy services, competitively solicit for
691 environmental attributes or energy services established pursuant to said sections 3 and 3A of said
692 chapter 21N and may negotiate and enter into long-term contracts for such environmental
693 attributes or energy services.

694 (c) The department shall publish a resource solicitation plan, which shall include, but not
695 be limited to: (i) a description of the clean energy generation and energy services needs sufficient
696 to maximize the commonwealth's ability to achieve compliance with the limits and sublimits
697 established pursuant to sections 3 and 3A of chapter 21N, including resource type, nameplate
698 capacity amounts and commercial operation dates for new resources; (ii) a recommended
699 schedule for clean energy solicitations that the department will conduct within the subsequent 3
700 years following the department of public utilities approval of the resource solicitation plan;

701 provided, however, that the resource solicitation plan shall include procurements for offshore
702 wind energy generation that in total equal not less than 10 gigawatts of aggregate nameplate
703 capacity not later than December 31, 2040; and provided further, that the resource solicitation
704 plan shall include solar procurements that in total equal 10 gigawatts of aggregate nameplate
705 capacity not later than December 31, 2040; (iii) economic development objectives and
706 requirements for the clean energy solicitations; (iv) a mechanism for the distribution companies
707 to recover the costs associated with long-term contracts for environmental attributes or energy
708 services entered into by the department under this section, including any administrative costs to
709 support the department's requirements under this section; and (v) a review of the previous clean
710 energy solicitations, if applicable, and recommendations to make it likely that future solicitations
711 will improve on the results of earlier ones. The department shall consult with the department of
712 public utilities and the office of the attorney general in the development of the resource
713 solicitation plan under this subsection prior to filing at the department of public utilities;
714 provided, however. That any ex parte rules established by the department of public utilities shall
715 not apply to such consultation process. The department may revise and resubmit the resource
716 solicitation plan to the department of public utilities if the department is seeking a revised
717 schedule of procurements or additional procurements.

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

721 (e) The department shall file the resource solicitation plan and its recommendations with
722 the department of public utilities. The department of public utilities shall review the resource
723 solicitation plan and recommendations to determine whether the resource solicitation plan is a

724 reasonable, appropriate and cost-effective mechanism to achieve the goals of this section. The
725 department of public utilities shall approve, approve with modifications or reject the plan within
726 7 months of submission. Upon approval of the resource solicitation plan, the department of
727 public utilities shall, not later than 3 months thereafter, require the distribution companies to
728 jointly propose tariffs consistent with the approved resource solicitation plan to recover costs
729 associated with all long-term contracts pursuant to this section; provided, however, that the
730 distribution companies shall not receive any remuneration, benefit or fee to compensate for costs
731 associated with such contracts. The tariffs shall apportion costs associated with such contracts to
732 be recovered from ratepayers among the distribution companies.

733 (f) The method for the clean energy solicitations shall be proposed by the department and
734 shall utilize a competitive bidding process. The department shall consult with the attorney
735 general and may consult with other state agencies as applicable regarding the choice of
736 solicitation methods. The department may coordinate any solicitation under this section with
737 other states, municipal light plants, a municipality or group of municipalities with an approved
738 municipal load aggregation plan pursuant to section 134 of chapter 164 or other governmental
739 and nongovernmental organizations; provided, however, that the department shall describe any
740 impacts that such coordination may have on the solicitation, including any impacts to nameplate
741 capacity amounts or quantities of clean energy generation attributes sought in its solicitation.
742 After notice and the opportunity for public comment, the department shall proceed with the clean
743 energy solicitation. The department may competitively solicit proposals for long-term contracts
744 for environmental attributes or energy services or a combination of both. The department may
745 consult with other states, federal agencies and regional organizations including, but not limited
746 to, ISO New England Inc. or its successor; provided, however, that when reasonable proposals

747 have been received, the department shall make or cause to be made filings as necessary through
748 the appropriate jurisdictional mechanism and enter into long-term contracts that are consistent
749 with the limits and sublimits established pursuant to chapter 21N.

750 (g) Each solicitation shall require that bidders provide: (i) documentation reflecting the
751 bidder's demonstrated commitment to workforce or economic development within the
752 commonwealth; (ii) a statement of intent concerning efforts that the bidder and its contractors
753 and subcontractors will make to promote workforce or economic development in the
754 commonwealth through the project; (iii) documentation reflecting the bidder's demonstrated
755 commitment to expand workforce and supplier diversity, equity and inclusion; (iv)
756 documentation as to whether the bidder and its contractors and subcontractors participate in a
757 state or federally certified apprenticeship program and the number of apprentices the
758 apprenticeship program has trained to completion for each of the last 5 years; (v) a statement of
759 intent concerning how or if the bidder and its contractors and subcontractors intend to utilize
760 apprentices on the project; (vi) documentation relative to the bidder and its contractors and
761 subcontractors regarding their history of compliance with chapters 149, 151, 151A, 151B and
762 152, 29 U.S.C. § 201, et seq. and applicable federal antidiscrimination laws; (vii) documentation
763 that the bidder and its contractors and subcontractors are currently, and will remain, in
764 compliance with chapters 149, 151, 151A, 151B, and 152, 29 U.S.C. § 201, et seq. and
765 applicable federal anti-discrimination laws for the duration of the project; (viii) documentation of
766 the bidder's history with picketing, work stoppages, boycotts or other economic actions against
767 the bidder and a description or plan on how the bidder intends to prevent or address such actions;
768 (ix) documentation relative to whether the bidder and its contractors have been found in violation
769 of state or federal safety regulations in the previous 10 years; and (x) a plan for benefits from the

770 project for moderate and low-income ratepayers in the commonwealth. The department may
771 require a wage bond or other comparable form of insurance in an amount to be set by the
772 department to ensure compliance with law, certifications or department obligations. The
773 department shall give preference for proposals that demonstrate that their plans provide benefits
774 to the commonwealth and demonstrate commitment to secure those benefits through firm and
775 binding agreements or contracts. The electric distribution companies may provide the department
776 technical advice on the costs and benefits of the proposals.

777 (h) Each solicitation shall notify bidders that bidders shall be disqualified from the
778 solicitation if the bidder has been debarred by the commonwealth for the entire term of the
779 debarment.

780 (i) Bidders shall, in a timely manner, provide documentation and certifications as
781 required by law or otherwise directed by the department. For the purpose of considering any
782 contract adjustments that may be requested pursuant to subsection (j), bidders shall include a
783 separate confidential bid file containing key information regarding assumed capital costs,
784 financing costs, inflation rates, tax benefits, energy production profiles and similar information
785 on which the bid is based. Incomplete or inaccurate information may be grounds for
786 disqualification, dismissal or other action deemed appropriate by the department. Proposals
787 received pursuant to a solicitation under this section shall be subject to review by the department,
788 in consultation with the executive office of economic development, the executive office of
789 energy and environmental affairs, the supplier diversity office and other state agencies as
790 applicable. The department may request that other state agencies consulted pursuant to this
791 subsection review and score proposals on specific criteria as established in the clean energy
792 solicitation. Proposals received pursuant to a solicitation under this section may be subject to

793 review by the electric distribution companies in order for such companies to develop and provide
794 technical advice.

795 (j) The department shall issue a final, binding determination of the selected bid or bids;
796 provided, however, that the final contract or contracts executed shall be subject to review by the
797 department of public utilities. The department shall propose draft long-term contracts and take all
798 reasonable actions to structure the contracts, pricing or administration of the products purchased
799 under this section to contribute towards achieving compliance with limits and sublimits
800 established pursuant to sections 3 and 3A of chapter 21N in a cost-effective manner that
801 minimizes rate-payer impacts. The department shall consider the use of pricing mechanisms or
802 pricing structures, including, but not limited to, indexed pricing. Such contracts shall provide for
803 mechanisms that allow the department and the bid awardee to request upward or downward price
804 adjustments for each bid or long-term contract, subject to review and approval by the department
805 of public utilities and shall protect ratepayers and allow projects to be financed and begin and
806 complete construction. Such mechanisms shall provide that, whether before or after contract
807 signing, after the award of a bid but prior to the commercial operation date the bidder or
808 department may request upward or downward price adjustments to the bid or long-term contract
809 price with the department of public utilities. Price adjustments may be requested only to account
810 for claimed substantial and unforeseeable changes in: (i) law occurring after the bid submission
811 and prior to the time that the project achieves its commercial operation date; or (ii) costs that are
812 beyond the reasonable control of the requesting party. A party requesting a price adjustment shall
813 provide supporting documentation demonstrating how the assumptions in the confidential bid
814 file have changed as a result of the claimed substantial and unforeseeable changes in law or

815 costs. The request shall include detailed calculations of the impact on project costs of the
816 substantial and unforeseeable changes claimed.

817 (k) Long-term contracts executed pursuant to this section shall be subject to the approval
818 of the department of public utilities. The department of public utilities shall consider the
819 potential costs and benefits of the each proposed long-term contract and shall approve a long-
820 term contract upon a finding that the contract is cost-effective and consistent with the limits and
821 sublimits established pursuant to chapter 21N, taking into account the factors outlined in this
822 section, consistency with the approved resource solicitation plan and the department's
823 recommendations. The department of public utilities shall complete its review of long-term
824 contracts submitted for its approval not later than 90 days after the contracts are filed by the
825 department of energy resources.

826 (l) As part of its consideration of the merits of any price adjustment requested pursuant to
827 subsection (j), the department of public utilities shall first determine, based on the information
828 provided pursuant to said section (j), whether the request has been submitted to account only for
829 substantial and unforeseeable changes in: (i) law occurring after the bid submission and prior to
830 the time that the project achieves its commercial operation date; or (ii) costs that are beyond the
831 reasonable control of the requesting party. The department of public utilities may, in consultation
832 with the office of the attorney general, approve an upward or downward price adjustment only
833 upon a finding that the requested adjustment protects ratepayers, is consistent with the limits and
834 sublimits established pursuant to chapter 21N and reflective only of costs and impacts beyond
835 the reasonable control of the requesting party.

836 (m) The department may retire any environmental attributes purchased pursuant to
837 approved long-term contracts under this section on behalf of the commonwealth to be used
838 toward satisfying compliance with the limits and sublimits established pursuant to sections 3 and
839 3A of chapter 21N and any regulations or programs established pursuant to sections 3 and 6 of
840 said chapter 21N or sections 11F and 17 of this chapter. If any retired environmental attributes
841 are eligible under a clean, renewable, clean peak or other energy portfolio standard established
842 by the department or the department of environmental protection, the portfolio standard
843 minimum obligations of suppliers subject to such standards may be reduced in proportion to any
844 eligible environmental attributes retired pursuant to this section, subject to the discretion of the
845 department and the department of environmental protection.

846 (n) There shall be a separate, non-budgeted special revenue fund known as the Central
847 Procurement Fund, which shall be administered by the department, without further appropriation,
848 for funding long-term contracts consistent with this section. The fund shall be credited with: (i)
849 funds or revenue collected by distribution companies pursuant to a tariff approved by the
850 department of public utilities in furtherance of the objectives and requirements of this section;
851 (ii) revenue from appropriations or other money authorized by the general court and specifically
852 designated to be credited to the fund; (iii) interest earned on such funds or revenues; (iv) bid fees
853 collected by the department from participants in clean energy solicitations conducted pursuant to
854 this section; (v) other revenue from public and private sources, including gifts, grants and
855 donations; and (vi) any funds provided from other sources. All amounts credited to the fund shall
856 be used solely for activities and expenditures consistent with the public purposes of this section,
857 including the funding of contracts and the ordinary and necessary administrative and personnel
858 expenses of the department related to the administration and operation of the fund and

859 performance of the duties established by this section. Revenues deposited in the fund that are
860 unexpended at the end of a fiscal year shall not revert to the General Fund and shall be available
861 for expenditure in the following fiscal year. No expenditure made from the fund shall cause the
862 fund to be in deficit at any point.

863 Section 23. (a) The department shall establish a state-led offshore wind pre-development
864 and project acceleration program. The program shall enable the commonwealth to partner with
865 offshore wind developers through co-investment or other suitable state financing mechanisms in
866 pre-development activities specific to individual projects. The primary objectives of the program
867 shall be to: (i) accelerate project timelines; (ii) streamline the readiness of offshore wind
868 generation projects; (iii) reduce project risk, including, but not limited to, concerns related to
869 federal permitting, supply chain and interconnection obstacles; (iv) support workforce growth
870 and community buy-in; and (v) enhance price competitiveness and transparency for clean energy
871 solicitations conducted pursuant to section 22.

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

876 (c) Eligible pre-development activities for state co-investment shall prioritize projects
877 that have previously participated in the department's procurement process. Eligible pre-
878 development activities may include, but shall not be limited to: (i) permitting and site assessment
879 studies; (ii) onshore and nearshore cable route surveys; (iii) fisheries and environmental science
880 studies; (iv) pre-front end engineering design; (v) engineering and design work that informs

881 permitting and project procurement; (vi) related transmission planning; (vii) engineering work
882 required prior to execution of a contract; and (viii) support for the timely utilization of regional
883 supply chain and port infrastructure.

884 (d) The department may fund the offshore wind pre-development and project acceleration
885 program through the Central Procurement Fund established pursuant to section 22,
886 appropriations by the general court, federal funds or other public or private sources. Any
887 financial arrangement under the offshore wind pre-development and project acceleration
888 program shall include a mechanism to ensure recovery of any co-investment capital provided by
889 the commonwealth upon the project reaching commercial operation.

890 Section 24. (a) The commissioner may work with the electric distribution companies,
891 municipal aggregators with certified energy plans and municipal light plants in the development
892 of building decarbonization and energy efficiency plans and shall promulgate such regulations as
893 may be necessary to carry out the purposes of this section.

894 (b) (1) Annually, each municipal light plant shall file with the commissioner a building
895 decarbonization and energy efficiency plan that offers programs to all qualified customers,
896 including, but not limited to: (i) building energy assessments to identify building decarbonization
897 and energy efficiency opportunities; (ii) energy efficiency measures; (iii) building
898 decarbonization measures; (iv) home energy scorecards at the time of a building energy
899 assessment as approved by the department; and (v) demand reduction and load management
900 measures.

901 (2) Each building decarbonization and energy efficiency plan shall be filed with the
902 commissioner, not later than October 31.

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

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

913 (c)(1) The commissioner of the department, as chair of the energy efficiency advisory
914 council established pursuant to subsection (a) of section 22 of chapter 25, shall direct the electric
915 distribution companies and municipal aggregators with certified energy plans to develop and
916 implement a statewide building decarbonization and energy efficiency plan that complies with
917 sections 19 to 21, inclusive, of chapter 25 including, but not limited to, the offer of programs to
918 all qualified customers that support: (i) building energy assessments to identify building
919 decarbonization and energy efficiency opportunities; (ii) energy efficiency measures; (iii)
920 building decarbonization measures; and (iv) load management measures.

921 (2) Each electric distribution company and municipal aggregators with certified energy
922 plans shall file a decarbonization and energy efficiency plan with the commissioner of energy
923 resources and the commissioner of public utilities, or their respective designees, not later than
924 before October 31, prior to the end of the 3-year term.

925 (3) The filing every 3 years by the electric distribution companies and municipal
926 aggregators with certified energy plans of a statewide decarbonization and energy efficiency plan
927 with the department of public utilities shall satisfy the requirements of this section.

928 (d)(1) Electric distribution companies, municipal aggregators with certified energy plans
929 and municipal light plants shall collect and report electronically to the department and its
930 authorized vendors and implementation partners building data that identifies all buildings or the
931 units therein that received an energy audit, together with the recommendations made and
932 decarbonization or energy efficiency measures installed; provided, however, that the data shall
933 include whether said buildings or the units therein are participating in any demand response and
934 load management programs, building energy use and cost by fuel type, and, where available,
935 heating fuel, existing heating system type, and age of system, home energy score, or any other
936 data the commissioner may request relating to the delivery of the plans. This data shall be
937 reported quarterly to the commissioner. All data collected and reported pursuant to this
938 subsection shall be considered confidential customer data and subject to the requirements of
939 subsection (i) section 21 of chapter 25. In accordance with said subsection (i) of said section 21
940 of said chapter 25, such data shall not be deemed to be a public record as defined in clause
941 Twenty-sixth of section 7 of chapter 4 and shall not be subject to demand for production under
942 section 10 of chapter 66. The department shall aggregate and report customer energy efficiency
943 and decarbonization data provided by the electric distribution companies, municipal aggregators
944 with certified energy plans and municipal light plants according to the data aggregation methods
945 approved by the department. The department shall publish this report not later than 3 months
946 after the close of each quarter and submit copies to the building decarbonization and energy

947 efficiency advisory council, the clerks of the house of representatives and the senate and the joint
948 committee on telecommunications, utilities and energy.

949 (2) Within 120 days after the last day of each year, each electric distribution company,
950 municipal aggregators with certified energy plans and municipal light plant shall submit to the
951 commissioner a report of its activities during the preceding year relating to implementation of its
952 decarbonization and energy efficiency plan. Included in such report shall be a statement with
953 respect to the success or lack of success of meeting the goals established in such plan. Within 30
954 days after receipt thereof, the commissioner shall forward said reports along with a statement of
955 findings to the joint committee on telecommunications, utilities and energy and the house and
956 senate committees on ways and means.

957 (e) The department may annually assess against each utility such amounts as may be
958 necessary to permit the department to carry out its responsibilities under this section including,
959 but not limited to, program development, administration and enforcement, certification, training,
960 registration and inspection programs and public education and promotion expenses, exclusive of
961 paid advertising. The assessments shall be based upon the intrastate operating revenues of a
962 utility which are derived from electricity or gas sales within the commonwealth during the
963 preceding calendar year. The department shall apportion estimated costs for the pending fiscal
964 year among all such utilities and shall assess them on a fair and reasonable basis. A utility shall
965 pay such assessments to the department within 30 days after receipt of notice thereof. The
966 assessed funds shall be dedicated to the purposes of this section.

967 The department shall subsequently apportion actual costs among all such utilities and
968 shall make assessment adjustments for the same for any variation between estimated and actual

969 costs on a fair and reasonable basis. Such estimated and actual costs shall include indirect costs
970 and an amount equal to the cost of fringe benefits as established by the secretary of
971 administration pursuant to section 6B of said chapter 29.

972 Section 25. (a) The department shall develop and implement a statewide solar incentive
973 program to encourage the continued development of solar renewable energy generating sources
974 by residential, commercial, governmental and industrial electricity customers throughout the
975 commonwealth. The department shall, after notice and the opportunity for public comment,
976 promulgate regulations implementing a solar incentive program that promotes a stable solar
977 development market at a reasonable cost to ratepayers and supports the commonwealth's ability
978 to achieve compliance with limits and sublimits established pursuant to sections 3 and 3A of
979 chapter 21N.

980 (b) The solar incentive program established by the department shall: (i) consider
981 underlying system development costs, including, but not limited to, module costs, balance of
982 system costs, installation and interconnection costs and soft costs; (ii) take into account
983 electricity revenues, any federal or state incentives and any substantial changes in such
984 incentives and in federal policies; (iii) rely on market-based mechanisms or price signals as much
985 as possible to set incentive levels; (iv) minimize direct and indirect program costs and barriers;
986 (v) feature a known or easily estimated budget to achieve program goals through use of an
987 adjustable block incentive, a competitive procurement model, tariff or other declining incentive
988 framework; (vi) differentiate incentive levels to support diverse installation types and sizes that
989 provide unique benefits, including, but not limited to, community-shared solar facilities, low-
990 income solar facilities and municipal or other governmental entity-owned solar facilities, and
991 which may include differentiation by utility service territory, location or size of the solar

992 renewable energy generating source; (vii) ensure that the utility customer realizes direct benefits
993 from the solar incentive program; (viii) include land use restrictions that align with the
994 commonwealth's land use priorities; (ix) consider environmental benefits, energy demand
995 reduction and other avoided costs provided by solar renewable energy generating facilities; (x)
996 encourage solar generation where it can provide benefits to the distribution system; (xi) ensure
997 that the costs of the program are shared collectively among all ratepayers of the distribution
998 companies; (xii) promote investor confidence through long-term incentive revenue certainty and
999 market stability; and (xiii) include reasonable and appropriate protections for customers.

1000 (c) Any facility qualified pursuant to subsection (g) of section 11F before the effective
1001 date of the new program established pursuant to this section shall remain qualified under existing
1002 programs.

1003 (d) Attributes, as defined by the department, of the solar photovoltaic facilities receiving
1004 incentives pursuant to this section shall be eligible for use by retail electric suppliers pursuant to
1005 their obligations pursuant to section 11F and section 17, as applicable.

1006 (e) The department may establish a land use and mitigation plan, including establishing
1007 fees for mitigating impacts caused by solar development and projects participating in the
1008 program and receiving incentives pursuant to this section. The department may establish
1009 requirements for solar incentive program and eligibility requirements for pollinator-friendly solar
1010 installations participating in the program pursuant to this section.

1011 (f) The department shall review solar incentive rates and overall cost impact to ratepayers
1012 to determine if any revisions to the program are necessary. Such review shall occur on a

1013 timetable to be established by the department; provided, however, that such review shall occur
1014 not less than once every 3 years.

1015 Section 26. (a) As used in this section, the following words shall have the following
1016 meanings unless the context clearly requires otherwise:

1017 "Commonwealth smart solar permitting platform", software, or a combination of
1018 software, that, at a minimum, and consistent with chapter 143, except as otherwise provided in
1019 this section, chapter 40C, section 3 of chapter 470 of the acts of 1973 and other applicable laws
1020 of the commonwealth: (i) allows contractors and other qualified parties to submit, via electronic
1021 means and without the need for follow-up manual review, applications to install or construct a
1022 residential solar energy system; (ii) automatically performs robust code compliance checks and
1023 reviews an application to install or construct such a system; (iii) generates an approval via
1024 electronic means, without the need for follow-up manual review, to a code-compliant application
1025 and issues a permit or permit revision; (iv) accepts online payments of fees or charges if fees or
1026 charges are levied; and (v) issues a permit or permit revision upon receipt of payment.

1027 "Form and format", the arrangement, organization, configuration, structure or style of, or
1028 methods of delivery of, required information or the substantive equivalent of required
1029 information, except that "form and format" shall not mean the altering of the substance of
1030 information or the addition or omission of information.

1031 (b) The department shall procure, implement, administer and make available a
1032 commonwealth smart solar permitting platform that, at a minimum: (i) publishes, on a publicly
1033 accessible internet website, all permitting documentation and forms required to construct or
1034 install a residential solar energy system in the commonwealth; (ii) provides customer support and

1035 training to assist users to navigate the commonwealth solar permitting platform; (iii) allows
1036 contractors and other qualified parties to submit, via electronic means 24 hours a day, 7 days a
1037 week except when the permitting platform is down for an upgrade or maintenance, applications
1038 to install or construct a residential solar energy system within the commonwealth; (iv)
1039 automatically performs robust code compliance checks and reviews applications to install or
1040 construct residential solar energy systems up to the maximum capacity allowed by a 200-amp
1041 main service disconnect providing power to a detached 1- or 2-family dwelling including, but not
1042 limited to, a determination of whether an application aligns with the requirements of chapters
1043 40C and chapter 143, except for the second paragraph of section 98 of said chapter 143, and
1044 section 3 of chapter 470 of the acts of 1973; (v) generates an approval via electronic means,
1045 without the need for follow-up manual review, to a code-compliant application and issues a
1046 permit or permit revision; (vi) produces construction documents to be used in the inspection of
1047 the residential solar energy system and for recordkeeping purposes; (vii) generates an inspection
1048 checklist to streamline and improve the quality and thoroughness of the final inspection; (viii) is
1049 capable of processing permit applications for solar energy systems and associated equipment
1050 including, but not limited to, photovoltaic panels, energy storage systems, main electrical panel
1051 upgrades and main breaker derates for detached one- and two-family dwellings; and (ix) is
1052 capable of processing, at a minimum, a substantial majority of permit applications for such
1053 systems in a substantial majority of jurisdictions in the commonwealth.

1054 (c) The department shall provide access to, and facilitate use of, the commonwealth smart
1055 solar permitting platform to municipalities at no charge. For use of the commonwealth platform,
1056 the department may charge a reasonable fee or charge to contractors, providers of plan reviews

1057 and inspection services and other professionals engaged in the installation or construction of
1058 residential solar energy systems.

