SENATE . . . . . No. 3166

Senate, July 1, 2016 -- Text of the Senate amendment to the House Bill relative to energy affordability, clean power and economic competitiveness (House, No. 5175) (being the text of Senate document numbered 3143, printed as amended)

The Commonwealth of Massachusetts

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

SECTION 1. Paragraph (1) of subsection (c) of section 22 of chapter 21A of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by striking out clause (ii) and inserting in place thereof the following 2 clauses:-

(i) to fund the Electric Vehicle Adoption Incentive Trust Fund established in section 19 of chapter 25A;

(ii) to fund the green communities program established in subsection (b) of section 10 of said chapter 25A.

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

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

SECTION 3. Section 70 of chapter 23A of the General Laws, as so appearing, is hereby amended by striking out subsection (i) and inserting in place thereof the following 4 subsections:-

(i) As a condition of receiving, maintaining or renewing the tax benefits pursuant to paragraph (zz) of section 6 of chapter 64H, an applicant shall be required to demonstrate compliance with requirements established by the executive office relating to: (i) energy supply and clean energy procurement, including, but not limited to, measures that support energy affordability and reliability and meet the requirements established in chapter 21N; (ii) energy efficiency, load flexibility and grid optimization, including, but not limited to, practices that reduce energy system impacts and infrastructure costs; (iii) water resource protection and infrastructure capacity, including, but not limited to, conservation, reuse, wastewater management and protection of existing users; (iv) public health, air quality, environmental protection and mitigation of cumulative impacts; (v) responsible labor practices, including, but not limited to, requirements relative to registered apprenticeship opportunities, and the use of project labor agreements or labor peace agreements; (vi) community engagement and community benefit commitments, including, but not limited to, investments aligned with local needs and priorities; (vii) economic development objectives, including, but not limited to, support for businesses, innovation, job creation and long-term economic competitiveness in the commonwealth; and (viii) transparency, reporting, disclosure, independent verification and accountability measures.

(j) The executive office of economic development may condition, suspend, revoke, limit or decline to grant an exemption under paragraph (zz) of section 6 of chapter 64H upon a finding that an applicant has failed to satisfy requirements established pursuant to this section.

(k) Nothing in this section shall be construed to alter, replace or limit any other applicable federal, state, regional or local permitting, siting, regulatory, environmental, public health, zoning or land-use requirement affecting a data center seeking an exemption under paragraph (zz) of section 6 of chapter 64H.

(l) The secretary, in consultation with the commissioner of revenue, the secretary of energy and environmental affairs and other relevant agencies, shall promulgate regulations and shall issue instructions or forms necessary for the implementation of this section.

SECTION 4. Section 1 of chapter 23J of the General Laws, as so appearing, is hereby amended by striking out the definitions of “Clean energy” and “Clean energy research” and inserting in place thereof the following 2 definitions:-

“Clean energy”, advanced and applied technologies that significantly reduce or eliminate the use of energy from nonrenewable sources, including, but not limited to: (i) energy efficiency; (ii) demand response; (iii) energy conservation; (iv) carbon dioxide removal; (v) embodied carbon reduction; or (vi) technologies powered, in whole or in part, by the sun, wind, water, clean thermal energy, geothermal energy, including networked geothermal and deep geothermal energy, hydrogen produced by non-fossil fuel sources and methods, alcohol, fuel cells, fusion energy, nuclear fission or any other renewable, nondepletable or recyclable fuel; provided, however, that “clean energy” shall include an alternative energy generating source as defined in clauses (i) to (vi), inclusive, of subsection (a) of section 11F½ of chapter 25A.