1059 (d) Within 18 months of the effective date of this section, a municipality shall allow for
1060 the submission of applications to construct a residential solar energy system either through the
1061 commonwealth smart solar permitting platform or through an alternative automated solar
1062 permitting platform that generates an approval via electronic means, without the need for follow-
1063 up manual review, to a code-compliant application, issues a permit or permit revision and
1064 otherwise satisfies the requirements set forth in subsections (b) and (c) in a manner substantially
1065 equivalent to, or better than, that of the commonwealth platform; provided, however, that such an
1066 alternative platform shall not require a user to submit documentation other than what is required
1067 by the commonwealth platform,

1068 (e) A municipality proposing less than full compliance with subsection (d) shall, within
1069 18 months of the effective date of this section, provide the department a detailed analysis
1070 demonstrating why adopting the commonwealth platform or an alternative platform is not
1071 feasible given the conditions and timeline required in this section and shall propose a secondary
1072 alternative method that, within 24 months of the effective date of this section: (i) allows
1073 contractors and other qualified parties to submit, via electronic means, applications to install or
1074 construct a residential solar energy system; (ii) automatically performs robust code compliance
1075 checks and reviews an application to install or construct such a system; (iii) generates an
1076 approval via electronic means, without the need for follow-up manual review, to a code-
1077 compliant application and issues a permit or permit revision; (iv) accepts online payments of fees
1078 or charges if fees or charges are levied; and (v) issues a permit or permit revision upon receipt of
1079 payment.

1080 (f) A municipality that allows for the submission of residential solar energy system
1081 applications through the commonwealth smart solar permitting platform or through an alternative
1082 or secondary alternative platform may charge a reasonable fee or charge to contractors, providers
1083 of plan reviews and inspection services and other professionals engaged in the installation or
1084 construction of residential solar energy systems.

1085 (g) A municipality that implements an alternative or secondary alternative automated
1086 solar permitting platform shall submit a compliance report to the department within 60 days of
1087 the municipality's implementation of the alternative or secondary alternative platform. The
1088 department shall establish guidelines for preparation and submission of the compliance report,
1089 which report shall include, at a minimum: (i) the date the alternative or secondary alternative
1090 system was made available to residential end users, contractors engaged in the installation of
1091 residential solar energy systems and providers of plan reviews and inspection services; (ii) the
1092 software used by the alternative or secondary alternative system; and (iii) clear and convincing
1093 documentation that the alternative or secondary alternative performs the functions set forth in
1094 subsections (b) and (c) in a manner and on a schedule substantially equivalent to, or better than,
1095 that of the commonwealth smart solar permitting platform.

1096 (h) If the department determines that a compliance report submitted pursuant to
1097 subsection (g) is insufficient to verify whether the platform satisfies the requirements set forth in
1098 subsections (b) and (c) in a manner substantially equivalent to, or better than, that of the
1099 commonwealth platform, the municipality shall grant the department access to the alternative or
1100 secondary alternative platform. The department may: (i) take further action to determine whether
1101 the platform satisfies the requirements set forth in said subsections (b) and (c) in a manner
1102 substantially equivalent to, or better than, that of the commonwealth smart solar permitting

1103 platform; (ii) consistent with state law, make its findings publicly available; and (iii), if it
1104 determines that the platform is not satisfactory, take action to encourage and secure compliance
1105 with said subsections (b) and (c) and subsection (g) and authorize the appropriate parties in the
1106 municipality's jurisdiction to utilize the commonwealth smart solar permitting platform.

1107 (i) A municipality that implements an alternative or secondary alternative automated
1108 solar permitting platform pursuant to this section shall, commencing on April 1, 2028, submit an
1109 annual report to the department. The department may establish guidelines for the annual reports
1110 required under this paragraph, which report shall include, at a minimum: (i) the number of
1111 permits approved by the municipality for residential solar energy systems through the alternative
1112 or secondary alternative platform and the relevant characteristics of those systems; (ii) the
1113 number of permits approved by the municipality for such systems through means other than the
1114 alternative or secondary alternative platform and the relevant characteristics of those systems;
1115 (iii) documentation demonstrating that the alternative or secondary alternative platform continues
1116 to satisfy the requirements set forth in subsections (b) and (c) in a manner substantially
1117 equivalent to, or better than, that of the commonwealth platform.

1118 (j) If the department determines that the annual report submitted pursuant to subsection
1119 (i) is insufficient to verify that the alternative or secondary alternative automated solar permitting
1120 platform meets the requirements set forth in subsections (b) and (c) in a manner substantially
1121 equivalent to, or better than, that of the commonwealth platform, the municipality shall provide
1122 the department, at the department's request, access to the platform. The department may take
1123 further action to determine whether the platform satisfies the requirements set forth in said
1124 subsections (b) and (c) in a manner substantially equivalent to, or better than, that of the
1125 commonwealth platform, may, consistent with state law, make its findings publicly available and

1126 may, if it determines that the platform is not satisfactory, take action to encourage and secure
1127 compliance with said subsections (b) and (c) and subsection (i) and authorize the appropriate
1128 parties in the municipality's jurisdiction to utilize the commonwealth smart solar permitting
1129 platform.

1130 (k) The department and municipalities shall authorize electronic signatures, stamps, seals
1131 and other certifications and documents as appropriate in order to enable the commonwealth
1132 smart solar permitting platform or an alternative or secondary alternative automated solar
1133 permitting platform to accept the permit application and issue a permit.

1134 (l) To defray the cost of procuring, implementing, administering and making available the
1135 commonwealth smart solar permitting platform, the department may adopt, amend and repeal
1136 rules and regulations providing for the charging of, and setting the amounts of, solar permit fees
1137 to be collected by the department, municipality or a third party.

1138 (m) To satisfy the requirements of this section, the department may, at its discretion,
1139 procure goods and services by means of an advertised competitive bidding process that utilizes a
1140 request for proposals or request for qualifications.

1141 (n) The commissioner shall provide training opportunities at no charge on the use of the
1142 commonwealth smart solar permitting platform to contractors, providers of plan reviews and
1143 inspection services and other professionals engaged in the installation or construction of
1144 residential solar energy systems.

1145 (o) The commissioner may adopt rules and regulations governing the form and format of
1146 applications for permits, approval documents, specifications and other information exchanged

1147 through the commonwealth smart solar permitting platform or any alternative or secondary
1148 alternative platform.

1149 (p) Notwithstanding any law, rule or regulation to the contrary, the commissioner may
1150 waive requirements related to signatures, stamps, seals, certifications or notarizations, whether
1151 imposed by statute or by state or local regulation and whether imposed by the department or
1152 another department or agency, in order to enable the commonwealth smart solar permitting
1153 platform or any alternative or secondary alternative platform to accept permit applications and
1154 issue permits.

1155 (q) A person exchanging information through either the commonwealth smart solar
1156 permitting platform or an alternative or secondary alternative automated solar permitting
1157 platform in a form and format acceptable to the department shall not be subject to a licensing
1158 sanction, civil penalty, fine, permit disapproval, revocation or other sanction for failure to
1159 comply with a form or format requirement imposed otherwise by statute, ordinance or rule that
1160 requires submission of the information in physical form, including, but not limited to, any
1161 requirement that the information be in a particular form or of a particular size, be submitted with
1162 multiple copies, be physically attached to another document, be an original document or be
1163 signed, stamped, sealed, certified or notarized.

1164 (r) Neither a public entity nor a public employee shall be liable for any injury caused by
1165 release of a permit through the commonwealth smart solar permitting platform or any alternative
1166 or secondary alternative platform.

1167 SECTION 34. The second paragraph of section 5 of chapter 25B of the General Laws, as
1168 appearing in the 2024 Official Edition, is hereby amended by striking out clause (20) and
1169 inserting in place thereof the following clause:-

1170 (20) Level 1 and Level 2 electric vehicle supply equipment included in the scope of the
1171 ENERGY STAR Program Requirements for Electric Vehicle Supply Equipment, Version 1.2
1172 (Rev. June 2023), shall meet the qualification criteria of that specification.

1173 SECTION 35. Chapter 40 of the General Laws is hereby amended by adding the
1174 following section:-

1175 Section 72. Notwithstanding chapters 25 or 164 or any other general or special law to the
1176 contrary, a city or town which accepts this section may by a vote of its town meeting or other
1177 legislative body, prohibit by ordinance, by-law or vote any supplier, energy marketer or energy
1178 broker, as such terms are defined in section 1 of said chapter 164, from executing a new contract
1179 or renewing an existing contract for generation services with any individual residential retail
1180 customer within such city or town. This section shall not apply to, or otherwise affect, any
1181 government body that aggregates the load of residential retail customers as part of a municipal
1182 aggregation plan pursuant to section 134, nor shall it apply to, or otherwise affect, any entity
1183 organizing or administering a program pursuant to sections 135, 136 or 137 of said chapter 164.
1184 The attorney general may bring an action under section 4 of said chapter 93A against any
1185 supplier, energy marketer or energy broker to enforce this section and to obtain restitution, civil
1186 penalties, injunctive relief or any other relief available under said chapter 93A. A city or town
1187 that accepts this section shall provide notice to the department of public utilities not more than
1188 120 days after such acceptance.

1189 SECTION 36. Chapter 149 of the General Laws is hereby amended by inserting after
1190 section 27H the following section:-

1191 Section 27I. All construction on a utility infrastructure impacted by the construction or
1192 installation of infrastructure for clean thermal energy, as defined in section 3 of chapter 25A,
1193 which also requires the excavation, construction or reconstruction of public lands, public rights
1194 of way, public works or public buildings that is not performed by workers directly employed by
1195 a gas company or electric company as defined in section 1 of chapter 164 shall be performed
1196 under this section.

1197 No public authority including, but not limited to, the commonwealth, its subdivisions, a
1198 county, district or a municipality, shall permit or agree to construction by a gas or electric
1199 distribution company that requires the excavation, alteration, reconstruction or repair of public
1200 lands, works or buildings unless the permit or agreement contains a stipulation requiring
1201 prescribed rates of wages, as determined by the commissioner, to be paid to individuals
1202 performing construction on infrastructure for thermal energy and any associated pipeline work
1203 who are not gas company or electric company employees. Any permit or agreement that does not
1204 contain the stipulation required under this section shall be void and no construction may
1205 commence thereunder. Rates of wages shall be requested by the commissioner or public body
1206 together with the gas company or electric company on whose service territory the public
1207 infrastructure lies and shall be furnished by the commissioner in a schedule containing the
1208 classifications of jobs and the rate of wages to be paid for each job. Said rates of wages shall
1209 include payments to health and welfare plans, pension plans and supplementary unemployment
1210 plans, or, if no such plan is in effect between employers and employees, the amount of such

1211 payments shall be paid directly to employees. Such requests for rates shall be made every 6
1212 months.

1213 Any entity paying less than said rates of wages, including payments to health and welfare
1214 funds, pension plans and supplementary unemployment plans, or the equivalent in wages, on said
1215 works, and any entity accepting for his own use, or for the use of any other person, as a rebate,
1216 gratuity or in any other guise, any part or portion of said wages or health and welfare funds,
1217 pension plans, and supplementary unemployment plans shall have violated this section and shall
1218 be punished or shall be subject to a civil citation or order as provided in section 27C.

1219 An employee claiming to be aggrieved by a violation of this section may, 90 days after
1220 the filing of a complaint with the attorney general, or sooner if the attorney general assents in
1221 writing, and within 3 years after the violation, institute and prosecute in his own name and on his
1222 own behalf, or for himself and for others similarly situated, a civil action for injunctive relief, for
1223 any damages incurred, and for any lost wages and other benefits pursuant to section 150. An
1224 employee so aggrieved who prevails in such an action shall be awarded treble damages, as
1225 liquidated damages, for any lost wages and other benefits and shall also be awarded the costs of
1226 the litigation and reasonable attorneys' fees.

1227 SECTION 37. Section 1 of chapter 164 of the General Laws, as appearing in the 2024
1228 Official Edition, is hereby amended by inserting after the definition of "Energy management
1229 services" the following definition:-

1230 "Energy marketer", any person, entity, firm, partnership, association, private
1231 corporation, or other third-party that contracts with or is otherwise directly engaged and
1232 compensated by a supplier to sell electric generation services, or that contracts with and is

1233 directly compensated by a third-party marketer of the supplier to sell electric generation services
1234 on behalf of a supplier, or that otherwise acts as an agent of such a supplier, and that markets,
1235 advertises, or otherwise offers to sell generation services to retail customers including, but not
1236 limited to, individuals or entities engaged in door-to-door, telemarketing or tabletop interactions
1237 with retail customers; provided however, that "energy marketer" shall not include contractors,
1238 agents or employees engaged in incidental activities where compensation is not tied to customer
1239 enrollment.

1240 SECTION 38. Said section 1 of said chapter 164, as so appearing, is hereby further
1241 amended by striking out the definition of "Gas company" and inserting in place thereof the
1242 following definition:-

1243 "Gas company", a corporation originally organized for the purpose of making and selling
1244 or distributing and selling gas within the commonwealth, even though subsequently authorized to
1245 make, distribute or sell electricity or clean thermal energy as defined in section 3 of chapter 25A.

1246 SECTION 39. Section 1A of said chapter 164, as so appearing, is hereby amended by
1247 adding the following subsection:-

1248 (h) Notwithstanding this section or of any other special or general law or regulation to the
1249 contrary, solar generation and energy storage facilities on federal military installations within the
1250 commonwealth shall not be subject to caps or other limits otherwise imposed on the ownership
1251 of solar generation or energy storage by an electric distribution company, provided the costs of
1252 such facilities are not funded by or otherwise recovered from the company's ratepayers. An
1253 electric distribution company may construct, own and operate solar energy generation facilities

1254 and energy storage facilities on federal military lands and such facilities shall not be required to
1255 receive approval from the department.

1256 SECTION 40. Said chapter 164 is hereby further amended by striking out section 1B, as
1257 so appearing, and inserting in place thereof the following section:-

1258 Section 1B. (a) The department shall define service territories for each distribution
1259 company by March 1, 1998, based on the service territories actually served on July 1, 1997 and
1260 following, to the extent possible, municipal boundaries. After March 1, 1998, until terminated by
1261 effect of law or otherwise, the distribution company shall have the exclusive obligation to
1262 provide distribution service to all retail customers within its service territory. No other person,
1263 except a government or critical facility microgrid operating pursuant to section 158, shall provide
1264 distribution service within such service territory without the written consent of such distribution
1265 company, which shall be filed with the department and the clerk of the municipality so affected.
1266 The department shall limit the distribution service provided by government or critical facility
1267 microgrids as necessary and appropriate, but at a minimum, shall establish rules, parameters, and
1268 as necessary, tariffs, related to eligible uses of the distribution equipment connected to a
1269 distribution company's electric distribution system by a government or critical facility microgrid.

1270 (b) Each distribution company shall provide its customers with default service and shall
1271 offer a default service rate to its customers who have chosen retail electricity service from a non-
1272 utility affiliated generation company or supplier but who require electric service because of a
1273 failure of such company or supplier to provide contracted service or who, for any reason, have
1274 never chosen or have stopped receiving such service. The distribution company shall procure
1275 supply for such service through competitive bidding or through such other process approved by

1276 the department, including procurements of varying lengths and in combination with other
1277 distribution companies; provided, however, that standard default service rates, excluding time-
1278 varying rates and monthly variable service rates, for residential customers shall be changed no
1279 less than once every six months. Any department-approved provider of service, including an
1280 affiliate of a distribution company, shall be eligible to participate in the competitive bidding
1281 process. The department may require a separate mechanism for recovering certain charges, to be
1282 itemized separately on a customer bill, including, but not limited to, those in connection with the
1283 wholesale electric markets as administered by ISO New England, Inc. or with federal tariffs on
1284 imports to such markets. In implementing the provisions of this section, the department shall
1285 ensure universal service for all ratepayers and sufficient funding to meet the need therefor.

1286 (c) Notwithstanding section 5D of chapter 25, the department and the department of
1287 energy resources shall have access to all information associated with the bids selected by the
1288 distribution company pursuant to the competitive bidding process in this section; provided,
1289 however, that such information shall not be deemed to be a public record as defined in clause 26
1290 of section 7 of chapter 4 and shall not be subject to demand for production under section 10 of
1291 chapter 66; and provided further, that aggregates of such information may be prepared and such
1292 aggregates shall be public records.

1293 (d) The department shall promulgate rules and regulations necessary to carry out this
1294 section, including the procedure for default service procurement and governing a customer's
1295 ability to return to the default service after choosing retail access from a non-utility affiliated
1296 generation company.

1297 SECTION 41. Section 1D of said chapter 164 , as so appearing, is hereby amended by
1298 striking out the fourth paragraph and inserting in place thereof the following paragraph:-

1299 For electric suppliers which have chosen the complete billing method, other than electric
1300 suppliers selling electricity pursuant to section 134, the electric distribution company shall make
1301 timely payments to such suppliers in accordance with this paragraph. The distribution company
1302 shall: (a) bill all of the electric supplier's customers in a service class according to complete
1303 billing; and (b) pay such suppliers the full amounts due from customers for generation services in
1304 a time period consistent with the average payment period of the participating class of customer,
1305 less a percentage of such amounts that reflects the average of the uncollectible bills for the
1306 participating customer classes of the electric distribution company and other reasonable
1307 development, operating or carrying costs incurred, as approved by the department; provided,
1308 however, that the department may establish different percentage discounts for suppliers based on
1309 the supplier's amount of uncollectible bills or percentage of customers in arrears relative to the
1310 average of the uncollectible bills for the participating classes of the electric distribution company
1311 or the average number of customers in arrears.

1312 SECTION 42. Paragraph (1) of section 1F of said chapter 164, as so appearing, is hereby
1313 amended by striking out subparagraphs (ii) and (iii) and inserting in place thereof the following 4
1314 subparagraphs:-

1315 (ii) All private, non-profit or co-operative aggregators established pursuant to sections
1316 135, 136 and 137 seeking to do business in the commonwealth shall submit a license application
1317 to the department, subject to rules and regulations promulgated by the department and subject to
1318 the payment of a fee, the amount of which shall be determined by the department.

1319 (iii) All energy brokers, energy marketers and suppliers seeking to do business in the
1320 commonwealth shall submit a license application to the department, subject to rules and
1321 regulations promulgated by the department, and shall be subject to the payment of an annual fee,
1322 the amount of which shall be determined by the department; provided, however, that said amount
1323 shall be not more than $10,000 and may be set at different amounts for energy brokers, energy
1324 marketers and suppliers.

1325 (iv) Each energy marketer of residential electrical generation services or other supplier of
1326 such services that applies for a retail license shall execute and maintain a bond, issued by a
1327 qualifying surety or insurance company authorized to conduct business in the commonwealth, in
1328 favor of the commonwealth. The amount of the bond shall equal $5,000,000 per retail license or
1329 per parent company of multiple marketers or suppliers licensed by the department, issued by the
1330 department; provided, however, that energy marketers and suppliers whose license to serve is
1331 limited to commercial and industrial customers and does not include residential customers, the
1332 bond amount shall equal $1,000,000 per retail license. The bond shall be conditioned upon the
1333 full and faithful performance of all duties and obligations of the applicant as a retail supplier and
1334 shall be valid for a period of not less than 1 year. The cost of the bond shall be paid by the
1335 applicant. The applicant shall file a copy of this bond, with a notarized verification page from the
1336 issuer, as part of its application for certification.

1337 (v) Any energy marketer shall be a legal agent of the supplier. No energy marketer may
1338 sell electric generation services on behalf of a supplier unless such energy marketer has received
1339 appropriate training directly from such supplier. This subparagraph shall not apply to third-party
1340 brokers or consultants or agents acting on behalf of customers that are directly compensated by
1341 the customer as part of the customer's electric contract price.

1342 SECTION 43. Said section 1F of said chapter 164, as so appearing, is hereby further
1343 amended by striking out paragraph (4).

1344 SECTION 44. Paragraph (7) of said section 1F of said chapter 164, as so appearing, is
1345 hereby amended by striking out the fifth to seventh sentences, inclusive, and inserting in place
1346 thereof the following 2 sentences:-

1347 If the department, after a hearing or other proceeding, determines that a distribution
1348 company, person, firm, supplier or corporation doing business in the commonwealth has violated
1349 any provisions of said code or of any rule or regulation promulgated by the department pursuant
1350 to sections 1A to 1H, inclusive, section 1L or any provision of chapter 93A or corresponding
1351 regulations promulgated pursuant to authority established by section 102C, or executed a new
1352 contract or renewed an existing contract for generation services with any individual residential
1353 retail customer within a city or town that has accepted section 72 of chapter 40, the department
1354 may impose a civil penalty and impose any other terms or conditions that the department
1355 considers appropriate, including, but not limited to, restitution to specific customers harmed by
1356 the violation in question and suspension or revocation of the business' retail license. Civil
1357 penalties imposed under this subsection shall not exceed $100,000 for each violation and for
1358 each day that the violation persists, shall be capped at a maximum of $10,000,000, and shall not
1359 be inclusive of any financial restitution the department requires to be provided to specific
1360 customers determined to be harmed by such violation.

1361 SECTION 45. Paragraph (8) of said section 1F of said chapter 164, as so appearing, is
1362 hereby amended by striking out, in line 336, the words "30 days" and inserting in place thereof
1363 the following words:- 2 years.

1364 SECTION 46. Said chapter 164 is hereby amended by striking out section 1H, as so
1365 appearing, and inserting in place thereof the following section:-

1366 Section 1H. (a) As used in this section the following words shall have the following
1367 meanings unless the context clearly requires otherwise:

1368 "Electric rate reduction bonds", bonds, notes, certificates of participation or beneficial
1369 interest, or other evidences of indebtedness or ownership, issued pursuant to an executed
1370 indenture, financing document, or other agreement of the financing entity, the proceeds of which
1371 are used by an electric company to provide, recover, finance, or refinance transition costs or to
1372 acquire eligible property and that are secured by or payable from eligible property.

1373 "Eligible property", the property right created pursuant to this section, including, but not
1374 limited to, the right, title and interest of an electric company, gas company or a financing entity
1375 to any revenues, collections, claims, payments, money or proceeds of or arising from or
1376 constituting reimbursable transition costs amounts which are the subject of a rate reduction bond
1377 order, including those non-bypassable rates and other charges authorized by the department in
1378 the rate reduction bond order to recover transition costs and the costs of providing, recovering,
1379 financing or refinancing the transition costs, including the costs of issuing, servicing and retiring
1380 electric or gas rate reduction bonds.

1381 "Financing entity", (i) MassDevelopment, (ii) any special purpose trust, or (iii) any
1382 financing entity which is authorized by the department pursuant to a rate reduction bond order to
1383 issue electric or gas rate reduction bonds or acquire eligible property in accordance with this
1384 section.

1385 “Gas rate reduction bonds”, bonds, notes, certificates of participation or beneficial
1386 interest or other evidences of indebtedness or ownership, issued pursuant to an executed
1387 indenture, financing document or other agreement of the financing entity, the proceeds of which
1388 are used to provide, recover, finance or refinance transition costs or to acquire eligible property
1389 by a gas company and that are secured by or payable from eligible property.

1390 “MassDevelopment”, the Massachusetts Development Finance Agency established in
1391 section 2 of chapter 23G.

1392 “Rate reduction bond order”, an order of the department adopted in accordance with this
1393 section approving a plan, which shall include, but shall not be limited to, a procedure to review
1394 and approve periodic adjustments to transition charges to include recovery of principal and
1395 interest and the costs of issuing, servicing, and retiring electric or gas rate reduction bonds
1396 contemplated by the rate reduction bond order.

1397 “Reimbursable transition costs amounts”, the total amount authorized by the department
1398 in a rate reduction bond order to be collected through the transition charge as allocated to an
1399 electric company or gas company in accordance with a rate reduction bond order.

1400 “Special purpose trust”, a trust, partnership, limited partnership, association, corporation,
1401 nonprofit corporation, limited liability company or other entity established and authorized by
1402 MassDevelopment to acquire eligible property or to issue rate reduction bonds, or both, subject
1403 to approvals by MassDevelopment and the powers of MassDevelopment as provided by
1404 MassDevelopment in their resolutions authorizing the entities to issue rate reduction bonds.

1405 “Transition charge”, the charge to customers which provides the mechanism for the
1406 recovery of the transition costs of an electric company or gas company.

1407 “Transition costs”, the costs determined pursuant to section 1G and subsection (b) which
1408 remain after accounting for maximum possible mitigation, subject to determination by the
1409 department.

1410 (b) The department shall identify and determine costs and categories of costs that may be
1411 classified as transition costs. Such costs and categories of costs shall be limited to costs incurred
1412 by an electric company or gas company for programs related to: (i) electric-sector modernization
1413 plans established pursuant to section 92B; (ii) gas company transition costs related to
1414 requirements deriving from the commonwealth’s emission reduction requirements established
1415 pursuant to chapter 21N; and (iii) costs related to storms and other natural disasters.

1416 (c)(1) The department shall: (i) further define the categories of costs eligible to be
1417 classified as transition costs; (ii) determine the appropriate duration over which transition costs
1418 may be recovered for each eligible cost category, including, but not limited to, ensuring that the
1419 transition cost recovery period aligns with the period over which ratepayers can reasonably
1420 expect to derive benefits from the programs or assets in each eligible cost category; provided,
1421 however, that the term of an electric rate reduction or gas rate reduction bond shall not be issued
1422 for a term exceeding 30 years; (iii) determine whether there is a date after which electric rate
1423 reduction bonds and gas rate reduction bonds may no longer be issued; provided, however, that
1424 electric rate reduction bonds or gas rate reduction bonds shall not be issued after 2036 without
1425 further legislative authorization; (iv) determine the limits that should be placed on the total dollar
1426 amount of electric rate reduction bonds and gas rate reduction bonds that can be issued in
1427 aggregate over a given period for particular categories of costs; (v) determine whether there are
1428 mechanisms and approaches for issuing electric rate reduction bonds and gas rate reduction
1429 bonds, consistent with this section, that can further reduce costs for ratepayers, including

1430 reducing administrative and transaction costs; and (vi) take comment on and assess other
1431 relevant considerations as it determines. Any financial benefits resulting from mechanisms
1432 determined by the department to help reduce administrative, transaction or other costs, shall flow
1433 to ratepayers. The department shall take steps it deems necessary to ensure it has appropriate
1434 expert resources available that are independent of the special purpose trust, including those
1435 related to electric rate reduction bond and gas rate reduction bond structuring, marketing and
1436 pricing, to protect and support ratepayer interests.

1437 (2) The department may authorize issuance of rate reduction bond orders in accordance
1438 with this section to facilitate the provision, recovery, financing or refinancing of transition costs.
1439 No rate reduction bond order shall be issued unless the department has found the issuance to be
1440 cost-effective and will result in a reduction in ratepayer costs. A rate reduction bond order shall
1441 specify that amounts collected from a customer shall be allocated first to current and past due
1442 transition charges and then other charges and that, upon the issuance of electric or gas rate
1443 reduction bonds, transition charges collected shall be allocated first to eligible property and
1444 second to transition charges, if any, that are not subject to a rate reduction bond order.

1445 (3) An electric company or gas company, may, from time to time as established by the
1446 department, file with the department an application that provides that its transition costs may be
1447 recovered through reimbursable transition costs amounts, which would therefore constitute
1448 eligible property under this section. An electric company or gas company, may, upon the
1449 department's written determination of substantial and documentable relative rate reduction,
1450 utilize a financing entity other than the state-designated financing entity or special purpose trust.
1451 The electric company or gas company shall, in its application, specify that its customers would

1452 benefit from reduced electricity or gas rates through the issuance of electric or gas rate reduction
1453 bonds and shall explain how and in what manner the customers will realize the benefit.

1454 (4) The department shall promulgate rules and regulations establishing the form and
1455 content of applications that may be filed pursuant to paragraph (3) and establishing the procedure
1456 to be utilized for the filing and approval of said applications. The department shall determine
1457 reimbursable transition costs amounts recoverable in one or more rate reduction bond orders if it
1458 determines, as part of its findings in connection with the rate reduction bond order, that: (i) the
1459 costs described in the application are reasonable; (ii) the proposed issuance of rate reduction
1460 bonds and the imposition and collection of transition charges are reasonable and consistent with
1461 the public interest; (iii) securitization offers significant net advantages to a substantial number of
1462 the ratepayers of the relevant electric or gas company compared to pay-as-you-go, conventional
1463 bonding and other financing alternatives; provided, however, that the department shall find and
1464 set forth such significant net advantages relative to the alternatives; provided further, that the
1465 department shall calculate and publish estimates of total costs to be incurred over the lifetime of
1466 the activities, assets, facilities, initiatives, projects or programs being securitized, including, but
1467 not limited to, costs of principal and interest as well as other costs and transition costs, and shall
1468 compare these estimated total costs to estimates of total costs of pay-as-you-go, conventional
1469 bonding and other financing alternatives; and (iv) the designation of the reimbursable transition
1470 costs amounts and the issuance of electric or gas rate reduction bonds by the financing entity in
1471 connection with some or all of the reimbursable transition costs amounts will have a high
1472 probability of reducing rates that customers of an electric company or gas company will pay
1473 compared to rates they would have paid over a given period if the rate reduction bond order were
1474 not adopted, or that such rates will be reduced in aggregate amounts equal to savings realized by

1475 the electric company or gas company with respect to the rate reduction bond order; provided,
1476 however, that said bonds may qualify for tax-exempt status to the full extent of state and federal
1477 law; provided further, that the department shall consult with the financing entity in making its
1478 determination concerning electric or gas rate reduction bonds.

1479 (5) The transition charge and its payment as provided in the rate reduction bond order
1480 shall be binding on all current and future distribution companies and gas companies and users of
1481 such distribution system and gas system until the bonds are paid in full by the financing entity. A
1482 rate reduction bond order shall expire after 2 years if no electric or gas rate reduction bonds have
1483 been issued pursuant thereto.

1484 (6)(i) Notwithstanding any other general or special law, rule or regulation to the contrary,
1485 except as otherwise provided in this section with respect to eligible property which has been
1486 made the basis for the issuance of electric or gas rate reduction bonds, the rate reduction bond
1487 orders and the reimbursable transition costs amounts shall be irrevocable and the department
1488 shall not have authority, either by rescinding, altering or amending the rate reduction bond order
1489 or otherwise, to revalue or revise for ratemaking purposes the transition costs, determine that the
1490 reimbursable transition costs amounts or transition charges are unreasonable, or in any way
1491 reduce or impair the value of eligible property either directly or indirectly by taking reimbursable
1492 transition costs amounts into account when setting other rates for the electric or gas company,
1493 nor shall the amount of revenues arising with respect thereto be subject to reduction, impairment,
1494 postponement or termination. Except as otherwise provided in this paragraph, the commonwealth
1495 does hereby pledge and agree with the owners of eligible property and holders of electric or gas
1496 rate reduction bonds that the commonwealth shall not (i) alter the provisions of this chapter
1497 which make the transition charges imposed by the rate reduction bond order irrevocable and

1498 binding or (ii) limit or alter the reimbursable transition costs amounts, eligible property, rate
1499 reduction bond orders, and all rights thereunder until the electric or gas rate reduction bonds,
1500 together with the interest thereon, are fully met and discharged. The financing entity as agent for
1501 the commonwealth is hereby authorized to include this pledge and undertaking for the
1502 commonwealth in these electric or gas rate reduction bonds.

1503 (ii) Notwithstanding the irrevocability of the collection of revenues and imposition of
1504 transition charges associated with gas and electric rate reduction bonds under subparagraph (i),
1505 the department shall retain the authority to determine the prudence of the reimbursable transition
1506 costs and may use a distinct and complementary reconciling mechanism, if necessary, to effect
1507 any determination of imprudence with respect to any portion of reimbursable transition costs.

1508 (7)(i) Rate reduction bond orders issued pursuant to this section shall not constitute a debt
1509 or liability of the commonwealth or of any political subdivision thereof, other than the financing
1510 entity, and shall not constitute a pledge of the full faith and credit of the commonwealth or any of
1511 its political subdivisions, other than the financing entity, but shall be payable solely from the
1512 funds provided therefor pursuant to the provisions of this section. All the bonds shall contain on
1513 the face thereof the following statement: Neither the full faith and credit nor the taxing power of
1514 the commonwealth of Massachusetts is pledged to the payment of the principal of, or interest on,
1515 this bond.

1516 (ii) The issuance of electric or gas rate reduction bonds pursuant to this section shall not
1517 obligate the commonwealth or any political subdivision thereof to levy or pledge any form of
1518 taxation therefor or to make any appropriation for their payment.

1519 (iii) The exercise of the powers granted by this section shall be in all respects for the
1520 benefit of the people of the commonwealth, for the increase of their commerce and prosperity,
1521 and for the improvement of their health and living conditions. As the exercise of such powers
1522 shall constitute the performance of essential governmental functions, the financing entity shall
1523 not be required to pay any taxes or assessments upon the property acquired or used by the
1524 financing entity pursuant to the provisions of this section or upon the income therefrom. The
1525 bonds or other instruments issued pursuant to this section, their transfer and the income
1526 therefrom, including any profit made on the sale thereof, shall be free from taxation within the
1527 commonwealth.

1528 (iv) Electric or gas rate reduction bonds and other instruments so approved and issued by
1529 a financing entity pursuant to the provisions of this section are hereby made securities in which
1530 all public officers and public bodies of the commonwealth and its political subdivisions, all
1531 insurance companies and savings banks, cooperative banks and trust companies in their banking
1532 departments and within the limits set by section 14 of chapter 167E, banking associations,
1533 investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever
1534 who are now or may hereafter be authorized to invest in bonds or other obligations of a similar
1535 nature, may properly and legally invest funds, including capital in their control or belonging to
1536 them and such bonds are hereby made obligations which may properly and legally be made
1537 eligible for the investment of savings deposits and the income thereof in the manner provided by
1538 section 15B of chapter 167. Such bonds are hereby made securities which may properly and
1539 legally be deposited with and received by any state or municipal officer or any agency or
1540 political subdivision of the commonwealth for any purpose for which the deposit of bonds or
1541 other obligations of the commonwealth is now or may hereafter be authorized by law.

1542 (v) The repayment of terms of any electric rate reduction bonds issued for the purpose of
1543 paying for transition costs shall extend for not more than 15 years; provided, however, that in the
1544 event the department determines that a longer repayment period would inure to the benefit of
1545 residential ratepayers and be reasonable and consistent with the public interest, the department
1546 may approve such a longer repayment period.

1547 (8) The department shall establish procedures for the expeditious processing of
1548 applications for rate reduction bond orders, including the approval or disapproval thereof within
1549 120 days of filing; provided, however, that an electric company or gas company shall file a new
1550 application with the department within 45 days of any such disapproval, if so ordered by the
1551 department. A rate reduction bond order shall also include a procedure whereby the department
1552 shall periodically review the rate of transition charges authorized therein at intervals as may be
1553 provided for in such order and shall approve adjustments, if required, of each such additional
1554 interval date, to such rate of transition charges to the extent necessary to ensure the timely
1555 recovery of revenues sufficient to provide for the payment of all principal, interest, premium, if
1556 any, and other charges in respect of the electric or gas rate reduction bonds approved by the
1557 department pursuant to such rate reduction bond order.

1558 (9) Reimbursable transition costs amounts shall constitute eligible property when, and to
1559 the extent that, a rate reduction bond order authorizing the reimbursable transition costs amounts
1560 have become effective in accordance with the provisions of this section. The eligible property
1561 shall thereafter continuously exist as property for all purposes with all of the rights and privileges
1562 of this section for the period and to the extent provided in the rate reduction bond order, but in
1563 any event until the electric or gas rate reduction bonds are paid in full, including all principal,
1564 interest, premium, costs, and arrearages thereon. Prior to its sale or other transfer by the electric

1565 company or gas company pursuant to this section, eligible property shall be a vested contract
1566 right of the electric company, or gas company, notwithstanding any contrary treatment thereof
1567 for accounting, tax or other purpose.

1568 (10) Any unanticipated transition changes that are generated in excess of the amounts
1569 necessary to pay principal, premium, if any, interest and expenses of the issuance of the electric
1570 or gas rate reduction bonds shall be remitted to the financing entity to be held or distributed in
1571 accordance with the rate reduction bond order and, provided that all reserve funds are fully
1572 funded, may be used to benefit customers if this would not result in a recharacterization of the
1573 tax, accounting, and other intended characteristics of the financing, including, but not limited to,
1574 the following intended characteristics: (i) avoiding the recognition of debt on the balance sheet of
1575 the electric company or gas company for financial accounting and regulatory purposes; (ii)
1576 treating the electric or gas rate reduction bonds as debt of the electric company or its affiliates or
1577 gas company or its affiliates for federal income tax purposes; (iii) treating the transfer of the
1578 eligible property by the electric company or gas company as a true sale for bankruptcy purposes;
1579 and (iv) avoiding any adverse impact of the financing on the credit rating of the electric company
1580 or gas company.

1581 (11) No rate reduction bond order shall: (i) authorize or require customers other than
1582 those of the electric company or gas company applying for such rate reduction bond order and its
1583 successors to pay any transition charges or other amounts with respect to the transactions
1584 authorized by such rate reduction bond order; or (ii) authorize, permit or require that any
1585 amounts arising from the transactions authorized by such rate reduction bond order be used to
1586 subsidize or benefit any company or the customers thereof other than the electric company or gas
1587 company and the affiliates thereof applying for such rate reduction bond order and its affiliates'

1588 customers. A rate reduction bond order shall require that transition charges be paid over to the
1589 financing entity within one calendar month of collection.

1590 (d)(1) The financing entity may issue electric or gas rate reduction bonds approved by the
1591 department in the pertinent rate reduction bond orders. Electric or gas rate reduction bonds shall
1592 be nonrecourse to the credit of it or any assets of the electric company or gas company, other
1593 than the eligible property as specified in the pertinent rate reduction bond order.

1594 (2) An electric company or gas company may sell or assign all or portions of its interest
1595 in eligible property to an affiliate. An electric company or gas company or its affiliates may sell
1596 or assign their interests to one or more financing entities that make that property the basis for
1597 issuance of electric or gas rate reduction bonds to the extent approved in the pertinent rate
1598 reduction bond orders. An electric company or gas company, its affiliates or financing entities
1599 may pledge eligible property as collateral for electric or gas rate reduction bonds to the extent
1600 approved in the pertinent rate reduction bond orders providing for a security interest in the
1601 eligible property, in the manner as set forth in subsection (e).

1602 Eligible property may be sold or assigned by either: (i) the financing entity or a trustee
1603 for the holders of electric or gas rate reduction bonds in connection with the exercise of remedies
1604 upon a default; or (ii) any person acquiring the eligible property after a sale or assignment
1605 pursuant to this subsection.

1606 (3) To the extent that any interest in eligible property is so sold or assigned, or is so
1607 pledged as collateral, the department shall require, pursuant to the policing and regulatory power
1608 of the commonwealth, the electric company or gas company and any successor or any other
1609 entity acting as an electric company or gas company within the service territory to contract with

1610 the financing entity that it will continue to operate its system to provide service to its customers,
1611 will collect amounts in respect of the reimbursable transition costs amounts for the benefit and
1612 account of the financing entity, and will account for and remit these amounts to or for the
1613 account of the financing entity. Contracting with the financing entity in accordance with such
1614 authorization shall not impair or negate the characterization of the sale, assignment, or pledge as
1615 an absolute transfer, a true sale, or security interest, as applicable.

1616 (4) Notwithstanding any general or special law, rule, or regulation to the contrary, any
1617 provision under this section or a rate reduction bond order requiring the department take action
1618 with respect to the subject matter of a rate reduction bond order shall be binding upon the
1619 department, as it may be constituted from time to time, and any successor agency exercising
1620 functions similar to the department and the department shall have no authority to rescind, alter,
1621 or amend that requirement in a rate reduction bond order.

1622 (e)(1) A security interest in eligible property is valid and enforceable against the pledgor
1623 and third parties, subject to the rights of any third parties holding security interests in the eligible
1624 property perfected in the manner described in this subsection, and attaches when all of the
1625 following have taken place: (i) the department has issued the rate reduction bond order
1626 authorizing the bondable reimbursable transition costs amounts included in the eligible property;
1627 (ii) value has been given by the pledgees of the eligible property; and (iii) the pledgor has signed
1628 a security agreement covering the eligible property.

1629 (2) A valid and enforceable security interest in eligible property shall be perfected when
1630 it has attached and when a financing statement has been filed in accordance with article 9 of
1631 chapter 106 naming the pledgor of the eligible property as “debtor” and identifying the eligible

1632 property. Any description of the eligible property shall be sufficient if it refers to the rate
1633 reduction bond order creating the eligible property. A copy of the financing statement shall be
1634 filed with the department by the electric company or gas company, which is the pledgor or
1635 transferor of the eligible property, and the department may require the electric company or gas
1636 company to make other filings with respect to the security interest in accordance with procedures
1637 it may establish; provided, however, that the filings shall not affect the perfection of the security
1638 interest.

1639 (3) A perfected security interest in eligible property shall be a continuously perfected
1640 security interest in all revenues and proceeds arising with respect thereto, whether the revenues
1641 or proceeds have accrued. Conflicting security interests shall rank according to priority in time of
1642 perfection. Eligible property shall constitute property for all purposes, including for contracts
1643 securing electric or gas rate reduction bonds, whether or not the revenues and proceeds arising
1644 with respect thereto have accrued.

1645 (4) Subject to the terms of the security agreement covering the eligible property and the
1646 rights of any third parties holding security interests in the eligible property perfected in the
1647 manner described in this subsection, the validity and relative priority of a security interest
1648 created pursuant to this subsection shall not be defeated or adversely affected by the
1649 commingling of revenues arising with respect to the eligible property with other funds of the
1650 electric company or gas company that is the pledge or transferor of the eligible property. Subject
1651 to the terms of the security agreement, the pledgees of the eligible property shall have a perfected
1652 security interest in all cash and deposit accounts of the electric company or gas company in
1653 which revenues arising with respect to the eligible property have been commingled with other
1654 funds, but the perfected security interest shall be limited to an amount not greater than the

1655 amount of the revenues with respect to the eligible property received by the electric company or
1656 gas company within 12 months before either: (i) any default under the security agreement; or (ii)
1657 the institution of insolvency proceedings by or against the electric company or gas company, less
1658 payments from the revenues to the pledgees during that 12–month period.

1659 (5) If an event of default occurs under the security agreement covering the eligible
1660 property, the pledgees of the eligible property, subject to the terms of the security agreement,
1661 shall have all rights and remedies of a secured party upon default pursuant to article 9 of chapter
1662 106 and such other rights and remedies as may be provided in the rate reduction bond order, and
1663 shall be entitled to foreclose or otherwise enforce their security interest in the eligible property,
1664 subject to the rights of any third parties holding prior security interests in the eligible property
1665 perfected in the manner provided in this section. In addition, the department may require, in the
1666 rate reduction bond order creating the eligible property, that, in the event of default by the
1667 electric company or gas company in payment of revenues arising with respect to the eligible
1668 property, the commission and any successor thereto, upon the application by the pledgees or
1669 transferees, including transferees under subsection (g), of the eligible property, and without
1670 limiting any other remedies available to the pledgees or transferees by reason of the default, shall
1671 order the sequestration and payment to the pledgees or transferees of revenues arising with
1672 respect to the eligible property. Any order shall remain in full force and effect notwithstanding
1673 any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor,
1674 pledgor, or transferor of the eligible property. Any surplus in excess of amounts necessary to pay
1675 principal, premium, if any, interest, costs, and arrearages on the electric or gas rate reduction
1676 bonds, and other costs arising under the security agreement, shall be remitted to the debtor or to
1677 the pledgor or transferor.

1678 (6) The state secretary shall establish and maintain a separate system of records to reflect
1679 the date and time of receipt of all filings made under this subsection (e) to perfect security
1680 interests in eligible property and to effect the transfer to an assignee of any interest in a rate
1681 reduction bond order.

1682 (f) Unless otherwise ordered by the department with respect to any series of electric or
1683 gas rate reduction bonds on or prior to the issuance of the series, there shall exist a statutory lien
1684 as provided in this subsection. Upon the effective date of the rate reduction bond order, there
1685 shall exist a first priority lien on all eligible property then existing or thereafter arising pursuant
1686 to the terms of the rate reduction bond order. This lien shall arise by operation of this subsection
1687 automatically without any action on the part of the electric company, any affiliate thereof, the
1688 financing entity, or any other person. This lien shall secure all obligations, then existing or
1689 subsequently arising, to the holders of the electric or gas rate reduction bonds issued pursuant to
1690 the rate reduction bond order, the trustee or representative for the holders, and any other entity
1691 specified in the rate reduction bond order. The persons for whose benefit this lien is established
1692 shall, upon the occurrence of any defaults specified in the rate reduction bond order, have all
1693 rights and remedies of a secured party upon default pursuant to article 9 of chapter 106, and shall
1694 be entitled to foreclose or otherwise enforce this statutory lien in the eligible property. This lien
1695 shall attach to the eligible property regardless of whom shall own, or shall subsequently be
1696 determined to own, the eligible property, including any electric company or gas company, any
1697 affiliate thereof, the financing entity, or any other person. This lien shall be valid, perfected, and
1698 enforceable against the owner of the eligible property and all third parties upon the effectiveness
1699 of the rate reduction bond order without any further public notice; provided, however, that any
1700 person may, but shall not be required to, file a financing statement in accordance with subsection

1701 (e). Financing statements so filed may be "protective filings" and shall not be evidence of the
1702 ownership of the eligible property.

1703 A perfected statutory lien in eligible property shall be a continuously perfected lien in all
1704 revenues and proceeds arising with respect thereto, whether or not the revenues or proceeds have
1705 accrued. Conflicting liens shall rank according to priority in time of perfection. Eligible property
1706 shall constitute property for all purposes, including for contracts securing rate reduction bonds,
1707 whether or not the revenues and proceeds arising with respect thereto have accrued.

1708 In addition, the department may require, in the rate reduction bond order creating the
1709 eligible property, that, in the event of default by the electric company or gas company in
1710 payment of revenues arising with respect to eligible property, the department and any successor
1711 thereto, upon the application by the beneficiaries of the statutory lien, and without limiting any
1712 other remedies available to the beneficiaries by reason of the default, shall order the
1713 sequestration and payment to the beneficiaries of revenues arising with respect to the eligible
1714 property. Any order shall remain in full force and effect notwithstanding any bankruptcy,
1715 reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor
1716 of the eligible property. Any surplus in excess of amounts necessary to pay principal, premium,
1717 if any, interest, costs, and arrearages on the electric or gas rate reduction bonds, and other costs
1718 arising in connection with the documents governing the electric or gas rate reduction bonds, shall
1719 be remitted to the debtor or to the pledgor or transferor.

1720 (g)(1) A transfer of eligible property by an electric company or gas company to an
1721 affiliate or to a financing entity, or by an affiliate of an electric company or gas company, or a
1722 financing entity to another financing entity, which the parties have in the governing

1723 documentation expressly stated to be a sale or other absolute transfer, in a transaction approved
1724 in a rate reduction bond order, shall be treated as an absolute transfer of all of the transferor's
1725 right, title, and interest, as in a true sale, and not as a pledge or other financing, of the eligible
1726 property, other than for federal and state income purposes. Granting to holders of electric or gas
1727 rate reduction bonds a preferred right to revenues of the electric company or gas company or the
1728 provision by the company of other credit enhancement with respect to electric or gas rate
1729 reduction bonds, shall not impair or negate the characterization of any transfer as a true sale,
1730 other than for federal and state income purposes.

1731 (2) A transfer of eligible property shall be deemed perfected as against third persons
1732 when both of the following have taken place: (i) the department has issued the rate reduction
1733 bond order authorizing the reimbursable transition costs amounts included in the eligible
1734 property; and (ii) an assignment of the eligible property in writing has been executed and
1735 delivered to the eligible property in writing has been executed and delivered to the transferee.

1736 (3) As between bona fide assignees of the same right for value without notice, the
1737 assignee first filing a financing statement in accordance with article 9 of chapter 106 naming the
1738 assignor of the eligible property as debtor and identifying the eligible property has priority. Any
1739 description of the eligible property shall be sufficient if it refers to the rate reduction bond order
1740 creating the eligible property. A copy of the financing statement shall be filed by the assignee
1741 with the department. The department may require the assignor or the assignee to make other
1742 filings with respect to the transfer in accordance with procedures it may establish, but these
1743 filings shall not affect the perfection of the transfer.

1744 (h) Any successor to the electric company or gas company, whether pursuant to any
1745 bankruptcy, reorganization, or other insolvency proceeding, or pursuant to any merger, sale, or
1746 transfer, by operation of law, or otherwise, shall perform and satisfy all obligations of the electric
1747 company or gas company pursuant to this section in the same manner and to the same extent as
1748 the electric company or gas company, including, but not limited to, collecting and paying to the
1749 holders of electric or gas rate reduction bonds or their representatives or the financing entity,
1750 revenues arising with respect to the eligible property sold to the financing entity or pledged to
1751 secure electric or gas rate reduction bonds. This requirement that a successor electric company or
1752 gas company perform the obligations of its predecessor is made pursuant to the commonwealth's
1753 policing and regulatory authority.

1754 SECTION 47. Said chapter 164 is hereby further amended by inserting after section 1K
1755 the following section:-

1756 Section 1L. (a) A licensed supplier other than a supplier acting in its capacity as a
1757 municipal aggregation supplier may offer electricity to a residential customer receiving a
1758 discount rate pursuant to section 152 at a price that does not exceed the trailing 12-month
1759 average of a distribution company's default service rate in the distribution company's service
1760 territory as of the date of agreement with the customer.

1761 (b) With respect to a residential customer, a supplier other than a supplier acting in its
1762 capacity as a municipal aggregation supplier shall not: (i) automatically renew a customer's
1763 contract at the end of a contract term without receiving the written consent of the customer
1764 within 45 days before the expiration of the then current contract with the customer; provided,
1765 however, that the supplier shall provide not less than 3 renewal notices prior to contract

1766 expiration: (A) approximately 60 days prior; (B) approximately 30 days prior, which notice shall
1767 clearly disclose the renewal rate, term and opt-out method; and (C) approximately 15 days prior;
1768 provided, however, that the supplier shall provide for independent third-party verification to
1769 confirm, for all in-person sales and telephonic sales, the customer's affirmative and informed
1770 consent to the terms of renewal; provided further, that a supplier shall not automatically renew a
1771 customer's fixed-rate contract to a variable-rate contract; (ii) offer a variable rate, other than a
1772 rate that adjusts for seasonal variation, more than twice in a single year or a time-of-use rate that
1773 establishes different rates for periods within a single day; (iii) pay a commission or other
1774 incentive-based compensation for enrolling customers to any energy brokers, energy marketers,
1775 other third-party marketing agents or any other employees or agents; (iv) impose on a customer a
1776 fee for cancellation or early termination of an electricity supply agreement; or (v) offer a
1777 voluntary renewable or green energy product that contains clean or renewable energy attributes
1778 other than those that qualify under any clean energy standard regulation established by the
1779 department of environmental protection pursuant to subsection (c) of section 3 of chapter 21N
1780 unless: (A) the supplier discloses to the customer in plain language, prior to enrollment, that the
1781 customer will not receive electricity directly from renewable generating units and that the
1782 supplier will acquire and retire renewable energy certificates or other eligible clean energy
1783 attributes in an amount equal to the customer's usage; (B) the disclosure identifies the resource
1784 types and geographic origins of the renewable energy certificates to be retired; provided,
1785 however, that if such information is not available at the time of enrollment, the supplier shall
1786 disclose the resource types and geographic origins of renewable energy certificates retired for a
1787 substantially similar product over the prior 12 months and provide the specific product's
1788 renewable energy certificate details to the residential customer within 60 days after the first

1789 billing cycle; (C) the renewable energy certificates are tracked by a certificate tracking system
1790 that assigns unique serial numbers, records issuance, transfers and retirements, and prevents
1791 double counting; and (D) the supplier reports annually to the department the amount, type, and
1792 location of clean or renewable energy attributes retired on behalf of residential retail customers
1793 and the percentage of supply purchased in excess of the supplier's annual obligations under the
1794 clean and renewable energy portfolio standards established by the department of environmental
1795 protection and department of energy resources, respectively. The department shall publish the
1796 information received from each company or supplier on its website.

1797 (c) The department shall establish and maintain a public website for residential customers
1798 to compare available retail electricity supply products. Each supplier other than a supplier acting
1799 in its capacity as a municipal aggregation supplier must list at least 1 product available to
1800 residential customers on said website. The department shall ensure that the website includes, but
1801 is not limited to: (i) the current, and where possible, future default service rate available to a
1802 customer pursuant to section 1B; (ii) the default supply rate of any municipal aggregation
1803 offering available to a customer pursuant to section 134; (iii) the contract term for all products
1804 listed; (iv) the percentage of renewable or clean energy content included in the product,
1805 including information on the source or location of such content, as determined by the
1806 department; (v) all additional products and services included as part of the product; (vi) the
1807 estimated monthly cost per customer; and (vii) the information collected pursuant to subsections
1808 (d) and (g). The website shall allow for products to be sorted and compared to each other.

1809 (d) Not less than quarterly, each supplier other than a supplier acting in its capacity as a
1810 municipal aggregation supplier shall provide to the department: (i) a list detailing each rate the
1811 supplier charged to residential retail customers in the last quarter; and (ii) the number of low-

1812 income and non-low-income residential retail customers charged each rate included in such list
1813 by rate class. The department shall publish average rates charged by each supplier to customer
1814 classes and the aggregate number of customers by each supplier served on the department's
1815 website.

1816 (e) A licensed supplier shall provide written notice to the department prior to any
1817 assignment or transfer of customers. Notice shall be provided to the department not less than 30
1818 days prior to the effective date of the proposed assignment or transfer. The department may,
1819 upon its review of such notice, require certain conditions or deny assignment.

1820 (f) Not less than quarterly, the department shall publish each supplier's and electric and
1821 gas distribution companies' complaint data, sourced from complaints made to the department, as
1822 provided to the department annually, on the department's website.

1823 (g) Nothing in this section shall apply to programs authorized by section 134 or to
1824 suppliers when they are carrying out work directly connected to a program authorized by said
1825 section 134.

1826 (h) The department shall adopt such rules and regulations as may be necessary to
1827 implement this section.

1828 SECTION 48. Said chapter 164 is hereby further amended by striking out section 15, as
1829 appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

1830 Section 15. A gas or electric company, under the supervision of the department, selling,
1831 offering for sale or issuing, bonds, debentures, notes or other evidences of indebtedness,
1832 exclusive of stock, payable at periods of not less than 5 years after the date thereof, shall invite

1833 proposals for the purchase thereof. The department shall find that the manner of solicitation of
1834 such proposals demonstrates a measure of competition and is in the public interest. Said
1835 company may, however, reserve the right to reject any proposal.

1836 SECTION 49. Section 15A of said chapter 164, as appearing in the 2024 Official Edition,
1837 is hereby amended by striking out, in line 5, the word "than" and inserting in place thereof the
1838 following word:- that.

1839 SECTION 50. Said chapter 164 is hereby further amended by striking out section 33A, as
1840 so appearing, and inserting in place thereof the following section:-

1841 Section 33A. (a) For the purposes of this section, the following words shall have the
1842 following meanings unless the context clearly requires otherwise:

1843 "Advertising", the commercial use by a utility of any media, including newspaper, social
1844 media, printed matter, radio and television, including any costs associated with research,
1845 analysis, preparation, planning or any other related costs identified by the department as related
1846 to public communication, whose purpose is to transmit a message to a substantial number of
1847 members of the public or to such utility's consumers promoting the sale or consumption of
1848 electricity or any specific energy source, unless such commercial use is approved or ordered by
1849 the department.

1850 "Political advertising", advertising for the purpose of influencing public opinion with
1851 respect to legislative, administrative or electoral matters; provided, however, that political
1852 advertising shall not include policymaking activity in which the executive branch or the general
1853 court has invited gas or electric company participation, including, but not limited to, participation
1854 on or communication with any policy commission, committee, advisory council, working group

1855 or other body established by the executive branch or the general court; provided, however, that
1856 "political advertising" shall not include advertising which: (i) informs consumers of any utility
1857 about how they can conserve energy, improve energy efficiency, access money-saving rates or
1858 programs, seek assistance or customer support, prepare for weather events, reduce peak demand
1859 for energy, take part in demand management or load management initiatives, pursue building
1860 decarbonization, heat pump, networked geothermal, solar or storage technology, or other
1861 electrification measures, or otherwise use the services of any utility in a cost-efficient manner;
1862 (ii) is required by federal or state laws or regulations; (iii) informs consumers regarding service
1863 interruptions, emergency conditions, or measures to enhance safety, security, reliability of
1864 service, affordability, equity or reductions in greenhouse gas emissions; (iv) concerns
1865 employment opportunities with a utility; (v) relates to existing or proposed rates or rate schedules
1866 or notification of hearings thereon; or (vi) informs consumers of and stimulates the use of
1867 products or services which are subject to direct competition from products or services of entities
1868 not regulated by the department or any other government agency.

1869 "Promotional advertising", any advertising for the purpose of encouraging any person to
1870 select or use the service or additional service of a utility regulated by the department, or the
1871 selection or installation of any appliance or equipment designed to use such utility's service;
1872 provided, however, that "promotional advertising" shall not include advertising which: (i)
1873 informs consumers of any utility about how they can conserve energy, improve energy
1874 efficiency, access money-saving rates or programs, seek assistance or customer support, prepare
1875 for weather events, reduce peak demand for energy, take part in demand management or load
1876 management initiatives, pursue building decarbonization, heat pump, networked geothermal,
1877 solar or storage technology, or other electrification measures, or otherwise use the services of

1878 any utility in a cost-efficient manner; (ii) is required by federal or state laws or regulations; (iii)
1879 informs consumers regarding service interruptions, emergency conditions, or measures to
1880 enhance safety, security, reliability of service, affordability, equity or reductions in greenhouse
1881 gas emissions; (iv) concerns employment opportunities with a utility; (v) relates to existing or
1882 proposed rates or rate schedules or notification of hearings thereon; or (vi) informs consumers of
1883 and stimulates the use of products or services which are subject to direct competition from
1884 products or services of entities not regulated by the department or any other government agency.

1885 (b) For the purposes of this section, a communication shall be considered advertising,
1886 promotional advertising, or political advertising if any portion of the communication is
1887 advertising, promotional advertising or political advertising.

1888 (c) No gas or electric company regulated by the department under this chapter may
1889 recover from any ratepayer of such company any direct or indirect expenditure by such company
1890 for promotional or political advertising as defined in this section.

1891 (d) No gas or electric company regulated by the department shall recover through rates
1892 any direct or indirect cost associated with: (i) membership, dues, sponsorships or contributions to
1893 any entity incorporated under section 501 of the Internal Revenue Code of 1986, as amended,
1894 including business or trade associations; (ii) charitable giving expenses, including contributions
1895 in cash or other quantifiable value to organizations qualified under section 501(c)(3) or 501(c)(4)
1896 of the Internal Revenue Code of 1986, as amended; (iii) executive or legislative lobbying, as
1897 defined under section 39 of chapter 3, or soliciting others to engage in executive or legislative
1898 lobbying, including any costs for activities associated with lobbying such as policy research,
1899 analysis, preparation and planning undertaken in support of lobbying; provided, however that

1900 lobbying shall not include policymaking activity in which the executive branch or general court
1901 has invited gas or electric company participation, which activity shall include, but not be limited
1902 to, participation on or communication with any policy commission, committee, advisory council,
1903 working group or other body established by the executive branch or the general court; (iv)
1904 contributions to political candidates, campaign committees, issue committees or independent
1905 expenditure committees or other political expenses; (v) any costs, including marketing,
1906 administration, customer service or other costs, for products or services not regulated by the
1907 department, unless determined by the department to be reasonable; (vi) tax penalties or fines
1908 issued against such company, unless determined by the department to be reasonable; (vii) travel,
1909 lodging, entertainment, gifts or food and beverage expenses for such company's board of
1910 directors, trustees and external advisory councils not required by the department or legislature or
1911 the board of directors and officers of the parent of such company; or (viii) any ownership, lease
1912 or charter of aircraft for such company's board of directors, trustees, external advisory councils
1913 and officers or the board of directors and officers of the parent of such company.

1914 (e) The department and the office of ratepayer advocacy established pursuant to section
1915 11E of chapter 12 shall monitor and investigate compliance and noncompliance with this section.
1916 If the department determines that a gas or electric company regulated by the department
1917 improperly recorded an expense for which recovery is prohibited by this section, the department
1918 shall assess a non-recoverable penalty against such company in an amount that is not less than
1919 the total amount of costs improperly recorded and the department shall order such company to
1920 refund the amount improperly recovered, plus interest, to customers. For each penalty assessed
1921 and collected from any such company pursuant to this section, a portion of the penalty, as
1922 determined by the department, may be distributed to ratepayers through a rebate, or distributed to

1923 the department and the office of ratepayer advocacy for the purpose of increasing resources for
1924 enforcing this section.

1925 SECTION 51. Section 69G of said chapter 164, as so appearing, is hereby amended by
1926 striking out, in line 1, the figure "69W" and inserting in place thereof the following figure:- 69X.

1927 SECTION 52. Said section 69G of said chapter 164, as so appearing, is hereby further
1928 amended by striking out the definition of "Director" and inserting in place thereof the following
1929 definition:-

1930 "Director", the director of the energy facilities siting division appointed pursuant to
1931 section 12N of chapter 25 who shall serve as the director of the board; provided, however, that
1932 the director may issue decisions on de novo adjudications of local permit applications pursuant to
1933 section 69W; and provided further, that the director may issue determinations pursuant to section
1934 69X to require a project applicant to submit an application for a consolidated permit as a large
1935 clean transmission and distribution infrastructure facility under sections 69H and 69T.

1936 SECTION 53. Said section 69G of said chapter 164, as so appearing, is hereby further
1937 amended by striking out the definition of "large clean transmission and distribution infrastructure
1938 facility" and inserting in place thereof the following definition:-

1939 "Large clean transmission and distribution infrastructure facility", electric transmission
1940 and distribution infrastructure and related ancillary infrastructure that is: (i) a new electric
1941 transmission line having a design rating of not less than 69 kilovolts and that is not less than 1
1942 mile in length on a new transmission corridor, including any ancillary structure that is an integral
1943 part of the operation of the transmission line; (ii) a new electric transmission line having a design
1944 rating of not less than 115 kilovolts that is not less than 10 miles in length on an existing

1945 transmission corridor except reconductored or rebuilt transmission lines at the same voltage,
1946 including any ancillary structure that is an integral part of the operation of the transmission line;
1947 (iii) any other new electric transmission infrastructure requiring zoning exemptions, including
1948 standalone transmission substations and upgrades and any ancillary structure that is an integral
1949 part of the operation of the transmission line; (iv) any proposed reconductoring, replacement, or
1950 rebuilding of a transmission facility or group of transmission facilities, including any ancillary
1951 structure that is an integral part of the operation of the transmission line, that is reviewed
1952 pursuant to section 69X; and (v) facilities needed to interconnect offshore wind to the grid;
1953 provided, however, that the large clean transmission and distribution facility is: (A) designed,
1954 fully or in part, to directly interconnect or otherwise facilitate the interconnection of clean energy
1955 infrastructure to the electric grid; (B) approved by the regional transmission operator in relation
1956 to interconnecting clean energy infrastructure; (C) proposed to ensure electric grid reliability and
1957 stability; or (D) will help facilitate the electrification of the building and transportation sectors;
1958 and provided further, that a "large clean transmission and distribution infrastructure facility"
1959 shall not include new transmission and distribution infrastructure that solely interconnects new
1960 and existing energy generation powered by fossil fuels on or after January 1, 2026.

1961 SECTION 54. Section 69H of said chapter 164, as so appearing, is hereby amended, in
1962 the first paragraph, by inserting after the word "pipelines" in line 22 the following word:- ,
1963 facilities.

1964 SECTION 55. Section 69H of said chapter 164 is hereby amended by striking out, in line
1965 36, the word "large" and inserting in place thereof the following words:- facilities, large.

1966 SECTION 56. Said section 69H of said chapter 164, as so appearing, is hereby further
1967 amended by striking out, in line 114, the figure "69W" and inserting in place thereof the
1968 following figure:- 69X.

1969 SECTION 57. Said chapter 164 is hereby amended by inserting after section 69W the
1970 following section:-

1971 Section 69X. (a) A transmission company shall file with the board a description of any
1972 proposed reconductoring, replacement or rebuilding of a transmission facility or group of
1973 transmission facilities on an existing transmission corridor that has an estimated cost of not less
1974 than $25,000,000 prior to commencing construction. Such description shall include, but not be
1975 limited to: (i) an analysis of the need for the project; (ii) an explanation of the project scope,
1976 timing, cost and alternatives considered, including the deployment of advanced conductors, grid-
1977 enhancing technologies and other advanced transmission technologies; (iii) an analysis of the
1978 near-term reliability risks to be addressed by the project; and (iv) an analysis of whether
1979 sufficient mechanisms exist in the regional system planning process to evaluate the project.

1980 (b) Not later than 90 days following a submission pursuant to subsection (a), the director,
1981 at the director's sole discretion, may require a project applicant to submit an application for a
1982 consolidated permit as a large clean transmission and distribution infrastructure facility under
1983 sections 69H and 69T. In such a case, the applicant shall be required to seek and obtain a
1984 consolidated permit from the board before it may proceed with construction. The director shall
1985 notify the project applicant within 5 days of determining that they will require submission of an
1986 application pursuant to sections 69H and 69T. The board may establish rules that permit an

1987 applicant for a project reviewed pursuant to this section to forego certain pre-filing requirements
1988 with which other projects under section 69T are required to comply.

1989 (c) In determining whether to require submission of an application under subsection (b),
1990 the director shall consider: (i) the identified need for the project; (ii) the project scope, timing,
1991 cost and alternatives considered, including the deployment of advanced conductors, grid-
1992 enhancing technologies and other advanced transmission technologies; (iii) whether the proposed
1993 project would address a near-term reliability risk; and (iv) whether there are sufficient
1994 mechanisms in the regional transmission planning process to evaluate projects that are subject to
1995 this section.

1996 (d) Projects selected by ISO-NE for inclusion in its regional system plan shall not be
1997 subject to this section.

1998 (e) The board may adopt such rules and regulations as may be necessary to implement
1999 this section.

2000 SECTION 58. Section 69I of said chapter 164, as appearing in the 2024 Official Edition,
2001 is hereby amended by striking out, in line 26, the figure "69W" and inserting in place thereof the
2002 following figure:- 69X.

2003 SECTION 59. Section 69P of said chapter 164, as so appearing, is hereby amended by
2004 striking out, in lines 20 and 25, the figure "69W", and inserting in place thereof, in each instance,
2005 the following figure:- 69X.

2006 SECTION 60. Said chapter 164 is hereby further amended by inserting after section 83
2007 the following section:-

2008 Section 83A. (a) Notwithstanding any general or special law, rule, regulation or order to
2009 the contrary, the department shall provide for management and operations audits of gas
2010 companies and distribution companies. Such audits shall be performed not more than once every
2011 3 years; provided, however, that at other times the department may order audits on specific
2012 aspects of gas company and distribution company operations and performance, including, but not
2013 limited to, programs authorized pursuant to chapter 25 supporting building decarbonization
2014 through the elimination of fossil fuel end uses or reducing energy use through energy efficiency
2015 and load management resources, as necessary. The department shall order such audits be
2016 performed by its staff or by an independent auditor.

2017 If the department orders an audit under this section to be performed by an independent
2018 auditor, the department may select the auditor, subject to the applicable procurement laws and
2019 regulations of the commonwealth, and shall require the company being audited to enter into a
2020 contract with the auditor providing for payment of the auditor by the company at no cost to the
2021 ratepayers of said company, and shall set a date by which time the audit shall be submitted to the
2022 department. Such contract shall provide that the independent auditor shall work for and be under
2023 the direction of the department according to such other terms as the department may determine
2024 necessary and reasonable.

2025 (b)(1) An audit report detailing the findings and recommendations of the audit shall be
2026 filed with the department on or before such due date and a copy of the report shall be provided to
2027 the office of ratepayer advocacy established pursuant to section 11E of chapter 12.

2028 (2) If the audit report provides evidence that the company violated department regulation
2029 or other applicable laws, the audit report may recommend an appropriate penalty to be paid by

2030 the company. No penalty recommended in an audit report's findings shall be recoverable from
2031 ratepayers.

2032 (3) The department shall solicit comments on the audit report from the company subject
2033 to the audit, the office of ratepayer advocacy and other interested parties, which comments shall
2034 be submitted within 30 days of issuance of the audit.

2035 (c) A company subject to an audit under this section shall, within 90 days after issuance
2036 of such an audit, submit to the department, in a form prescribed by the department, a report
2037 detailing the company's plan to adopt any recommendations made in the audit report pursuant to
2038 subsection (b). The department shall have the opportunity to respond to said report by making
2039 any further recommendations for additional actions it deems the company should undertake.
2040 Within 60 days of the company's receipt of such response, the company shall file with the
2041 department, in a form prescribed by the department, a report detailing the company's revised
2042 plan to implement recommendations made in the audit report and the response. The company
2043 shall provide a copy of such revised plan to the office of ratepayer advocacy, which may submit
2044 comments on such revised plan to the department within 30 days of the department's receipt of
2045 such revised plan. After review of such revised plan and any comments received from the office
2046 of ratepayer advocacy, the department may require each company to further amend its plan in a
2047 particular manner. Such plan shall thereafter become enforceable upon approval by the
2048 department.

2049 (d) The department may commence a subsequent proceeding to examine the company's
2050 compliance with the plan and may impose reasonable and appropriate penalties for any company

2051 noncompliance; provided, however, that the cost of such penalties shall by borne solely by the
2052 company and shall not be recoverable from ratepayers

2053 (e) Upon the petition of a gas or distribution company for approval of a general increase
2054 in base distribution rates pursuant to section 94, or in any other proceedings in which a gas or
2055 distribution company proposes capital improvements, the department shall review that
2056 company's compliance with any applicable findings, recommendations and actions issued
2057 previously by the department as a result of the most recently completed management and
2058 operations audit undertaken pursuant to this section.

2059 SECTION 61. Said chapter 164 is hereby further amended by striking out section 92B, as
2060 appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

2061 Section 92B. (a) The department shall direct each electric company to develop a
2062 comprehensive electric-sector modernization plan to proactively upgrade the distribution and,
2063 where applicable, transmission systems to: (i) improve grid reliability, communications and
2064 resiliency; (ii) enable increased, timely adoption of renewable energy and distributed energy
2065 resources consistent with the most recent emissions reduction roadmap plan required by section
2066 3 of chapter 21N; (iii) promote energy storage and electrification technologies necessary to
2067 decarbonize the environment and economy; (iv) prepare for future climate-driven impacts on the
2068 transmission and distribution systems; (v) accommodate increased transportation electrification,
2069 increased building electrification, economic development, new housing and other potential future
2070 demands on distribution and, where applicable, transmission systems; (vi) minimize or mitigate
2071 impacts on the ratepayers of the commonwealth and (vii) help realize the limits and sublimits

2072 established pursuant to said chapter 21N. An electric company shall use such plan to inform its
2073 annual load forecast and other distribution system plans and shall include:

2074 (A) a load management and virtual power plant strategy that minimizes costs to utility
2075 customers and maximizes benefits of distributed energy resources and generation to utility
2076 customers to the greatest extent possible, which shall include, but not be limited to:

2077 (1) a detailed summary and timeline of all relevant company programs and investments,
2078 including, but not limited to, investments and programs developed as part of the statewide
2079 building decarbonization and energy efficiency investment plans authorized under section 21 of
2080 chapter 25; all investments and programs authorized by the department related to electric grid
2081 modernization, building electrification, transportation electrification and distributed energy
2082 resources; all investments, programs and efforts to utilize advanced metering infrastructure to
2083 either directly or indirectly manage energy demand or enable dispatchable distributed energy
2084 resources to provide benefits or services to the electric grid; and all investments, programs and
2085 efforts to reconduct, replace or rebuild transmission facilities, utilize advanced transmission
2086 technology and grid-enhancing technology as defined in section 150 of this chapter and utilize
2087 non-wires alternatives.

2088 (2) quantitative 5- and 10-year targets for peak load reduction, including targets for
2089 system-wide peak and separate targets for non-coincident sub-system peaks, for both load
2090 management and virtual power plants that include, but are not limited to, targets set as part of
2091 statewide building decarbonization and energy efficiency investment plans and any other plans
2092 approved by the department;

2093 (3) a qualitative and quantitative evaluation of the benefits of all relevant programs and
2094 investments to reduce, defer or eliminate the need for transmission or distribution infrastructure
2095 investments, including, but not limited to, all cases where such programs reduce, defer or
2096 eliminate specific, future infrastructure investment needs identified through the company's
2097 current or prior electric-sector modernization plans or through the company's core capital
2098 planning process, as applicable;

2099 (4) a detailed methodology for ensuring that such programs are optimized to reduce, defer
2100 or eliminate infrastructure investment needs identified through the company's current or prior
2101 electric-sector modernization plans or through the company's core capital planning process;
2102 provided, however, that such methodology shall be applied as consistently as practicable
2103 between electric companies; and

2104 (5) a description and summary of company efforts to enable third parties to provide load
2105 management and virtual power plant services, including, but not limited to, efforts to enable third
2106 party wholesale market participation, changes to company procurement processes or
2107 quantification of the distribution system benefits provided by third party offerings; provided,
2108 however, that the company shall detail the status of any past, current or planned programs or
2109 procurements related to third party-provided grid services and shall provide information on how
2110 third parties can contract with the company, participate in programs and access customer electric
2111 usage data to enable load management and demand response services; provided further, that the
2112 company shall develop and propose for department approval the terms and conditions under
2113 which a third party may provide such services, including, but not limited to, deliverability and
2114 performance requirements and compensation structures.

2115 (B) information on the flexible interconnection program required under section 157

2116 including, but not limited to:

2117 (1) a detailed summary of the flexible interconnection program and a timeline for all

2118 proposed and under development alternative interconnection solutions, and associated

2119 investments, that meet the definition of flexible interconnection under subsection (a) of section

2120 157, including, but not limited to, relevant efforts to make use of advanced metering

2121 infrastructure and smart inverters; and

2122 (2) a qualitative and quantitative evaluation of the benefits of the flexible interconnection

2123 program and proposed and under development alternative interconnection solutions to reduce,

2124 defer or eliminate the need for transmission or distribution infrastructure investments, including,

2125 but not limited to, all cases where the flexible interconnection program and proposed and under

2126 development alternative interconnection solutions reduce, defer or eliminate specific

2127 infrastructure investment needs identified through the company's current or prior electric-sector

2128 modernization plans or through the company's core capital planning process, as applicable.

2129 (3) a description of how the load management and virtual power plant plan provided

2130 pursuant to paragraph (1) and the flexible interconnection program required under section 157

2131 are integrated with other distribution system planning efforts to most effectively reduce costs and

2132 maximize benefits to ratepayers, advance energy affordability and help the commonwealth

2133 realize its statewide greenhouse gas emissions limits and sublimits established pursuant to

2134 chapter 21N.

2135 (4) a climate vulnerability and resilience plan, which shall include, but not be limited to,

2136 the following:

2137 (I) an evaluation of the climate science and projected sea level rise, extreme

2138 temperatures, precipitation, humidity and storms and other climate-related risks for the service

2139 territory;

2140 (II) an evaluation and risk assessment of potential impacts of climate change on existing

2141 operations, planning and physical assets;

2142 (III) identification, prioritization and cost-benefit analysis of adaptation options to

2143 increase asset and system-wide resilience over time;

2144 (IV) a community engagement plan with targeted engagement for low- and moderate-

2145 income populations in the service territory; and

2146 (V) an implementation timeline for making changes in line with the findings of the study

2147 such as modifying design and construction standards, modifying operations and planning

2148 processes and relocating or upgrading existing infrastructure to ensure reliability and resilience

2149 of the grid.

2150 (b) An electric-sector modernization plan developed pursuant to subsection (a) shall

2151 describe in detail: (i) improvements to the electric distribution system to increase reliability and

2152 strengthen system resiliency to address potential weather-related and disaster-related risks; (ii)

2153 the availability and suitability of new technologies including, but not limited to, smart inverters,

2154 advanced metering and telemetry and energy storage technology for meeting forecasted

2155 reliability and resiliency needs, as applicable; (iii) patterns and forecasts of distributed energy

2156 resource adoption in the company's territory and upgrades that might facilitate or inhibit

2157 increased adoption of such technologies; (iv) improvements to the distribution system that will

2158 enable customers to express preferences for access to renewable energy resources; (v)

2159 improvements to the distribution system that will facilitate transportation or building
2160 electrification, economic development and new housing; (vi) improvements to the transmission
2161 or distribution system to facilitate achievement of the statewide greenhouse gas emissions limits
2162 under chapter 21N and consistent with the most recent emissions reduction roadmap plan
2163 required by section 3 of said chapter 21N; (vii) opportunities to deploy energy storage
2164 technologies to improve renewable energy utilization and avoid curtailment; (viii) alternatives to
2165 proposed investments, including changes in rate design, load management and other methods for
2166 reducing demand, enabling flexible demand and supporting dispatchable demand response; and
2167 (ix) alternative approaches to financing proposed investments. For all proposed investments and
2168 alternative approaches, each electric company shall identify customer benefits associated with
2169 the investments and alternatives including, but not limited to, safety, grid reliability and
2170 resiliency, the minimization of costs attributable to complying with the load management and
2171 virtual power plant requirements of this section, facilitation of the electrification of buildings and
2172 transportation, accommodation of increased economic development and new housing, integration
2173 of distributed energy resources, avoided renewable energy curtailment, reduced greenhouse gas
2174 emissions and air pollutants, avoided land use impacts and minimization or mitigation of impacts
2175 on the ratepayers of the commonwealth.

2176 (c) In developing a plan pursuant to subsection (a), an electric company shall:

2177 (i) prepare and use 3 planning horizons for electric demand, including a 5–year forecast, a
2178 10–year forecast and a demand assessment through 2050 to account for future trends, including,
2179 but not limited to, future trends in the adoption of renewable energy, distributed energy resources
2180 and energy storage and electrification technologies necessary to achieve the statewide
2181 greenhouse gas emission limits and sublimits established pursuant to chapter 21N;

2182 (ii) consider and include a summary of all proposed and related investments, alternatives
2183 to these investments and alternative approaches to financing these investments that have been
2184 reviewed, are under consideration or have been approved by the department previously;

2185 (iii) solicit input from the Grid Modernization Advisory Council, established in section
2186 92C, on topics including, but not limited to, planning scenarios and modeling and the
2187 requirements of subsections (a) and (c); and respond to information and document requests from
2188 said council;

2189 (iv) solicit input from the entities listed in section 3 of chapter 43D, the director of the
2190 permit regulatory office established by section 3H of chapter 23Aand the Massachusetts office of
2191 business development established by section 1 of chapter 23A regarding the planning scenarios,
2192 modeling and proposed investments related to economic development and new housing;

2193 (v) solicit input from third-party providers of services that directly or indirectly manage
2194 energy demand to reduce its impact on and provide benefits to the electric power system or
2195 utilize or otherwise enable dispatchable distributed energy resources to provide benefits or
2196 services to the electric grid; and

2197 (vi) conduct technical conferences and not less than 3 stakeholder meetings to inform the
2198 public, appropriate state and federal agencies, companies engaged in the development and
2199 installation of distributed generation, energy storage, vehicle electrification systems and building
2200 electrification systems, third-party providers of services, including, but not limited to, those
2201 providing load management and virtual power plant services and Massachusetts businesses and
2202 housing developers about activities undertaken pursuant to this section.

2203 (d) An electric company shall submit its first plan for review, input and recommendations
2204 to the Grid Modernization Advisory Council, established in section 92C, by September 1, 2023,
2205 and thereafter once every 5 years in accordance with a schedule determined by the department;
2206 provided, however, that the plan shall be submitted to the Grid Modernization Advisory Council
2207 not later than 150 days before the electric company files the plan with the department; provided
2208 further, that the Grid Modernization Advisory Council shall return the plan to the company with
2209 recommendations not later than 70 days before the company files the plan with the department.

2210 An electric company shall submit its electric-sector modernization plan, together with a
2211 documentation of the Grid Modernization Advisory Council's review, input and
2212 recommendations, including, but not limited to, a list of each individual recommendation, the
2213 status of each recommendation with an explanation of why each recommendation was adopted,
2214 adopted as modified or rejected, along with a statement of any unresolved issues, to the
2215 department in accordance with a schedule determined by the department. An electric company
2216 shall also submit a list of the entities with whom it engaged as required in clauses (iii) through
2217 (vi), inclusive, of subsection (c) with a summary of the input provided by such entities.

2218 The electric company shall be permitted to include in base electric distribution rates all
2219 prudently incurred plant additions that are used and are useful. The department shall promptly
2220 consider the plan and shall provide an opportunity for interested parties to be heard in a public
2221 hearing. The department shall approve, approve with modifications or reject the plan within 7
2222 months of the plan's submission. In order to be approved, a plan shall provide net benefits for
2223 customers and meet the criteria enumerated in subsection (a).

2224 (e) An electric-sector modernization plan developed by an electric company pursuant to
2225 subsection (a) shall propose specific, enumerated investments to the distribution systems and,
2226 where applicable, transmission systems, alternatives to such investments and alternative
2227 approaches to financing such investments. The electric-sector modernization plan shall include a
2228 list of all investments that are under review or have been approved by the department previously,
2229 including investments being recovered through rates charged by the company. The plan shall
2230 demonstrate how investments proposed pursuant to this subsection, together with the list of
2231 investments that are under review or have been approved present a comprehensive, integrated
2232 plan to maximize net benefits for customers, meet the criteria enumerated in subsection (a) and
2233 minimize the risk of stranded or duplicative investments. An electric company shall submit 2
2234 reports per year to the department and the joint committee on telecommunications, utilities and
2235 energy on the deployment of approved electric-sector modernization plan investments in
2236 accordance with any performance metrics included in the approved plans.

2237 (f) As part of the plans filed with the department under this section, electric companies
2238 shall propose, and the department may authorize, earnings sharing or other mechanisms designed
2239 to provide electric companies with a return on investments in load management and reduction,
2240 virtual power plants, and non-wires alternatives. The department shall authorize such
2241 mechanisms if necessary to encourage the deployment of load management and reduction,
2242 virtual power plants, and non-wires alternatives and support lower-cost outcomes for electric
2243 utility customers.

2244 SECTION 62. Said chapter 164 is hereby further amended by inserting after section 92C
2245 the following section:-

2246 Section 92D. (a) Not later than July 1, 2028, the department shall establish a
2247 comprehensive distribution system planning and cost recovery framework which shall include,
2248 but not be limited to, electric-sector modernization plans and the discrete investments identified
2249 therein, base distribution rates and associated applications, reconciliation charges and associated
2250 filings and other department proceedings and electric company filings deemed relevant by the
2251 department. Such framework shall apply to any petition to amend electric rates filed with the
2252 department in accordance with section 94 on or after July 1, 2028.

2253 (b) The framework required under subsection (a) shall seek to advance the following
2254 objectives: (i) minimize costs to ratepayers, including through the use of non-wires alternatives,
2255 load management, virtual power plants, flexible interconnection programs, advanced
2256 transmission technologies and grid enhancement technologies; (ii) consolidate the proceedings
2257 through which distribution system planning is conducted; (iii) consolidate the number of
2258 proceedings and charges through which an electric companies may seek cost recovery; (iv)
2259 aligning distribution system plans and investments included in rate applications filed in
2260 accordance with section 94 and the electric-sector modernization plans filed in accordance with
2261 section 92B; (v) ensure that rate applications filed in accordance with section 94 present a
2262 comprehensive overview of current and future electric company capital and operating
2263 expenditures regardless of how such costs have historically been recovered; (vi) prioritize cost
2264 recovery mechanisms that adjust base distribution rates over time; (vii) optimizing distribution
2265 system investments to meet distribution system needs, including those enumerated in subsection
2266 (a) of section 92B; (viii) aligning the interests of the electric companies, ratepayers and
2267 developers with respect to incentive mechanisms; and (ix) maximize transparency, accessibility

2268 and meaningful participation for stakeholders in the development and regulatory review of
2269 distribution system plans and associated investments.

2270 (c) The framework required under subsection (a) may include: (i) a process by which
2271 each electric company may submit an application for preliminary review of specific, enumerated
2272 investments consistent with the electric-sector modernization plan most recently approved by the
2273 department to be recovered through base distribution rates; and (ii) criteria under which the
2274 electric company may make investments to serve incremental electricity demand or incremental
2275 distributed generation before such demand or generation materializes.

2276 (d) Not later than December 1, 2027, each electric company shall submit to the
2277 department an assessment of the current performance and utilization of its electric distribution
2278 and transmission system as compared with the performance and utilization of which it is capable.
2279 Each assessment shall include, but not be limited to: (i) the ratio of distribution system peak load
2280 to total distribution electric grid capacity; (ii) the ratio of current electric load delivered to total
2281 potential deliverable electric load over the distribution system; (iii) the percentage of kilowatt-
2282 hours of electricity lost during the distribution process or by the distribution system; (iv) an
2283 analysis of constrained circuits on the distribution system; and (v) an evaluation of the
2284 performance of the distribution system at peak times; provided, however, that each electric
2285 company shall provide to the department any additional information the department may request
2286 in connection with its review and evaluation of the assessment and the efficiency and
2287 performance of the electric company's system.

2288 (e) Each electric company shall petition the department for approval of electric grid
2289 utilization metrics; provided, however, that such petition shall identify the metrics the electric

2290 company currently employs and proposes to employ as well as an overview of utilization metrics
2291 standards in the industry.

2292 (f) The department shall review each assessment, petition, current and proposed metrics
2293 and accompanying information pursuant to this section. For each electric company, or for
2294 electric companies in the aggregate, the department shall determine: (i) which if any metrics
2295 shall be utilized; (ii) whether they shall be applied at the feeder and substation level; (iii) whether
2296 they shall be reported in future filings;, and (iv) whether assessments and metrics may vary
2297 seasonally. The department shall analyze the potential of each electric company to increase
2298 electric grid performance and utilization through the use of virtual power plants and non-wires
2299 alternatives, including, but not limited to: (A) energy storage resources; (B) customer-owned and
2300 customer-financed capacity resources; (C) virtual power plants; (D) flexible interconnections;
2301 and (E) advanced transmission technologies and grid enhancement technologies. The department
2302 may request any information it may require to conduct its review of the assessment, petition and
2303 metrics and to evaluate an electric company's potential to increase electric grid performance and
2304 utilization through the use of virtual power plants, non-wires alternatives and other methods of
2305 improving electric grid performance and utilization.

2306 (g) Not later than July 1, 2028, the department shall approve electric grid utilization
2307 metrics which shall include, as appropriate, the following: (i) a description of the ways in which
2308 such metrics may inform the department's consideration of future utility requests for approval of
2309 cost recovery for capital investments; (ii) a timeline by which each electric company shall
2310 increase electric grid utilization in accordance with the approved metrics; and (iii) direction
2311 regarding the potential of each electric company to increase electric grid performance and
2312 utilization through the use of virtual power plants and non-wires alternatives, including, but not

2313 limited to: (i) energy storage resources; (ii) customer-owned and customer-financed capacity
2314 resources; (iii) virtual power plants; (iv) flexible interconnection; and (v) advanced transmission
2315 technologies and grid enhancement technologies.

2316 (h) In subsequent filings, each electric company shall submit an updated assessment of
2317 current system performance and utilization relative to approved metrics and of the description,
2318 timeline, and direction provided by the department in subsection (d) and may propose new or
2319 modified metrics for approval to the department.

2320 (i) In its annual report, the department shall include any findings it made or is considering
2321 with respect to an electric company's assessment of the performance and utilization metrics
2322 approved by the department and with respect to the electric company's performance against such
2323 metrics. In such annual report, the department shall analyze the potential of each electric
2324 company to increase electric grid utilization through the use of virtual power plants and non-
2325 wires alternatives, including, but not limited to, the following: (i) energy storage resources; (ii)
2326 customer-owned and customer-financed capacity resources; (iii) virtual power plants; and (iv)
2327 flexible interconnection. To comply with the requirements of this subsection, the department
2328 may request of each electric company any information necessary to properly evaluate the electric
2329 company's use of virtual power plants, non-wires alternatives and other methods to improve
2330 electric grid performance and utilization in the commonwealth.

2331 SECTION 63. Said chapter 164 is hereby further amended by striking out section 124F,
2332 as appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

2333 Section 124F (a) For the purposes of this section, “unhealthy heat threshold”, shall mean
2334 a statewide population-weighted daily maximum temperature of 85 degrees Fahrenheit or greater
2335 for 3 consecutive days.

2336 (b) No gas or electric company shall, between November 15 and March 15, shut off gas
2337 or electric service to any residential customer who cannot pay an overdue charge because of
2338 financial hardship when such gas or electric service is used to provide heat or to operate the
2339 heating system of the customer’s unit or building.

2340 (c) No electric company shall, between May 15 and September 15, shut off electric
2341 service to any residential customer who cannot pay an overdue charge because of financial
2342 hardship during periods that are predicted to meet or exceed the unhealthy heat threshold.

2343 (d) The department, in consultation with the department of public health, may promulgate
2344 such rules and regulations consistent with this section as it deems reasonable and necessary to
2345 implement the provisions of this section.

2346 SECTION 64. Said chapter 164 is hereby further amended by striking out section 137, as
2347 so appearing, and inserting in place thereof the following section:-

2348 Section 137. (a) Notwithstanding any general or special law to the contrary, any non-
2349 profit institution in the commonwealth or any agency, executive office, department, board,
2350 commission, bureau, division or authority thereof, including the executive, legislative and
2351 judicial branches of the commonwealth or any political subdivision thereof, or of any authority
2352 established by the general court to serve a public purpose, may, unless located within the
2353 boundaries of a community served by a municipal light department, participate in and become a
2354 member of any competitively procured program organized and administered under chapter 25A

2355 or this chapter by or on behalf of any public instrumentality of the commonwealth or of any
2356 subsidiary organization thereof for the purpose of group purchasing of electricity, natural gas or
2357 telecommunications services, including supply, building or transportation electrification, energy
2358 management services, distributed energy resources or renewable energy projects and related
2359 products, equipment or goods; provided, however, that any entity seeking to provide group
2360 purchasing services pursuant to this section to such institutions, agencies, executive offices,
2361 departments, boards, commissions, bureaus, divisions or authorities shall be an aggregator
2362 subject to the requirements of clause (ii) of paragraph (1) of section 1F; provided further, that
2363 each such entity shall, not more than 90 days after the close of its business year, submit an
2364 annual report on its organizational and compensation structure and its various business activities
2365 with the secretary of energy and environmental affairs, the commissioner of the department of
2366 public utilities, the clerks of the house of representatives and the senate, the chairs of the house
2367 and senate committees on ways and means and the chairs of the joint committee on
2368 telecommunications, utilities and energy.

2369 (b) The disposition of municipal or state real property by lease, easement or license for
2370 renewable energy shall not require competitive bidding when part of a power purchase
2371 agreement or a net metering agreement in a program organized and administered under this
2372 section.

2373 (c) Any agency, executive office, department, board, commission, bureau, division or
2374 authority of the commonwealth, including the executive, legislative and judicial branches of the
2375 commonwealth, may, on behalf of the commonwealth, dispose of real property by lease,
2376 easement or license which is part of a power purchase agreement or net metering agreement in a

2377 program organized and administered under this section, including, but not limited to,
2378 construction of renewable energy projects on state property.

2379 (d) Any building or transportation electrification, energy management service, distributed
2380 energy resource or renewable energy project which is part of a program organized and
2381 administered under this section and considered to be public construction shall be subject to
2382 sections 26 to 27D, inclusive, and section 29 of chapter 149 and subject to approval by the
2383 division of capital asset management and maintenance or other building owners as applicable to
2384 property owned by the commonwealth.

2385 (e) Any purchase of goods and services which is a part of a program organized and
2386 administered under this section by any executive office, department, agency, office, division,
2387 board, commission or institution within the executive branch shall be subject to section 22 of
2388 chapter 7 and sections 51 and 52 of chapter 30.

2389 SECTION 65. Section 138 of said chapter 164, as so appearing, is hereby amended by
2390 striking out the definitions of "Class I net metering credit", "Class II net metering credit" and
2391 "class III net metering credit" and inserting in place thereof the following 3 definitions:-

2392 "Class I net metering credit", a credit equal to the excess kilowatt-hours by time of use
2393 billing period, if applicable, multiplied by the sum of the distribution company's: (i) default
2394 service kilowatt-hour charge in the ISO–NE load zone where the customer is located; (ii)
2395 distribution kilowatt-hour charge; and (iii) transmission kilowatt-hour charge; provided,
2396 however, that this shall not include the demand side management and renewable energy kilowatt-
2397 hour charges set forth in sections 19 and 20 of chapter 25; and provided further, that credit for a
2398 Class I net metering facility that is not an agricultural net metering facility or that is not using

2399 solar, anaerobic digestion or wind as its energy source shall be the average monthly clearing

2400 price at the ISO–NE.

2401 "Class II net metering credit", a credit equal to the excess kilowatt-hours by time of use

2402 billing period, if applicable, multiplied by the sum of the distribution company's: (i) default

2403 service kilowatt-hour charge in the ISO–NE load zone where the customer is located; (ii)

2404 distribution kilowatt-hour charge; and (iii) transmission kilowatt-hour charge; provided,

2405 however, that this shall not include the demand side management and renewable energy kilowatt-

2406 hour charges set forth in sections 19 and 20 of chapter 25.

2407 "Class III net metering credit", a credit equal to the excess kilowatt-hours by time of use

2408 billing period, if applicable, multiplied by the sum of the distribution company's: (i) default

2409 service kilowatt-hour charge in the ISO–NE load zone where the customer is located; and (ii)

2410 transmission kilowatt-hour charge; provided, however, that for a Class III net metering facility of

2411 a municipality or other governmental entity, the credit shall be equal to the excess kilowatt-hours

2412 multiplied by the sum of (i) and (ii) and the distribution kilowatt-hour charge; and provided

2413 further, that this shall not include the demand side management and renewable energy kilowatt-

2414 hour charges set forth in sections 19 and 20 of chapter 25.

2415 SECTION 66. Said section 138 of said chapter 164, as so appearing, is hereby further

2416 amended by striking out the definition of "market net metering credit" and inserting in place

2417 thereof the following definition:-

2418 "Market net metering credit", (i) a credit equal to 60 per cent of the excess kilowatt-hours

2419 by time of use billing period, if applicable, multiplied by the sum of the distribution company's:

2420 (a) default service kilowatt-hour charge in the ISO–NE load zone where the customer is located;

2421 (b) distribution kilowatt-hour charge; and (c) transmission kilowatt-hour charge; provided,
2422 however, this shall not include the demand side management and renewable energy kilowatt-
2423 hour charges set forth in sections 19 and 20 of chapter 25; or (ii) for net metering facilities of a
2424 municipality or other governmental entity, a credit equal to the excess kilowatt-hours by time of
2425 use billing period, if applicable, multiplied by the sum of the distribution company's: (a) default
2426 service kilowatt-hour charge in the ISO-NE load zone where the customer is located; (b)
2427 distribution kilowatt-hour charge; and (c) transmission kilowatt-hour charge; provided, however,
2428 that this shall not include the demand side management and renewable energy kilowatt-hour
2429 charges set forth in said sections 19 and 20 of said chapter 25; and, provided further, that credits
2430 shall only be allocated to an account of a municipality or government entity.

2431 SECTION 67. Said section 138 of said chapter 164, as so appearing, is hereby further
2432 amended by striking out the definition of "neighborhood net metering credit" and inserting in
2433 place thereof the following definition:-

2434 "Neighborhood net metering credit", a credit equal to the excess kilowatt-hours by time
2435 of use billing period, if applicable, multiplied by the sum of the distribution company's: (i)
2436 default service kilowatt-hour charge in the ISO–NE load zone where the customer is located; and
2437 (ii) transmission kilowatt-hour charge; provided, however, that "neighborhood net metering
2438 credit" shall not include the demand side management and renewable energy kilowatt-hour
2439 charges set forth in sections 19 and 20 of chapter 25.

2440 SECTION 68. Said section 138 of said chapter 164, as so appearing, is hereby further
2441 amended by inserting after the definition of "solar net metering facility" the following 2
2442 definitions:-

2443 “Supply rate net metering credit”, a credit equal to the excess kilowatt-hours by time of
2444 use billing period, if applicable, multiplied by the difference between the distribution company’s
2445 default service kilowatt-hour charge in the ISO–NE load zone where the customer is located and
2446 the distribution company’s costs associated with: (i) the renewable energy portfolio standard
2447 requirements established pursuant to section 11F of chapter 25A; (ii) the alternative energy
2448 portfolio standard requirements established pursuant to section 11F1/2 of chapter 25A; (iii) the
2449 clean peak portfolio standard requirements established pursuant to section 17 of chapter 25A;
2450 (iv) any portfolio standard requirements established by the department of environmental
2451 protection pursuant to sections 3 and 6 of chapter 21N; and (v) the distribution company’s basic
2452 service administrative cost factor.

2453 “Supply rate net metering facility”, a Class I, Class II, or Class III net metering facility,
2454 or a neighborhood net metering facility, that files an Interconnection Service Agreement
2455 application after May 13, 2025, is authorized to interconnect to the distribution system by a
2456 distribution company on or after January 1, 2026, and is not a cap-exempt facility pursuant to
2457 subsection (i) of section 139.

2458 SECTION 69. Subsection (f) of section 139 of said chapter 164, as so appearing, is
2459 hereby amended by striking out the third sentence.

2460 SECTION 70. Said section 139 of said chapter 164, as so appearing, is hereby amended
2461 by striking out, in lines 137 to 138 and 145 to 147, inclusive, the words “that are not net metering
2462 facilities of a municipality or other governmental entity under subsection (f)”.

2463 SECTION 71. Subsection (l) of said section 139 of said chapter 164, as so appearing, is
2464 hereby amended by inserting after the figure “40B”, in line 216, the following words:- or where

2465 the single parcel contains multi-family housing in a zoning district that is compliant with section
2466 3A of Chapter 40A.

2467 SECTION 72. Said section 139 of said chapter 164, as so appearing, is hereby amended
2468 by adding the following subsection:-

2469 (m) A supply rate net metering facility shall generate supply rate net metering credits.

2470 SECTION 73. Said chapter 164 is hereby further amended by striking out section 142, as
2471 so appearing, and inserting in place thereof the following section:-

2472 Section 142. (a) As used in this section, the following words shall have the following
2473 meaning unless the context clearly requires otherwise:

2474 "Eligible system", a plug-in photovoltaic system or plug-in battery system with an export
2475 capacity of 1,200 watts or less that is: (i) listed or certified in accordance with UL3700, the
2476 Outline of Investigation for Interactive Plug-in Photovoltaic Equipment and Systems, and any
2477 other applicable standards developed by UL LLC, formerly known as Underwriters Laboratories,
2478 or the National Electrical Safety Code for plug-in photovoltaic systems and plug-in battery
2479 systems; (ii) listed or certified in accordance with a standard comparable to UL 3700 from a
2480 nationally recognized testing laboratory or a quality assurance entity determined to be
2481 substantially equivalent by an agency in the commonwealth capable of making such a
2482 determination; or (iii) configured in accordance with the National Electrical Safety Code adopted
2483 by the board of building regulations and standards.

2484 "Interconnection agreement", an agreement between a person and a distribution company
2485 governing the connection of an interconnecting generation facility to the distribution company's

2486 system and the ongoing operation of the interconnecting generation facility after it is connected

2487 to the system.

2488 "Plug-in battery system", an alternating current-coupled energy storage device that: (i)

2489 connects to a retail electricity customer's electrical system wiring through a standard outlet; (ii) is

2490 capable of charging from or discharging to the electrical system to which it is connected

2491 independently of any photovoltaic system; and (iii) is intended to offset on-site electricity

2492 consumption by the retail electricity customer, perform energy arbitrage or participate in grid-

2493 support operations.

2494 "Plug-in photovoltaic system", a photovoltaic generation device that: (i) connects to a

2495 retail customer's electrical system writing through a standard electrical outlet in a manner that is

2496 consistent with the requirements of interconnected electric power sources established in the

2497 National Electrical Safety Code adopted by the board of building regulations and standards; (ii)

2498 is intended primarily to offset, in part, the retail electricity customer's electricity consumption;

2499 and; (iii) uses inverters that are configured to shut off after 0.2 seconds if power is disrupted.

2500 (b) Subject to the requirements of this section, a retail electricity customer may install

2501 and operate 1 or more eligible systems at such retail electricity customer's service address for the

2502 purpose of offsetting on-site electricity consumption.

2503 (c) A retail electricity customer may install and operate more than 1 eligible systems with

2504 a combined inverter output of up to 420 watts, measured in alternating current, per service

2505 address. A retail electricity customer may install and operate plug-in photovoltaic systems and

2506 plug-in battery systems with a combined inverter output exceeding 420 watts, but in no event

2507 more than 1,200 watts, per service address; provided, however, that each system is installed by

2508 an electrician duly licensed in the commonwealth, uses a dedicated circuit with a single outlet
2509 and the retail electricity customer complies with the notification requirement set forth in
2510 subsection (e).

2511 (d) An eligible system installed and operated in accordance with the requirements of this
2512 section may not be used in net metering pursuant to this chapter.

2513 (e) A retail electricity customer that installs an eligible system in accordance with
2514 subsection (c) of this section shall provide notification to the distribution company in whose
2515 service territory the eligible system is installed in a form prescribed by the department within 30
2516 days of installation. The notification shall include, but not be limited to, the retail electricity
2517 customer's service address, the inverter capacity of the eligible system and a statement that the
2518 retail electricity customer is in compliance with the requirements of this section. A distribution
2519 company may not deny the installation of an eligible system that complies with the requirements
2520 of this section.

2521 (f) A distribution company may not require a retail electricity customer that installs or
2522 operates an eligible system in accordance with the requirements of this section to: (i) obtain
2523 approval from the distribution company prior to installation or operation; (ii) submit an
2524 interconnection application, execute an interconnection agreement or undergo an interconnection
2525 study in connection with the eligible system; (iii) pay any fee or charge to the distribution
2526 company related to the eligible system; or (iv) install additional controls or requirement beyond
2527 what is integrated into the eligible system.

2528 (g) A distribution company shall not be liable for any damage or injury caused by the
2529 installation or operation of an eligible system by a retail electricity customer in accordance with
2530 this section.

2531 (h) A retail electricity customer that installs or operates an eligible system on or in a
2532 structure that such retail electricity customer does not own shall ensure that the installation or
2533 operation does not compromise the integrity of the structure or violate any state or local building,
2534 fire or zoning codes. Upon removal of an eligible system from a structure the retail electricity
2535 customer does not own, such retail electricity customer shall restore the structure to its original
2536 condition prior to the installation.

2537 (i) Within 6 months of the effective date of this section, the board of building regulations
2538 and standards shall determine whether changes to the building code are required to permit the
2539 use of plug-in battery systems or plug-in photovoltaic systems. If the board determines that
2540 changes to the building code are required, the board shall consider such changes within 6 months
2541 of the date of such determination.

2542 SECTION 74. Chapter 164 of the General Laws is hereby amended by striking out
2543 section 145 and inserting in place thereof the following section:-

2544 Section 145. (a) For the purposes of this section, the following words shall have the
2545 following meanings unless the context clearly requires otherwise:

2546 “Customer”, a retail natural gas customer.

2547 “Eligible infrastructure measure”, a replacement, retirement or an improvement of
2548 existing infrastructure of a gas company that: (i) is made on or after January 1, 2015; (ii) is

2549 designed to improve public safety or infrastructure reliability; (iii) does not increase the revenue
2550 of a gas company by connecting an improvement for a principal purpose of serving new
2551 customers; (iv) reduces, or has the potential to reduce, lost and unaccounted for natural gas
2552 through a reduction in natural gas system leaks; (v) is not included in the current rate base of the
2553 gas company as determined in the gas company's most recent rate proceeding; (vi) may include
2554 use of advanced leak repair technology approved by the department to repair an existing leak-
2555 prone gas pipe to extend the useful life of the such gas pipe by no less than 10 years; and (vii)
2556 may include replacing gas infrastructure clean thermal energy infrastructure.

2557 "Non-emitting renewable thermal infrastructure", infrastructure to distribute clean
2558 thermal energy, as defined in section 3 of chapter 25A.

2559 "Plan", a detailed compilation of eligible infrastructure measures that a gas company files
2560 pursuant to subsection (b).

2561 "Project", an eligible infrastructure measure proposed by a gas company in a plan filed
2562 under this section.

2563 "Stranded asset", a physical asset on a gas company's balance sheet that has become or is
2564 projected to become obsolete, unnecessary, redundant or non-productive before the end of its
2565 expected useful life.

2566 (b) A gas company shall file with the department a plan to address aging or leaking
2567 natural gas infrastructure within the commonwealth and the leak rate on the gas company's
2568 natural gas infrastructure in the interest of public safety and reducing lost and unaccounted for
2569 natural gas through a reduction in natural gas system leaks. Each company's gas infrastructure
2570 plan shall include interim targets for the department's review. The department shall review these

2571 interim targets to ensure each gas company is meeting the appropriate pace to reduce the leak
2572 rate in a safe and timely manner and comply with the limits and sublimits established pursuant to
2573 chapter 21N of the general laws. The interim targets shall be for periods of not more than 6 years
2574 or at the conclusion of 2 complete 3-year walking survey cycles conducted by the gas company.
2575 The gas companies shall incorporate these interim targets into timelines for remediating leak-
2576 prone infrastructure filed pursuant to subsection (c) and may update them based on overall
2577 progress. The department may levy a penalty against any gas company that fails to meet its
2578 interim target in an amount up to and including the equivalent of 2.5 per cent of such gas
2579 company's transmission and distribution service revenues for the previous calendar year.

2580 (c) Any plan filed with the department shall include, but not be limited to: (i) eligible
2581 infrastructure measures concerning mains, services, meter sets and other ancillary facilities
2582 composed of non-cathodically protected steel, cast iron and wrought iron, prioritized to
2583 implement the federal gas distribution pipeline integrity management plan annually submitted to
2584 the department and consistent with subpart P of 49 C.F.R. part 192; (ii) an anticipated timeline
2585 for the completion of each project; (iii) the estimated cost of each project; (iv) rate change
2586 requests; (v) a description of customer costs and benefits under the plan, including the costs of
2587 potential stranded assets and the benefits of avoiding financial exposure to such assets; (vi) the
2588 relocations, where practical, of a meter located inside of a structure to the outside of said
2589 structure for the purpose of improving public safety; and (vii) any other information the
2590 department considers necessary to evaluate the plan.

2591 A gas company shall, at 5-year intervals, provide the department with a summary of its
2592 progress to date, a summary of work to be completed during the next 5 years and any similar
2593 information the department may require.

2594 (d) If a gas company files a plan on or before October 31 for the subsequent construction
2595 year, the department shall review the plan within 6 months. The plan shall be effective as of the
2596 date of filing, pending department review. The department may modify a plan prior to approval
2597 at the request of a gas company or make other modifications to a plan as a condition of approval.
2598 The department shall consider the costs and benefits of the plan including, but not limited to,
2599 impacts on ratepayers, reductions of lost and unaccounted for natural gas through a reduction in
2600 natural gas system leaks and improvements to public safety, and reducing greenhouse gas
2601 emissions in compliance with the limits and sublimits established in chapter 21N. The
2602 department shall give priority to plans narrowly tailored to addressing leak-prone infrastructure
2603 most immediately in need of remediation.

2604 (e) If a plan is in compliance with this section and the department determines the plan
2605 operates in a balanced manner to reasonably accelerate eligible infrastructure measures and
2606 provide benefits, the department shall issue preliminary acceptance of the plan in whole or in
2607 part. A gas company shall then be permitted to begin recovery of the estimated costs of projects
2608 included in the plan beginning on May 1 of the year following the initial filing and collect any
2609 revenue requirement, including depreciation, property taxes and return associated with the plan.

2610 (f) On or before May 1 of each year, a gas company shall file final project documentation
2611 for projects completed in the prior year to demonstrate substantial compliance with the plan
2612 approved pursuant to subsection (e) and that project costs were reasonably and prudently
2613 incurred. The department shall investigate project costs within 6 months of submission and shall
2614 approve and reconcile the authorized rate factor, if necessary, upon a determination that the costs
2615 were reasonable and prudent. Annual changes in the revenue requirement eligible for recovery
2616 shall not exceed the applicable percentages of the gas company's most recent calendar year total

2617 firm revenues, including gas revenues attributable to sales and transportation customers, as set
2618 forth in subsection (i).

2619 (g) All rate change requests made to the department pursuant to an approved plan, shall
2620 be filed annually on a fully reconciling basis, subject to final determination by the department
2621 pursuant to subsection (f). The rate change included in a plan pursuant to section (c), reviewed
2622 pursuant to subsection (d) and taking effect each May 1 pursuant to subsection (e) shall be
2623 subject to investigation by the department pursuant to subsection (f) to determine whether the gas
2624 company has over collected or under collected its requested rate adjustment with such over
2625 collection or under collection reconciled annually. If the department determines that any of the
2626 costs were not reasonably or prudently incurred, the department shall disallow the costs and
2627 direct the gas company to refund the full value of the costs charged to customers with the
2628 appropriate carrying charges on the over-collected amounts. If the department determines that
2629 any of the costs were not in compliance with the approved plan, the department shall disallow
2630 the costs from the cost recovery mechanism established under this section and shall direct the gas
2631 company to refund the full value of the costs charged to customers with the appropriate carrying
2632 charges on the over collected amounts.

2633 (h) Notwithstanding any other general law, special law, or regulation to the contrary, and
2634 pursuant to rules and regulations promulgated by the department as it deems necessary, a gas
2635 company may terminate natural gas service to a customer where such action ensures that the
2636 affected customer retains continuous access to safe, reliable, and affordable heat, hot water, and
2637 other energy services and can secure adequate substitutes for gas-fired services, as determined by
2638 the department.

2639 (i) For purposes of section (f), the maximum applicable percentage of the local gas
2640 distribution company's most recent calendar year total firm revenues, including gas revenues
2641 attributable to sales and transportation customers, beginning –

2642 (1) on or after November 1, 2027, and before October 31, 2028, shall be 1.5 percent;

2643 (2) on or after November 1, 2028, and before October 31, 2029, shall be 1.0 percent;

2644 (3) on or after November 1, 2029, and before October 31, 2030, shall be 0.5 percent; and

2645 (4) on or after November 1, 2030, shall be 0 percent.

2646 (j) The department may promulgate rules and regulations under this section. The
2647 department may discontinue a plan and require a gas company to refund any costs charged to
2648 customers due to failure to substantially comply with a plan or failure to reasonably and
2649 prudently manage project costs.

2650 SECTION 75. Section 147A of said chapter 164, as so appearing, is hereby amended by
2651 striking out, in line 1, the word "section", the second time it appears, and inserting in place
2652 thereof the following word:- For chapter.

2653 SECTION 76. Said Section 147A of said chapter 164, as so appearing, is hereby further
2654 amended by striking the definition of "non-emitting renewable thermal infrastructure project"
2655 and inserting in place thereof the following definition:-

2656 "Non-emitting renewable thermal infrastructure project", an infrastructure project to
2657 distribute clean thermal energy as defined in section 3 of chapter 25A

2658 SECTION 77. Subsection (b) of section 150 of said chapter 164, as so appearing, is
2659 hereby amended by striking out, in line 55, the word "Where" and inserting in its place thereof
2660 the following words:- Where the department determines that.

2661 SECTION 78. Subsection (d) of said section 150 of said chapter 164, as so appearing, is
2662 hereby amended by striking out, in lines 74 through 75, the words "Once every 5 years, not later
2663 than September 1 of the fifth year" and inserting in place thereof the following words:- Once
2664 every 3 years, beginning in 2027, and not later than September 15 of each year in which a report
2665 is required.

2666 SECTION 79. Said chapter 164 is hereby further amended by adding the following 9
2667 sections:-

2668 Section 152. (a) The department shall require that distribution companies and gas
2669 companies provide discounted rates for low-income customers and eligible moderate-income
2670 customers; provided, however, that the cost of such discounts shall be included in the bills
2671 charged to all customers of a distribution company or gas company and in the form of a
2672 mandatory non-bypassable fixed monthly charge to fund such discounts; provided further, that
2673 such charge shall be determined separately for each customer class. The department shall permit
2674 statewide cost recovery of such discounts across distribution companies, and separately gas
2675 companies, so as to promote rate equity across the state. Each distribution company and gas
2676 company shall guarantee payment to the generation supplier for all power sold to low-income
2677 and eligible moderate-income customers at the discounted rates.

2678 (b) Eligibility for the low-income discount rates as provided for in this section shall be
2679 established by the department, including, but not limited to, verification of a low-income

2680 customer's receipt of any means-tested public benefit or verification of eligibility for the home
2681 energy assistance program, or any successor program, for which eligibility does not exceed 200
2682 per cent of the federal poverty level based on a household's gross income. Such public benefits
2683 may include, but shall not be limited to, assistance that provides cash, housing, food or medical
2684 care including, but not limited to, transitional assistance for needy families, supplemental
2685 security income, emergency assistance to elders, disabled and children, food stamps, public
2686 housing, federally-subsidized or state-subsidized housing, the home energy assistance program
2687 and veterans' benefits. In a program year in which maximum eligibility for the home energy
2688 assistance program, or any successor program, exceeds 200 per cent of the federal poverty level,
2689 a household that is income eligible for the home energy assistance program shall be eligible for
2690 the low-income discount rates provided for in this section. Eligibility for the moderate-income
2691 discount rate as provided for in this section shall be established by the department. Following
2692 initial verification of eligibility for the low-income or moderate-income discount rate, eligibility
2693 may be reevaluated not less than every 2 years thereafter.

2694 (c) Each distribution company and gas company shall conduct substantial outreach efforts
2695 to make the low-income or moderate-income discount available to eligible customers; provided,
2696 however, that such outreach may be satisfied by an automated program of matching customer
2697 accounts with: (i) lists of recipients of said means-tested public benefit programs and, based on
2698 the results of said matching program, to presumptively offer a low income discount rate to
2699 eligible customers so identified; and (ii) criteria established by the department for verification of
2700 a moderate-income customer to presumptively offer a moderate-income discount rate to eligible
2701 customers so identified; provided further, that the distribution company or gas company shall,
2702 within 60 days of said presumptive enrollment, inform any such low-income customers or

2703 moderate-income customers of said presumptive enrollment and of their rights and obligations
2704 under said program, including the right to withdraw from said program without penalty.

2705 (d) A residential customer eligible for low-income or moderate-income discount rates
2706 shall receive the service on demand. Each distribution company and gas company shall
2707 periodically notify all customers of the availability and the process for obtaining low-income or
2708 moderate-income discount rates.

2709 (e) Unless otherwise provided by this chapter, on a semi-annual basis, each distribution
2710 company and gas company shall create and distribute information, in the form of a mailing,
2711 webpage or other approved method of distribution, for their customers, on available rebates,
2712 discounts, credits and other cost-saving mechanisms that may lower monthly utility bills.

2713 (f) There shall be no charge to any residential customer for initiating or terminating low-
2714 income or moderate-income discount rates when said initiation or termination request is made
2715 after a regular meter reading has occurred and the customer is in receipt of the results of said
2716 reading.

2717 (g) The department may promulgate rules and regulations as necessary to implement this
2718 section.

2719 Section 153. (a)(1) As used in this section, the following words shall have the following
2720 meanings unless the context clearly requires otherwise:-

2721 "Distribution asset entitlement" an arrangement under which a non-utility entity holds an
2722 entitlement, approved by the department, to use a distribution company's infrastructure to move
2723 electricity across the distribution grid.

2724 "Transmission asset entitlement" an arrangement under which a non-utility entity holds
2725 an entitlement, approved by the department, to use a distribution company's infrastructure to
2726 move electricity across the transmission grid.

2727 (2) The department shall, in accordance with the provisions of this section, review an
2728 application by a distribution company to enter into a lease agreement for either distribution asset
2729 entitlements or transmission asset entitlements with third parties to provide financing and other
2730 monies for investment in distribution projects or transmission projects and direct benefits to the
2731 distribution company's customers in addition to the direct distribution-related or transmission-
2732 related services provided through the assets funded through the financing arrangement. The
2733 application filed under this section may include all such information identified in paragraph (5)
2734 or it may be a framework application which sets forth the manner in which the distribution
2735 company and its non-utility counterparty shall opt into specific leases under the framework in a
2736 future filing and with the department reviewing the terms of that framework filing. For purposes
2737 of this section, a non-utility counter party may not be an affiliate of a distribution company. The
2738 department shall, following an adjudicatory hearing pursuant to chapter 30A, make a
2739 determination as to whether the application provides net benefits to the customers of the
2740 distribution company and based on that determination, approve, approve conditionally, reject
2741 without prejudice or reject the application within 9 months of the date the application is filed.

2742 (3) The department shall promulgate regulations on the eligible uses of charitable
2743 financial contributions required pursuant to this section including, but not limited to: (i) support
2744 for low- and moderate-income energy assistance programs; (ii) programs that support the
2745 deployment of energy efficiency, solar, storage, building electrification, or transportation
2746 electrification for low- and moderate-income neighborhoods; (iii) direct benefits for communities

2747 that are hosting or adjacent to the infrastructure being financed through these funds; or (iv) other
2748 eligible uses as identified by the department through a public process.

2749 (4) For the purposes of this section, the department's determination of whether an
2750 application provides net benefits to the customers of the distribution company shall take into
2751 consideration the charitable financial contributions required pursuant to clause (vi) of paragraph
2752 5as customer benefits.

2753 (5) Any leasing agreement for distribution assets entitlements or transmission assets
2754 entitlements which is entered into and signed by the distribution company and a non-utility third-
2755 party may contain provisions allowing the non-utility counterparty to lease distribution asset
2756 entitlements to distribution projects or transmission asset entitlements to transmission projects of
2757 the distribution company, provided, however, that the actual distribution entitlement leases or the
2758 transmission entitlement leases under the agreement shall include, but not be limited to:

2759 (i) the requirement that the distribution company retains ownership, operational control,
2760 maintenance and responsibility for regulatory compliance of distribution projects covered by the
2761 distribution entitlement lease or the transmission projects covered by the transmission
2762 entitlement lease; provided, however, that the maximum value of the non-utility counterparty's
2763 investment interest in distribution projects covered by the distribution entitlement lease shall be
2764 49.9 per cent of the total value of the distribution projects; provided further, that the maximum
2765 value of the non-utility counterparty's investment interest in transmission projects covered by the
2766 transmission entitlement lease shall be 49.9 per cent of the total value of the transmission
2767 projects;

2768 (ii) the requirement that the distribution company obtain all necessary permits and
2769 approvals required for the projects covered by the distribution entitlement lease or transmission
2770 entitlement lease, including, but not limited to, all approvals from the department; provided,
2771 however, that the projects have been constructed and have commenced commercial operation;

2772 (iii) the specific terms of any distribution entitlement lease or transmission entitlement
2773 lease covered by the application, including the length of the lease, the rental payments for the
2774 lease, any prepayment terms, including, but not limited to, the dollar amount for the rental
2775 payments and the maximum percentage interest that the non-utility counterparty holds in the
2776 assets covered by the distribution-entitlement lease;

2777 (iv) the requirement that the non-utility counterparty pay its pro-rata share of operating
2778 and maintenance expenses for the covered distribution assets or the covered transmission assets
2779 over the term of the lease;

2780 (v) the methodology to be used to calculate the rate which the nonutility counterparty will
2781 charge to the distribution company's ratepayers to recover costs associated with its distribution
2782 asset entitlement or its transmission asset entitlement;

2783 (vi) a binding commitment by the non-utility counterparty to make charitable financial
2784 contributions tied to a share of its annual after-tax profits resulting from revenues received from
2785 the distribution company's ratepayers' use of the distribution asset entitlements or of the
2786 transmission asset entitlements;

2787 (vii) ratepayer protections to ensure that: (A) the distribution entitlement lease or the
2788 transmission entitlement lease does not lead to the double recovery of costs associated with the
2789 covered assets by enabling the distribution company to recover any of the costs that are

2790 otherwise being recovered in the distribution rate charged by the nonutility counterparty that
2791 holds the distribution entitlement lease; and (B) neither the rate charged by the non-utility
2792 counterparty to recover costs associated with its distribution entitlement lease nor the rate
2793 charged by the nonutility counterparty to recover costs associated with its transmission
2794 entitlement lease exceeds the rate that would otherwise be charged by the distribution company
2795 for its cost to recover the investment in assets covered by the lease in the absence of the lease
2796 agreement;

2797 (viii) a list of projects covered by an application that includes 1 or more specific leases
2798 being proposed for departmental review and approval;

2799 (ix) if the application includes a framework for the distribution entitlement leases or for
2800 the transmission entitlement leases and contemplates subsequent filings to the department for
2801 review and approval of the leases that are to be subject to such a framework, a process by which
2802 the department reviews and approves such specific projects and specific future leases; and

2803 (x) where a distribution entitlement lease or the transmission entitlement lease allows for
2804 the prepayment of rent by the non-utility counterparty to the distribution company, a requirement
2805 that the non-utility counterparty is responsible for securing its own financing for the prepaid rent.

2806 (b) In reviewing the ratemaking methodology proposed under clause (v) of paragraph (5)
2807 of subsection (a) for an application filed by a distribution company in which the non-utility
2808 counterparty to the lease agreement under paragraph (1) of said subsection (a) is a non-profit
2809 entity or wholly owned subsidiary of a non-profit entity, the department shall give substantial
2810 consideration to allowing, if requested in the application, methodologies including:

2811 (i) a hypothetical capital structure consisting of 50 per cent equity and 50 per cent debt, if
2812 the non-utility counterparty is a non-profit entity or the wholly owned subsidiary of a non-profit
2813 entity, and if the non-utility counterparty uses 100 per cent debt to finance its investment.

2814 (ii) a proxy return on equity using the distribution company's then-approved return on
2815 equity.

2816 (iii) a levelized fixed rate to recover capital costs using a cost-recovery structure based on
2817 a fixed and levelized rate over the term of the lease; provided, however, that the non-utility
2818 counterparty can provide evidence that such recovery does not violate the requirement set forth
2819 in clause (vii) of paragraph (5) of said subsection (a) that the non-utility counterparty's rate
2820 recovery is no higher than what the distribution company could recover in the absence of the
2821 lease.

2822 (iv) a formula rate to recover operations and maintenance costs using a formula rate
2823 design that includes an adjustment factor to recover the nonutility counterparty's pro-rata share
2824 of the distribution company's actual annual operations and maintenance costs.

2825 (c) After a distribution entitlement lease agreement or transmission entitlement lease
2826 agreement is entered into between a distribution company and a non-utility counterparty for a
2827 particular set of approved projects under subsections (a) and (b), the non-utility counterparty
2828 shall file an application with the department for approval of rates using the methodology
2829 approved in subsections (a) and (b); provided, however, that the department shall, within 120
2830 days after the department's receipt of the filing of the application and approve, approve
2831 conditionally, reject without prejudice or reject the application.

2832 (d) Within 1 year of approval of an application and for every year thereafter until the end
2833 of the lease entitlement agreement, the non-utility counterparty shall, on an annual basis, submit
2834 to the department a report on charitable financial contributions including, but not limited to, the
2835 dollar amount and uses of the charitable financial contributions and a copy of the non-utility
2836 counterparty's Internal Revenue Service Form 990. The non-utility counterparty shall notify the
2837 department within 24 hours following receipt of any notices from either the state or federal
2838 government to (i) cease and desist operations; or (ii) that its tax-exempt status has been revoked;
2839 and any such notification in the case of either (i) or (ii) shall propose remedies to hold ratepayers
2840 harmless.

2841 Section 154. (a) A gas company may make, sell or distribute clean thermal energy, as
2842 defined in section 3 of chapter 25A, in its existing service territory, and build, own or operate
2843 related infrastructure in such territory, all as provided in, and subject to, chapter 25A; provided,
2844 however, that nothing in this section shall confer any exclusive right in the making, selling or
2845 distribution of such energy or the building, ownership or operation of such infrastructure.

2846 Section 155. For the purpose of ensuring public safety in the making, sale, distribution or
2847 transportation of clean thermal energy, as defined in section 3 of chapter 25A, and in the
2848 construction, ownership or operation of related facilities, equipment and infrastructure, the
2849 department shall have supervision of clean thermal energy facilities and related equipment and
2850 infrastructure of gas companies. The department shall keep itself informed as to the methods,
2851 practices, and condition of all facilities and equipment associated with such energy and shall
2852 make such examinations and investigations as necessary, including the adequacy of operation,
2853 maintenance and capital improvements to ensure the safe operation thereof. After holding
2854 technical conferences and receiving public input, the department may, if necessary, promulgate

2855 regulations to implement this section. The department may establish reasonable fees, which may
2856 be retained by the department, to fund the department's supervision of clean thermal energy
2857 safety.

2858 Section 156. Each gas company shall develop, and periodically amend, a comprehensive
2859 just transition plan, to be included as part of any climate compliance plan submission directed by
2860 the department, which transition plan shall address workforce impacts arising or potentially
2861 arising from significant economic, technological or political pressures attributable to
2862 decarbonization, artificial intelligence, trade policy, foreign policy, supply chain disruptions or
2863 other developments. In determining the reasonableness of a gas company's climate compliance
2864 plan, the department shall consider said company's just transition plan. Such just transition plan
2865 shall be amended every 2 years, beginning April 1, 2028, and included as an update in any
2866 climate compliance plan submitted by the company.

2867 Each company plan shall: (i) provide projections of any attrition among its in-house
2868 workforce over the 2-year period addressed by the plan; and (ii) identify, as part of its plan,
2869 provisions, opportunities, and initiatives for training and employment opportunities for workers
2870 who may be displaced by such developments. Workers subject to any agreement reached with
2871 labor organizations representing employees at its gas or alternative fuel operations shall be
2872 eligible for such training and employment opportunities.

2873 Section 157. (a) For the purposes of this section, "flexible interconnection" shall mean a
2874 process by which a distribution company allows new customer load to connect and distributed
2875 energy resources to interconnect to the electric distribution grid based on an agreed-upon

2876 curtailment schedule or protocols and associated tariff, contract or technical requirements, as
2877 applicable.

2878 (b) Each distribution company shall offer a comprehensive flexible interconnection
2879 program designed to enable the efficient connection of new customer loads and to maximize the
2880 deployment of distributed energy resources while minimizing associated electric infrastructure
2881 costs. Such a program shall: (i) be as consistent as practicable across all distribution company
2882 service territories; (ii) utilize existing technologies and capabilities deployed by the distribution
2883 company; and (iii) offer additional solutions over time as the distribution company deploys
2884 additional technologies and capabilities. The department shall review and approve each program.

2885 (c) Each distribution company may request modifications to any approved flexible
2886 interconnection program from the department so long as such modifications are presented to
2887 stakeholders impacted by the planned modifications not less than 3 months prior to filing
2888 requested modifications with the department. Upon presenting such modifications to
2889 stakeholders, the distribution company shall, at a minimum: (i) accept comments on the
2890 modifications; (ii) allow stakeholders to propose modifications; and (iii) develop consensus
2891 language among stakeholders, to the extent possible. The distribution company shall include in
2892 its filing with the department a summary of all alternative proposals provided by stakeholders,
2893 explanations of why the distribution company did not choose to adopt each proposal and a list of
2894 the stakeholders that provided comments on the modifications.

2895 Section 158. (a) For the purposes of this section, the following words shall, unless the
2896 context clearly requires otherwise, have the following meanings:-

2897 “Critical facility”, a facility, building, structure or other infrastructure located within the
2898 commonwealth, where the loss of electrical service would be likely to jeopardize public safety,
2899 public or patient health or cyber security as determined by the municipality in which the
2900 building, structure, facility, or other infrastructure is located or by the municipal, state, or federal
2901 government that owns or controls the real property, building, structure, facility, or other
2902 infrastructure; provided, however, that a critical facility shall include, but not be limited to,
2903 hospitals, assisted care facilities, emergency shelters, emergency operations centers, restoration
2904 staging areas, 911 dispatch centers, fire and police stations, communications infrastructure, water
2905 pumping and sewer treatment stations and correctional facilities.

2906 “Electric microgrid”, an interconnected set of electricity loads and supply sources that
2907 can operate either parallel to an electric distribution grid or as an island disconnected from an
2908 electric distribution grid.

2909 “Government or critical facility microgrid”, an electric microgrid that is designed and
2910 constructed to serve: (i) buildings, infrastructure and customers that are located on government-
2911 owned or government-controlled real property; (ii) a critical facility; or (iii) a combination
2912 thereof.

2913 (b) A local, regional, state or federal government entity that owns, operates or leases a
2914 renewable energy generating source as defined in section 11F of chapter 25A that: (i) qualifies
2915 under any clean energy standard regulations established by the department of environmental
2916 protection pursuant to subsection (c) of section 3 of chapter 21N; or (ii) qualifies as a class I or
2917 class II renewable energy generation source pursuant to section 11F of chapter 25A may
2918 independently distribute electricity generated from such source across a public right-of-way;

2919 provided, however, that: (A) such source shall be connected to a government or critical facility
2920 microgrid; and (B) such local, regional, state or federal government entity shall engage the
2921 distribution company to complete the interconnection of such microgrid to the electric
2922 distribution grid and does not shift costs to other ratepayers. For the purposes of this section, a
2923 government entity shall not be considered a distribution company or an electric company.

2924 Section 159. (a) As used in this section, the following words shall have the following
2925 meanings unless the context clearly requires otherwise:

2926 "Integrated energy planning" or "IEP", the coordinated planning of natural gas and
2927 electric power distribution systems to: (i) identify opportunities for strategic electrification and
2928 demand reduction that minimize total costs to ratepayers across both systems; (ii) reduce
2929 ratepayer exposure to stranded asset risk and unnecessary infrastructure investment; (iii) align
2930 infrastructure investments with the commonwealth's emissions limits established under chapter
2931 21N, the electric-sector modernization plans developed pursuant to section 92B, and the
2932 comprehensive distribution system planning and cost recovery framework developed pursuant to
2933 section 92D; and (iv) inform gas supply planning and procurement to optimize resource
2934 acquisition in light of anticipated demand changes.

2935 "Non-pipeline alternative" or "NPA", an activity, investment or resource that delays,
2936 reduces or eliminates the need to construct, replace or upgrade natural gas infrastructure
2937 including, but not limited to, building electrification, clean thermal energy systems, demand
2938 response, energy efficiency, strategic service territory modifications and targeted customer
2939 incentive programs.

2940 (b) The department shall coordinate and oversee integrated energy planning to reduce
2941 costs to ratepayers by avoiding construction or replacement of infrastructure that is unnecessary,
2942 avoidable or at significant risk of being stranded, to reduce greenhouse gas emissions in
2943 compliance with the limits and sublimits established in chapter 21N and to further the priorities
2944 of the department pursuant to section 1A of chapter 25. In carrying out its duties under this
2945 section, the department may: (i) establish procedures for developing, coordinating, overseeing
2946 and implementing integrated energy planning and plan implementation, including, but not
2947 limited to, by establishing planning and implementation roles for the department, gas companies
2948 and distribution companies; (ii) require gas companies and distribution companies to provide the
2949 data and analysis necessary to support such planning; (iii) establish common planning
2950 assumptions and methodologies; (iv) facilitate cross-utility coordination; (v) require
2951 consideration of non-pipeline alternatives in the planning, design, engineering, construction, and
2952 justification of gas infrastructure investments; (vi) align energy efficiency programs, gas system
2953 enhancement planning, line extension allowance policies, climate compliance plans, gas
2954 company obligations to serve, and other policies with integrated energy planning and plans; (vii)
2955 establish performance incentives or alternative earnings opportunities for utilities that achieve
2956 outcomes consistent with integrated energy planning objectives; (viii) authorize cost recovery for
2957 prudently incurred integrated energy planning activities; (ix) identify and take into account
2958 workforce transition issues; and (x) take such other actions as the department deems necessary.

2959 (c) Each gas company and distribution company shall work collaboratively to develop a
2960 common set of planning tools and data infrastructure for sharing data and information to
2961 facilitate the development and implementation of integrated energy planning and the review of
2962 plans by the department; provided, however, that such tools shall include criteria and processes

2963 by which the gas and distribution companies will integrate energy planning and related
2964 investments within and between companies; and provided further, that the department shall have
2965 full access to the planning tools and data infrastructure developed under this subsection.

2966 (d) The department of energy resources, in consultation with the office of energy
2967 transformation, may convene an integrated energy planning working group to produce findings
2968 and make recommendations on integrated energy planning and plan implementation. The
2969 working group shall facilitate integrated energy planning in the commonwealth with the
2970 objectives of reducing costs to ratepayers by avoiding construction of infrastructure that is
2971 unnecessary, avoidable, or at significant risk of being stranded; reducing greenhouse gas
2972 emissions in compliance with the limits and sublimits established in chapter 21N; and furthering
2973 the priorities of the department pursuant to section 1A of chapter 25. In carrying out its duties
2974 under this section, the working group may review and comment on the objectives enumerated in
2975 subsection (b) and any activities the department undertakes to carry out its duties pursuant to
2976 such subsection. The working group shall report its findings and recommendations to the
2977 department, the gas and distribution companies and the joint committee on telecommunications,
2978 utilities and energy. The gas and distribution companies shall respond to, and the department
2979 shall consider, any such findings and recommendations.

2980 (e) A gas company or distribution company may petition the department to recover
2981 prudently incurred costs associated with integrated energy planning activities. The department
2982 shall determine appropriate processes for the consideration of such petitions and may approve
2983 the recovery of costs prudently incurred in connection with developing, coordinating, overseeing
2984 and implementing integrated energy planning and plans.

2985 (f) Nothing in this section shall guarantee cost recovery or earnings opportunities. The
2986 department shall retain full authority to evaluate prudence and reasonableness.

2987 (g) The department may promulgate regulations to implement this section.

2988 Section 160. The department shall accept and review tariffs proposed by gas companies
2989 to enable renewable natural gas produced by anaerobic digesters or landfills to be delivered to
2990 individual commercial and industrial customers through a gas company's distribution system
2991 under bilateral agreements between commercial and industrial customers and such facilities. The
2992 department shall approve such tariffs only upon a showing that all costs associated with the
2993 covered activities are recovered in tariffed rates and no costs are imposed on non-participating
2994 customers.

2995 SECTION 80. The General Laws are hereby amended by inserting after chapter 164B the
2996 following chapter:-

2997 CHAPTER 164C.

2998 Supervision of Clean Thermal Energy Facilities

2999 Section 1. For the purposes of this chapter, the following words shall have the following
3000 meanings unless the context clearly requires otherwise:

3001 "Clean thermal energy", as defined in section 3 of chapter 25A.

3002 "Department", the department of public utilities.

3003 Section 2. To ensure public safety in the making, sale, distribution or transportation of
3004 clean thermal energy and in the construction, ownership or operation of related facilities,

3005 equipment and infrastructure, the department shall have supervision of clean thermal energy
3006 facilities and related equipment and infrastructure of any company, institution or organization
3007 that makes, sells or distributes such energy or constructs, owns or operates related infrastructure
3008 if such facilities and related infrastructure have a thermal capacity of greater than 1 megawatt.
3009 The department shall keep itself informed as to the methods, practices and conditions of all
3010 facilities and equipment associated with such energy and shall make examinations and
3011 investigations as necessary, including the adequacy of operation, maintenance and capital
3012 improvements to ensure their safe operation. After holding technical conferences and receiving
3013 public input, the department may promulgate regulations to implement this chapter. The
3014 department may establish reasonable fees, which shall be retained by the department, to fund the
3015 department's supervision of clean thermal energy safety.

3016 Section 3. Each entity constructing or operating a clean thermal energy facility or related
3017 infrastructure, except a gas company as defined in section 1 of chapter 164, shall, if applicable,
3018 file a certified copy of its certificate of incorporation and by-laws with the department. By March
3019 1 of each year the entity shall file a report on safety-related matters as the department may
3020 specify including, but not limited to, system accidents, service outages, number of leaks, causes
3021 of leaks, excavation damage and time elapsed between the incident and the return to service
3022 following a repair. The department may levy fines, not to exceed $25,000 per violation, against
3023 an entity for failure to comply with regulations promulgated by the department. In determining
3024 the appropriateness of any fine, the department shall consider the seriousness of the violation and
3025 the good faith compliance efforts of the entity. The department shall provide written notice to the
3026 attorney general of any violation of this chapter.

3027 Section 4. An entity operating a clean thermal energy system that is not a gas company
3028 shall be exempt from the requirements of this chapter if the entity files a detailed inspection and
3029 maintenance plan with the department every 2 years. A person or entity operating a clean thermal
3030 energy system that is being utilized for heating or cooling or that is otherwise supplying energy
3031 to: (i) less than 10 customers or users, if no portion of the system is located in a public place; or
3032 (ii) a single customer or user, if the system is located entirely on the customer's or user's
3033 premises notwithstanding that a portion of the system is located in a public place shall be exempt
3034 from this chapter. Nothing in this chapter shall be construed to alter the substantive jurisdictional
3035 authority of the department.

3036 SECTION 81. Section 2 of chapter 165 of the General Laws, as appearing in the 2024
3037 Official Edition, is hereby amended by striking out, in line 4, the words:-"through eight-four"
3038 and inserting in place thereof the following words:- to 84, inclusive.

3039 SECTION 82. Chapter 465 of the acts of 1980 is hereby repealed.

3040 SECTION 83. Section 51 of chapter 209 of the acts of 2012 is hereby repealed.

3041 SECTION 84. Sections 11 and 11A of chapter 75 of the acts of 2016 are hereby repealed.

3042 SECTION 85. Chapter 239 of the acts of 2024 is hereby amended by striking section 110
3043 and inserting in place thereof the following section:-

3044 Section 110. The regulations required to be promulgated by the executive office of
3045 energy and environmental affairs or its designated agency under section 31 of chapter 21A of the
3046 General Laws and the regulations required to be promulgated by the division of standards in the
3047 office of consumer affairs and business regulation under section 59 of chapter 98 of the General

3048 Laws shall be completed not later than 7 months after the effective date of any initial regulation
3049 promulgated under the California Code of Regulations, Title 20, Division 2, Chapter 12, Article
3050 2 and shall apply to chargers installed on or after June 1, 2026.

3051 SECTION 86. (a) Notwithstanding any general or special law or regulation to the
3052 contrary, there shall be within the department of public utilities, but not subject to the control or
3053 authority of said department, a body known as the energy efficiency management review and
3054 financial oversight board. The board shall undertake an independent professional review of the
3055 organization, budget-setting process, spending controls and performance of building
3056 decarbonization, energy efficiency, load management and demand reduction programs
3057 established pursuant to sections 19, 21 and 22 of chapter 25 of the General Laws. The board shall
3058 formulate and recommend a plan to stabilize and improve the programs' finances, management,
3059 and operations, with special attention to ensuring effective access across geographic areas for
3060 small businesses and middle-income, moderate-income and low-income households.

3061 (b) The board shall consist of 5 members, each of whom shall be experienced in the
3062 effective and fiscally prudent management of mission-driven business organizations; 3 of whom
3063 shall be appointed by the governor, 1 of whom shall serve as chair; 1 of whom shall be appointed
3064 by the attorney general and 1 of whom shall be appointed by the inspector general. No member
3065 shall be a current officer, employee, or paid representative of a program administrator. Members
3066 shall serve without compensation but shall be reimbursed for reasonable expenses. A vacancy
3067 shall be filled in the manner of the original appointment. Three members shall constitute a
3068 quorum and an action of the board shall require the affirmative vote of a majority of the
3069 members present and voting. Members shall be considered special state employees for the
3070 purposes of chapter 268A of the General Laws.

3071 (c) Upon written request of the chair, the department of public utilities, the department of
3072 energy resources, the energy efficiency advisory council, and each program administrator shall
3073 furnish to the board data, records, contracts, cost information, and program documentation
3074 reasonably necessary to the board's review, to the extent consistent with law. The board, as
3075 appropriate, shall work collaboratively with said departments and entities to stabilize and
3076 improve the programs' finances, management and operations. The board shall be subject sections
3077 18 to 25, inclusive, of chapter 30A and chapter 66 of the General Laws; provided, however, that
3078 competitively sensitive or proprietary commercial or financial information furnished to the board
3079 shall be exempt from disclosure and the board shall protect such information through redaction
3080 or aggregation in its public report.

3081 (d) The board shall hold public hearings in diverse areas of the commonwealth and
3082 receive testimony and written comments. The board shall review and make comments, findings
3083 and recommendations concerning: (i) the organizational structures through which energy
3084 efficiency programs and services are and should be delivered, governed, and administered,
3085 including but not limited to consideration of market-based organizational structures and the
3086 current and prospective roles of organizational leaders, the energy efficiency advisory council,
3087 the department of public utilities, the department of energy resources, program administrators,
3088 vendors, contractors and providers; (ii) the process by which the programs' three-year plans,
3089 annual budgets and mid-term modifications are and should be developed, reviewed, and set,
3090 including the transparency, timeliness, rigor and objectivity of such process; (iii) the adequacy of
3091 spending controls, cost oversight, procurement practices, and financial management, including
3092 controls over administrative costs, performance incentives, and payments to vendors and
3093 contractors; (iv) the relationships between program spending, household, business and system

3094 benefits, and costs borne by ratepayers; (v) ratepayer bill impacts, opportunities to improve cost-
3095 effectiveness, affordability, and household, business and system benefits; (vi) opportunities to
3096 improve training and career and business development; (vii) methods for surveying and
3097 responding to customer dissatisfaction; and (viii) any other related matters the board considers
3098 relevant to the sound management and financial oversight of energy efficiency programs. The
3099 board shall annually publish a report of its activities, findings and recommendations and shall
3100 filed said report with the clerks of the senate and house of representatives and the chairs of the
3101 joint committee on telecommunications, utilities and energy.

3102 SECTION 87. Section 86 is hereby repealed.

3103 SECTION 88. (a) For purposes of this section, the following words shall have the
3104 following meanings unless the context clearly requires otherwise:

3105 "Approval", any permit, certificate, order, not including enforcement orders, license,
3106 easement, certification, determination, exemption, variance, waiver, building permit or other
3107 approval or determination of rights from any municipal, regional or state governmental entity
3108 including any agency, department, board, authority, commission or other instrumentality thereof,
3109 for a clean energy facility, issued, granted, constructively approved or otherwise made under
3110 chapter 21 of the General Laws, chapter 21A of the General Laws, except section 16, chapter
3111 21C of the General Laws, chapter 21D of the General Laws, chapter 21E of the General Laws,
3112 chapter 21H of the General Laws, sections 61 to 62L, inclusive, of chapter 30 of the General
3113 Laws, chapter 40 of the General Laws, chapters 40A to 40C, inclusive, of the General Laws,
3114 chapter 41 of the General Laws, chapter 43D of the General Laws, section 21 of chapter 81 of
3115 the General Laws, section 2 of chapter 85 of the General Laws, chapter 91 of the General Laws,

3116 chapter 111 of the General Laws, chapter 131 of the General Laws, chapter 131A of the General
3117 Laws, chapter 164 of the General Laws, chapter 716 of the acts of 1989, chapter 831 of the acts
3118 of 1977 or any other state, regional or local law, regulation, by-law or ordinance.

3119 (b) Notwithstanding any general or special law to the contrary, any approval in effect or
3120 existence from January 1, 2025 to January 1, 2029, inclusive, for a facility that meets the
3121 definition of a "large clean transmission and distribution infrastructure facility" under section
3122 69G of chapter 164 of the General Laws or any offshore wind energy facility or portion thereof
3123 that has received any approvals under subsection (a), shall be extended for the longer of: (i) a
3124 period of 4 years in addition to the lawful term of the approval; or (ii) a period of 4 years in
3125 addition to any extensions of such approvals, including any extensions set forth in any general or
3126 special law including, but not limited to, section 280 of chapter 238 of the acts of 2024.

3127 (c) This section shall not apply to deadlines: (i) explicitly adopted as part of an order of
3128 the department of public utilities issued in an adjudicatory proceeding, other than deadlines in an
3129 order approving construction of a facility or amending or modifying an approval to construct a
3130 facility; or (ii) included in contracts between private parties approved by the department of
3131 public utilities including, but not limited to, long-term contracts approved by the department of
3132 public utilities pursuant to sections 83C, 83D and 83E of chapter 169 of the acts of 2008.

3133 SECTION 89. (a) Notwithstanding any special or general law to the contrary, the bid
3134 awardee, the department of energy resources and the electric distribution companies may each
3135 request an upward or downward price adjustment for any bid submitted under or any contract
3136 awarded pursuant to section 83C of chapter 169 of the acts of 2008 in connection with the
3137 August 30, 2023 request for proposals. Such requests shall be subject to review and approval by

3138 the department of public utilities and shall protect ratepayers and allow projects to be financed,
3139 begin construction and complete construction. Price adjustments may be requested only to
3140 account for: (i) substantial and unforeseeable changes in law occurring after the bid submission
3141 and prior to the time that the project achieves its commercial operation date; or (ii) substantial
3142 and unforeseeable changes in costs that are beyond the reasonable control of the requesting
3143 party. The section 83C bid evaluation team shall require the requesting party to provide
3144 documentation supporting any proposed price adjustments including, but not limited to,
3145 documentation identifying how the assumptions pertaining to capital costs, financing costs,
3146 inflation rates, tax benefits, energy production profiles and similar information on which the bid
3147 is based.

3148 (b) As part of its consideration of the merits of any price adjustment requested pursuant
3149 to subsection (a), the department of public utilities shall first determine, based on the information
3150 provided in this subsection, whether the request has been submitted to account only for: (i)
3151 substantial and unforeseeable changes in law occurring after the bid submission and prior to the
3152 time that the project achieves its commercial operation date; or (ii) substantial and unforeseeable
3153 changes in costs that are beyond the reasonable control of the requesting party. The department
3154 of public utilities may, in consultation with the office of the attorney general, approve an upward
3155 or downward price adjustment only upon a finding that the requested adjustment is in the best
3156 interest of the ratepayers, consistent with the limits and sublimits established pursuant to chapter
3157 21N of the General Laws and reflective only of costs and impacts beyond the reasonable control
3158 of the requesting party.

3159 SECTION 90. Electric distribution companies shall coordinate with the department of
3160 energy resources to develop a common application for developers of distributed generation

3161 facilities and energy storage systems applying for interconnection, net metering or any solar
3162 incentive program established by the department of energy resources pursuant to section 24 of
3163 chapter 25A of the General Laws. The common application shall be designed to minimize the
3164 administrative burden placed on applicants and reduce administrative costs. The electric
3165 distribution companies and department of energy resources shall jointly file a proposal for the
3166 design of a common application with the department of public utilities within 9 months after the
3167 effective date of this section and the department of public utilities shall complete its review of
3168 the joint proposal within 3 months after its receipt thereof. The application shall be made
3169 available for distributed generation facilities and energy storage systems not later than 24 months
3170 after the effective date of this section.

3171 SECTION 91. (a) Not later than 120 days after the effective date of this section, the
3172 department of public utilities shall open an investigation relative to: (i) the regulatory steps
3173 necessary to implement section 158 of chapter 164 of the General Laws; (ii) existing
3174 administrative or regulatory barriers to the deployment of government or critical facility
3175 microgrids and potential ways to lower such barriers; and (iii) ways to protect customers not
3176 connected to such microgrids including, but not limited to, ensuring that: (A) costs for the
3177 development and connection of such microgrids are not shifted to the electric distribution
3178 system; (B) the electric distribution system remains reliable once a given microgrid is connected
3179 and operational; and (C) customers other than those eligible to be served by a given microgrid
3180 are not served by such microgrid; provided, however, that steps to exclude such customers shall
3181 not impose excessive additional costs.

3182 (b) Not later than 6 months after the effective date of this section, the department shall:
3183 (i) issue guidelines for standards, protocols and technical requirements necessary to enable the

3184 development and interconnection of government or critical facility microgrids; provided,
3185 however, that such guidelines shall address any identified administrative and regulatory barriers
3186 and provide for impact studies required for government or critical facility microgrids to connect
3187 to the electric distribution system; (ii) develop government or critical facility microgrid service
3188 standards that delineate an obligation by distribution companies to provide electric service to
3189 customers on the microgrid; (iii) require the distribution companies as defined in section 1 of
3190 chapter 164 of the General Laws to file a proposed model tariff provision under which
3191 government or critical facility microgrids may take service; provided, however, that such
3192 proposed model tariff provision: (A) shall protect customers not connected to such microgrids
3193 from cost shifting; (B) may charge microgrid customers for such services as back up or standby
3194 service; (C) shall not compensate microgrid customers for the use of fossil fuel electricity
3195 generation; (D) may provide additional direction for each distribution company to follow in
3196 filing the model government or critical facility microgrid tariffs; and (iv) provide direction to
3197 each distribution company regarding any additional filings or administrative changes necessary
3198 to promote the deployment of government or critical facility microgrids.

3199 (c) Not later than 9 months after the effective date of this section, the distribution
3200 companies shall file the model government or critical facility microgrid tariffs and any other
3201 filings directed by the department pursuant to subsection (b).

3202 (d) Not later than 1 year after the effective date of this section, the department shall
3203 approve, reject or modify the government or critical facility microgrid tariffs and other filings
3204 made by the distribution companies at the direction of the department. The tariffs and other
3205 filings shall be deemed approved if the department does not issue an order within such 1-year
3206 period.

3207 (e) The approved government and critical facility microgrid tariffs and all administrative
3208 changes directed by the department pursuant to subsection (b) shall take effect not later than 14
3209 months after the effective date of this section.

3210 SECTION 92. (a) Not later than 3 months after the effective date of this act, the
3211 department of public utilities shall issue guidance to the electric distribution companies as
3212 necessary regarding establishment of the flexible interconnection program authorized by section
3213 157 of chapter 164 of the General Laws.

3214 (b)(1) Not later than 1 month after receipt of such guidance, the distribution companies
3215 shall jointly convene a distributed energy resource industry working group facilitated by 1
3216 individual from such industry and 1 individual from an electric distribution company. The
3217 working group shall include: (i) 2 representatives from each electric distribution company; (ii) at
3218 least representatives each from the department of energy resources and the office of the attorney
3219 general; and (iii) 6 representatives from the distributed energy resource industry. The working
3220 group shall meet not less than 2 times a month starting 1 month after the effective date of this
3221 act.

3222 (2) Not later than 3 months after receipt of such guidance, the electric distribution
3223 companies shall present draft versions to the working group of the documents to be included in
3224 the filing of proposed model tariff provisions or tariff revisions to implement such flexible
3225 interconnection program, accept written and oral comments, allow stakeholders to propose
3226 modifications and develop consensus language to the extent possible. The distribution companies
3227 shall include any alternative proposals supported by a majority of working group members as a

3228 supplement to such filing and an explanation of why the distribution company opted to not adopt
3229 such proposals.

3230 (3) Not later than 4 months after receipt of such guidance, the electric distribution
3231 companies shall present draft versions of the documents to be included in the filing of proposed
3232 model tariff provisions or tariff revisions, any consensus language developed by the working
3233 group and any alternative proposals supported by a majority of working group members and an
3234 explanation of why the distribution company opted not to adopt such alternative proposals, to the
3235 working group on sustainable economic development zones established in section 101. The
3236 distribution companies shall accept written and oral comments and allow members of such
3237 working group to propose modifications. The distribution companies shall include those
3238 comments and proposed modifications with the filing required under subsection (c).

3239 (c) Not later than 6 months after receipt of such guidance, the distribution companies
3240 shall file with the department the proposed model tariff provisions or tariff revisions and any
3241 other documents necessary to implement such flexible interconnection program, including any
3242 comments, alternative proposals and company explanations produced pursuant to subsection (b).

3243 (d) Upon receipt of the filing required under subsection (c), the department shall conduct
3244 a proceeding to investigate the flexible interconnection program proposal and approve, deny or
3245 modify such proposal within 1 year after the effective date of this act or within 6 months after
3246 receipt of the filing required under said subsection (c), whichever last occurs. A flexible
3247 interconnection program proposal filed pursuant to said subsection (c) shall be deemed approved
3248 if the department does not issue an order on or before such later date.

3249 SECTION 93. (a) Notwithstanding any general or special law to the contrary, electric
3250 distribution companies shall develop inclusive utility investment program proposals designed to
3251 permit customers to finance the construction of energy projects through an optional tariff payable
3252 directly through their electric bills and shall submit such proposals to the department of public
3253 utilities for approval in accordance with this section.

3254 (b) For the purposes of this section, “energy project” shall mean nonfossil, fuel-related
3255 energy efficiency upgrades, high-efficiency electric heat pumps, energy storage systems, demand
3256 response equipment and on-site solar energy generation equipment, or any combination thereof,
3257 inclusive of ancillary equipment or upgrades necessary to complete the installation of the
3258 equipment or upgrades.

3259 (c) Programs developed by the electric distribution companies under this section shall
3260 enable the distribution companies to offer to make investments in energy projects to customer
3261 properties with low-cost capital and use an opt-in tariff to recover the costs from customers that
3262 participate. Programs shall be designed to provide customers with immediate and ongoing
3263 electric bill savings relative to baseline electric bill costs if they choose to participate. Programs
3264 shall allow residential electric customers that own the property, and renters that have permission
3265 of the property owner, to agree to the installation of an energy project. Programs shall ensure
3266 that: (i) eligible projects do not require upfront payments; provided, however, that customers
3267 may pay down the costs for projects with a payment to the installing contractor in order to
3268 qualify projects that cannot be justified through the available energy cost savings; (ii)
3269 participants agree that the distribution company can recover its costs for the projects at their
3270 location by paying for the project through an optional tariff directly through the participant’s
3271 electricity bill, allowing participants to benefit from installation of energy projects without

3272 traditional loans; (iii) the program is accessible to moderate- and low-income residents; and (iv)
3273 all other available financial incentives are maximized by participants to the greatest extent
3274 possible.

3275 (d) In developing inclusive utility investment program proposals, the electric distribution
3276 companies shall review existing models and programs in other jurisdictions including, but not
3277 limited to, the Pay As You Save system developed by the Energy Efficiency Institute.
3278 Distribution companies shall integrate programs undertaken pursuant to this section with the 3-
3279 year energy efficiency plans established pursuant to section 21 of chapter 25 of the General Laws
3280 and shall actively coordinate with those plans.

3281 (e) The electric distribution companies shall propose conditions under which they will
3282 secure capital to fund the energy projects. The department of public utilities may allow
3283 distribution companies to raise capital independently or work with third-party lenders to secure
3284 the capital for participants, or a combination thereof. Any process the department approves shall
3285 use a market mechanism to identify the least costly sources of capital funds so as to pass on
3286 maximum savings to participants.

3287 (f) The electric distribution companies shall propose customer protection standards
3288 which shall be informed by and designed consistent with best practices developed in other
3289 jurisdictions to date.

3290 (g) In approving electric distribution company program proposals, the department of
3291 public utilities shall establish conditions by which distribution companies may connect program
3292 participants to energy project vendors. In setting conditions for connection, the department may

3293 prioritize vendors that have a history of good relations with the commonwealth, including
3294 vendors that have hired participants from commonwealth-created job training programs.

3295 (h) Program designs shall ensure that conservative estimates of financial savings will
3296 immediately and significantly exceed program costs for program participants. The department of
3297 public utilities may establish minimum financial savings-to-costs targets.

3298 (i) Distribution companies shall consult with the department of energy resources, the
3299 Massachusetts clean energy technology center and the attorney general in developing program
3300 proposals under this section and shall release draft program design proposals for public comment
3301 at least 60 days before submitting the report to the department of public utilities for approval.

3302 (j) The department of public utilities shall establish program design parameters or
3303 guidelines not later than October 1, 2027.

3304 (k) Electric distribution companies shall submit inclusive utility investment program
3305 proposals to the department or public utilities for its review not later than February 1, 2028 and
3306 the department shall complete its review of those proposals not later than November 1, 2028.

3307 (l) Any program proposal approved by the department of public utilities pursuant to this
3308 section shall be made available to eligible customers of the distribution company not later than
3309 April 1, 2029.

3310 (m) A distribution company shall recover all prudently incurred costs of offering a
3311 program approved by the department of public utilities via base distribution rates. The
3312 department may approve the establishment of performance incentives designed to meet

3313 department approved thresholds for the number and types of customers served or the number and
3314 types of energy projects deployed.

3315 SECTION 94. (a) Notwithstanding any general or special law to the contrary, program
3316 administrators of the approved energy efficiency investment plan, authorized pursuant to section
3317 21 of chapter 25 of the General Laws, shall require household income verification for all eligible
3318 customers and renters in designated equity communities, as designated pursuant to the 2025 to
3319 2027, inclusive, 3-year plan to qualify for comprehensive moderate-income rebates and
3320 incentive. Household income verification shall not be required for low-income eligible customers
3321 and renters and incentives shall remain accessible to residents in affordable housing.

3322 (b) To qualify for comprehensive moderate-income rebates and incentives under
3323 subsection (a), the owner of a rental property located in a designated equity community shall
3324 provide sufficient documentation to the program administrators demonstrating that not less than
3325 50 per cent of the occupied dwelling units in the property are rented to households that meet the
3326 applicable income eligibility requirements.

3327 SECTION 95. (a) Not later than 3 months after the effective date of this section, the
3328 department of public utilities shall open a proceeding to consider whether to require electric
3329 distribution companies to accept certain noncash alternatives or financial securities in lieu of
3330 cash to cover common system modification costs under an interconnection service agreement.
3331 Such noncash alternatives or financial securities may include, but shall not be limited to, surety
3332 bonds and letters of credit, including standby letters of credit.

3333 (b) In conducting such proceeding, the department shall: (i) solicit input from such
3334 electric distribution companies, developers of distributed energy resources, consumer advocates

3335 and other stakeholders as it deems necessary; (ii) review laws, regulations and proceedings in
3336 other states including, but not limited to, New York state PUC Case 24-E-0414, pertaining to the
3337 acceptance or nonacceptance of noncash alternatives or financial securities in lieu of cash for
3338 common system modification payments required under interconnection agreements; and (iii)
3339 balance the public interest in reducing project development costs and promoting the growth of
3340 distributed energy resources against the public interest in avoiding increased risks to electric
3341 distribution companies and ratepayers.

3342 (c) Not later than 9 months after the effective date of this section, the department shall
3343 issue a final order that either: (i) directs electric distribution companies to accept noncash
3344 alternatives or financial securities consistent with the purposes and criteria set forth in this
3345 section; or (ii) makes written findings as to why such alternatives and securities should not be
3346 accepted.

3347 (d) The department may promulgate rules and regulations to implement this section.

3348 SECTION 96. The secretary of energy and environmental affairs shall convene a
3349 stakeholder working group to develop recommendations for legislative and regulatory changes
3350 that may be useful to enable any agency, executive office, department, board, commission,
3351 bureau, division or authority of the commonwealth or any political subdivision thereof including,
3352 but not limited to, local and regional bodies, authorities and commissions to own, install, operate
3353 or bill for systems of clean thermal energy as defined in section 3 of chapter 25A of the General
3354 Laws that promote affordability, reliability, public health, public safety and equity, while also
3355 satisfying the requirements of chapters 21N of the General Laws with respect to greenhouse gas

3356 emissions limits and sublimits and said chapter 25A with respect to the development of clean
3357 thermal energy.

3358 The working group shall be convened not later than 30 days after the effective date of this
3359 act and shall include: the secretary of energy and environmental affairs or a designee; the
3360 attorney general or a designee; the commissioner of energy resources or a designee; the chair of
3361 the department of public utilities or a designee; the commissioner of environmental protection or
3362 a designee; the chairs of the joint committee on telecommunications, utilities and energy or their
3363 designees; the commissioner of the Massachusetts Water Resources Authority or a designee; and
3364 11 members to be appointed by the secretary of energy and environmental affairs, 1 of whom
3365 shall be an advocate for low-income residents of the commonwealth, 1 of whom shall be an
3366 advocate for middle-income residents of the commonwealth, 2 of whom shall be representatives
3367 of municipalities or groups of municipalities, of whom 1 shall be a representative of municipal
3368 light plants, 1 shall be a representative of a labor union representing water distribution workers, 2
3369 shall be representatives of nonprofit or for profit organizations with expertise in energy markets,
3370 1 shall be a representative of a nonprofit organization with expertise in the transition to clean
3371 thermal energy, 1 shall be a representative of a nonprofit environmental organization and 1 shall
3372 be a representative of a district energy company.

3373 The working group shall consider: (i) enabling legislation, regulation and best practices
3374 with respect to governance and finance; (ii) facility and project ownership, operation and
3375 partnerships; (iii) land access and rights of way; (iv) protection of environmental values and
3376 clean energy thermal sources; (v) liability, safety and labor standards; and (vi) other opportunity
3377 costs and benefits. The working group shall evaluate opportunities to advance neighborhood-

3378 scale clean thermal energy installations to promote affordability, reliability, public health, public

3379 safety, equity and reductions in greenhouse gas emissions.

3380 The working group shall submit its report to the executive office of energy and

3381 environmental affairs, the department of energy resources, the house and senate committees on

3382 ways and means committees, the joint committee on telecommunications, utilities and energy,

3383 the senate and house committees on global warming and climate change and the clerks of the

3384 senate and house of representatives not later than September 30, 2027.

3385 SECTION 97. (a) Notwithstanding any general or special law to the contrary, not later

3386 than January 1, 2027, the department of public utilities shall commence a proceeding to identify

3387 and review each reconciliation charge that has been established for electric and gas distribution

3388 companies. The department shall evaluate whether charges can be eliminated or revised with the

3389 objectives of reducing ratepayers' bills, particularly during peak usage months, and promoting

3390 ratepayer adoption of electric vehicles and efficient electric heating to reduce statewide and

3391 sector-based greenhouse gases in compliance with the limits and sublimits set in chapter 21N of

3392 the General Laws. The department's investigation shall include, but not be limited to, an

3393 examination of whether and how the objectives can be achieved by implementation of each of

3394 the following: (i) converting volumetric reconciling charges to nonbypassable fixed charges; (ii)

3395 seasonally adjusting volumetric reconciling charges to reduce rates during peak usage months; or

3396 (iii) shifting cost recovery for volumetric reconciling charges into base distribution rates. The

3397 department shall issue an order directing electric and gas distribution companies to make

3398 necessary changes to their rates to achieve these objectives not later than July 1, 2027.

3399 (b)(1) Notwithstanding any general or special law to the contrary, on or before January 1,
3400 2027, the department of public utilities shall commence a proceeding to investigate the
3401 establishment of maximum thresholds for the amount charges assessed to customers may change
3402 from one month to another for each electric and gas distribution company.

3403 (2) The department may establish thresholds for changes over multiple months and
3404 different thresholds for different companies based on a company's size or ability to implement
3405 the mechanisms. The department shall issue an order establishing such thresholds not later than
3406 July 1, 2027.

3407 (3) In such order, the department shall require each gas and electric company to file a
3408 plan to avoid exceeding such thresholds. Such plans shall include proactive measures to avoid
3409 the occurrence of price volatility including, but not limited to, long-term contracting, and
3410 measures that shall be proposed or considered by each gas and electric company if a change in
3411 reconciliation or supply charge filed with the department would exceed the established
3412 thresholds including, but not limited to, the short-term deferral of a portion of a rate increase.

3413 (4) The department shall approve, amend or deny the plans submitted pursuant to
3414 paragraph (3) based on a determination that the plan is in the best interests of ratepayers and the
3415 public interest. The department shall approve, amend or deny such plans not later than July 1,
3416 2027, which approval, amendment or denial shall take immediate effect.

3417 SECTION 98. Notwithstanding any general or special law to the contrary, not later than
3418 December 1, 2026, the department of public utilities shall commence a proceeding to investigate
3419 default service supply procurement and attendant costs to rate payers. Such investigation shall
3420 consider whether procurement practices for providing default service pursuant to section 1B of

3421 chapter 164 of the General Laws best serve the purposes of improving the competitiveness of
3422 procurements and constraining the retail premium realized by suppliers in the form of profit
3423 margins, credit costs, transaction costs, risk hedging and other factors. Such investigation shall
3424 consider whether: (i) all-requirements contracting provides the best value for consumers or
3425 whether ratepayer interests would be better served by more frequent use of procurements that
3426 vary in length, are undertaken in combination with other distribution companies, utilize block
3427 contracting or involve greater reliance on spot energy market purchases; (ii) distribution
3428 companies should have more flexibility to engage in, and should engage more often in,
3429 procurement self-supply; (iii) distribution companies should change their practices with respect
3430 to reconciling costs; (iv) distribution companies should use auctions and other alternatives to
3431 conventional competitive bidding; (v) procurement strategies should change in response to
3432 customer migrations from basic service to municipal aggregation; (vi) caps on supplier retail
3433 premiums and directives to distribution companies to refund supply charges deemed excessive
3434 are within the department's discretion; (vii) the period allotted for review of basic service supply
3435 procurements should be expanded and, if so, whether such an expansion requires legislation or
3436 can be undertaken by the department under its current authority; (viii) independent third parties
3437 should be established and tasked with procuring basic service supplies on behalf of distribution
3438 companies; and (ix) other changes in laws, regulations or distribution company practices would
3439 better serve the interests of ratepayers.

3440 SECTION 99. Not later than 1 year after the effective date of this act, each electric
3441 company shall submit a supplement to the electric-sector modernization plan approved by the
3442 department of public utilities. The supplement shall provide updated forecasts and assessments
3443 of electric demand and supply as the department may require and shall otherwise be limited to

3444 complying with any new requirements imposed by section 92B of chapter 164 of the General
3445 Laws. The department shall determine its requirements for such updated forecasts and
3446 assessments within 90 days after the effective date of this act. An electric company shall consult
3447 with the Grid Modernization Advisory Council established in section 92C of said chapter 164 of
3448 the General Laws not later than 120 days before the electric company files the supplement with
3449 the department. The Grid Modernization Advisory Council shall return the supplement to the
3450 company with recommendations not later than 70 days before the company files the supplement
3451 with the department.

3452 SECTION 100. (a) Notwithstanding any general or special law to the contrary, there shall
3453 be a working group on residential solar consumer protection for the purposes of producing a
3454 comprehensive written assessment of, and proposing legislative, regulatory and industry changes
3455 regarding, the issues and challenges present or projected to arise between residential solar
3456 customers and potential customers and solar system manufacturers, wholesalers, retailers,
3457 lenders and installers. The working group shall aim to facilitate affordable solar system adoption
3458 and improve system performance, customer satisfaction and consumer protection over the entire
3459 lifecycle of residential solar system products and contracts.

3460 (b) The working group shall be convened not later than 45 days after the effective date of
3461 this act and shall consist of:: the attorney general or a designee, who shall serve as co-chair; the
3462 chair of the department of public utilities or a designee, who shall serve as co-chair; the
3463 undersecretary of the office of consumer affairs and business regulation or a designee; 1 person
3464 to be appointed by the president of the senate; 1 person to be appointed by the speaker of the
3465 house of representatives; and 8 persons to be appointed by the governor, 3 of whom shall be
3466 selected from a list of persons submitted by each of the following organizations: (i) the National

3467 Consumer Law Center, Inc.; (ii) the Green Energy Consumers Alliance, Inc.; and (iii) the League
3468 of Women Voters of Massachusetts; 3 of whom shall be shall be selected from a list of persons
3469 submitted by each of the following organizations: (A) the Solar Energy Industries Association;
3470 (B) the Solar Energy Business Association of New England, Inc. and (C) Vote Solar, Inc.; and 2
3471 persons with expertise in relevant aspects of law and finance. A vacancy on the working group
3472 shall be filled in the same manner in which the original appointment was made. Members of the
3473 working group shall receive no compensation for their services.

3474 (c) The working group may request from all industry, nonprofit, academic and
3475 government sources such information and assistance as it may require. Its responsibilities shall
3476 include, but not be limited to, (i) canvassing all public, nonprofit and for-profit sources to
3477 compile and publish, within 12 months after the effective date of this section, a comprehensive
3478 inventory, in both technical terms and in plain English, of significant product and service
3479 shortcomings it determines to exist in marketing and sales, financing, contracting, installation,
3480 system monitoring, maintenance, repair, replacement and upgrades over the entire lifecycle of
3481 systems and contracts, central office operations and software, and disclosures, notifications and
3482 communications to customers; (ii) assessing the sufficiency of information, data and reporting
3483 regarding such shortcomings and methods to improve such information, data and reporting,
3484 consistent with privacy safeguards; (iii) providing a comparative analysis in plain English of the
3485 legal and financial benefits and costs, long term and short term, to consumers and companies of
3486 accessing and delivering residential solar by means of direct consumer ownership, power
3487 purchase agreement, leasing and community solar; (iv) evaluating, for financial value,
3488 transparency, and enforceability, the production and performance guarantees given by companies
3489 in residential solar contracts; (v) evaluating the feasibility and desirability of requiring

3490 compensation, credits or offsets in the event of system outages and failures; (vi) analyzing the
3491 effect of supply chain issues on the timeliness, quality and cost of installations, maintenance,
3492 repairs, replacements and upgrades; (vii) assessing the effectiveness and sufficiency of remedies
3493 available to consumers in the event of product and service shortcomings; and (viii) assessing the
3494 potential operational, financial and legal implications for consumers of virtual power plant
3495 operations that include the consumers' residential solar systems.

3496 (d) The working group shall meet at regular intervals and conduct not fewer than three
3497 public hearings in conveniently accessible locations throughout the commonwealth. The
3498 department of energy resources shall provide administrative support for the operations of the
3499 working group. The working group shall convene its first meeting not later than February 1,
3500 2027, and shall submit a report, along with any recommendations for legislative and regulatory
3501 action at the state, regional and federal level, not later than January 31, 2028, to the governor, the
3502 clerks of the senate and the house of representatives, and the chairs of the joint committee on
3503 telecommunications, utilities and energy.

3504 SECTION 101. (a) The secretary of environmental affairs or a designee and the secretary
3505 of economic development or a designee shall convene and co-chair a working group on
3506 sustainable economic development zones which working group shall consist of the secretary of
3507 housing and livable communities or a designee, the chief executive officer of the Massachusetts
3508 Housing Finance Agency or a designee, the chief executive officer of the Massachusetts
3509 Development Finance Agency or a designee, the commissioner of energy resources or a
3510 designee, the chief executive officer of the Massachusetts clean energy technology center or a
3511 designee, the chair of the intergovernmental coordinating council established in section 81 of
3512 chapter 179 of the acts of 2022 or a designee, the attorney general or a designee and

3513 representatives of municipalities, business, utilities, low- and moderate-income populations,
3514 affordable housing developers, home builders, life sciences and laboratory developers and
3515 operators, technology developers and operators, data center developers and operators, other
3516 commercial building owners and developers, environmental and land use organizations, labor,
3517 consumers, equity organizations and clean energy developers and providers to develop long-term
3518 solutions that align with the clean energy policies of chapter 21N of the General Laws to address
3519 delays in connecting new electric customers to the electric grid for the purposes of economic
3520 development and housing and develop recommendations for use by either the general court or
3521 the department of public utilities to accelerate these connections in identified areas to achieve the
3522 objectives and goals established by said chapter 21N, chapter 358 of the acts of 2020 and
3523 chapters 150 of the acts of 2024 and chapter 239 of the acts of 2024. The working group shall
3524 convene not later than 60 days after the effective date of this act.

3525 (b) The working group shall, at a minimum, identify: (i) the electric and thermal
3526 infrastructure needs of various economic development segments and housing development types
3527 in identified zones or areas; (ii) barriers to the rapid development of electric and thermal
3528 infrastructure necessary to support the development of the identified economic development
3529 segments and housing development types in clause (i); (iii) options to enable the anticipatory and
3530 accelerated build-out of electric and thermal infrastructure which shall align with achievement of
3531 the limits and sublimits on greenhouse gas emissions set pursuant to chapter 21N of the General
3532 Laws and the 2023 State Hazard Mitigation and Climate Adaptation Plan in identified areas; (iv)
3533 options to enable and finance the construction of clean thermal energy networks and on-site
3534 clean energy, including solar and storage for resilience, that support the needs of the local
3535 electric grid; (v) options for special tariffs or special contracts offered by electric or gas

3536 companies as defined in section 1 of chapter 164 of the General Laws to encourage economic
3537 development, support electric and clean thermal energy infrastructure build-out and connect to
3538 on-site clean energy sources; (vi) options to ensure that costs incurred to support anticipated
3539 electrical and thermal needs in an identified area for economic development segments and
3540 housing development types in said clause (i) are not shifted to other customers; (vii) options that
3541 do not support or finance natural gas or other fossil infrastructure; (viii) recommendations that
3542 support and inform existing economic development and site prioritization programs including,
3543 but not limited, to priority designated sites and ReadyMass 100 properties; and (ix)
3544 recommendations to the general court and the department of public utilities, as appropriate, for
3545 changes to laws, regulations, department orders or current practices of government agencies and
3546 the electric or gas companies to accelerate the build-out of necessary electric and clean thermal
3547 energy infrastructure and support the anticipated electrical and thermal needs of the identified
3548 economic development segments and housing development types in said clause (i), including,
3549 but not limited to, financing and cost recovery mechanisms to minimize costs or reduce rates
3550 charged.

3551 (c) The working group shall submit recommendations to the senate and house committees
3552 on ways and means, the joint committee on telecommunications, utilities and energy, the joint
3553 committee on economic development and emerging technologies and the department of public
3554 utilities not later than 10 months after the effective date of this act. The department of public
3555 utilities shall act on the recommendations not later than 210 days after receipt thereof and
3556 provide an update to the general court on its actions and findings within 240 days after receipt
3557 thereof.

3558 SECTION 102. Sections 8 to 15, inclusive shall take effect on January 1, 2028.

3559 SECTION 103. Section 87 shall take effect on December 31, 2030.

3560 SECTION 104. Section 16 shall take effect on January 1, 2040.

3561 SECTION 105. The department shall fully implement a commonwealth smart solar
3562 permitting platform pursuant to section 26 of chapter 25A of the General Laws and make it
3563 available within 12 months after the effective date of this section.