“Clean energy research”, advanced and applied research in new clean energy technologies, including: (i) solar photovoltaic; (ii) solar thermal; (iii) wind power; (iv) clean thermal energy including but not limited to, geothermal energy, including networked geothermal

and deep geothermal energy; (v) wave and tidal energy; (vi) advanced hydropower; (vii) energy transmission and distribution; (viii) energy storage; (ix) renewable biofuels, including ethanol, biodiesel and advanced biofuels; (x) renewable, biodegradable chemicals; (xi) advanced thermal-to-energy conversion; (xii) fusion energy; (xiii) hydrogen produced by non-fossil fuel sources and methods; (xiv) carbon capture and sequestration; (xv) carbon dioxide removal; (xvi) energy monitoring; (xvii) green building materials and embodied carbon reduction; (xviii) energy efficiency; (xix) energy-efficient lighting; (xx) gasification and conversion of gas to liquid fuels; (xxi) industrial energy efficiency; (xxii) demand-side management; (xxiii) fuel cells; and (xxiv) nuclear fission; provided, however, that "clean energy research" shall not include advanced and applied research in coal, oil or natural gas.

SECTION 5. Section 8 of said chapter 23J, as so appearing, is hereby amended by striking out clause (x) and inserting in place thereof the following clause:- (x) clean thermal energy, geothermal energy, including networked geothermal and deep geothermal energy; and

SECTION 6. Subsection (f) of section 9 of said chapter 23J, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- For the purposes of expenditures from the trust fund, "renewable energy technologies eligible for assistance" shall mean technologies eligible as class I or class II renewable energy generating sources under section 11F of chapter 25A, microcombined heat and power units less than 60 kilowatts, solar hot water, clean thermal energy, geothermal heating and cooling projects, including networked geothermal and deep geothermal energy, biomass thermal and storage and conversion technologies connected to qualifying generation projects; provided, however, that climatetech technologies eligible for assistance shall be consistent with the definition of "climatetech" in section 1.

SECTION 7. Subsection (b) of section 3 of chapter 23M of the General Laws, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- The agency shall, in conjunction with the department, develop program guidelines governing the terms and conditions under which financing for commercial PACE projects may be made available to the commercial sustainable energy program.

SECTION 8. Section 12N of chapter 25 of the General Laws, as so appearing, is hereby amended by striking out, in line 7, the word "69W" and inserting in place thereof the following word:- 69X.

SECTION 9. Section 19 of said chapter 25, as so appearing, is hereby amended by striking out, in line 1, the words "shall require" and inserting in place thereof the following words:- shall, subject to subsection (g) of section 21, require.

SECTION 10. Said section 19 of said chapter 25, as so appearing, is hereby further amended by striking out, in lines 3 to 5, inclusive, the words "energy efficiency programs including, but not limited to, demand side management programs" and inserting in place thereof the following words:- programs supporting building decarbonization through the elimination of fossil fuel end uses or the reduction of energy use through energy efficiency and load management resources.

SECTION 11. Said section 19 of said chapter 25, as so appearing, is hereby further amended by inserting after the figure "164", in line 8, the following words:- ; provided, however, that if a municipality or part of a municipality is served by a municipal light plant and by a gas distribution company that is not owned by a corporate parent company that operates an electric distribution company in the commonwealth, the department: (i) may, notwithstanding any

general or special law to the contrary, designate the municipal light plant or an electric distribution company to administer building decarbonization and energy efficiency programs for the municipality or part of the municipality; and (ii) shall promulgate regulations to effect that designation.

SECTION 12. Subsection (a) of said section 19 of said chapter 25, as so appearing, is hereby amended by striking out the third and fourth sentences and inserting in place thereof the following sentence:- In addition to the aforementioned mandatory charge, such programs administered by the electric distribution companies, a municipal light plant subject to a designation by the department pursuant to this subsection and municipal aggregators with energy plans certified by the department under said subsection (b) of said section 134 of said chapter 164, shall be funded, without further appropriation, by: (i) amounts generated by the distribution companies and municipal aggregators under the Forward Capacity Market program administered by ISO–NE, as defined in section 1 of said chapter 164; (ii) cap and trade pollution control programs subject to section 22 of chapter 21A including, but not limited to, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative as defined in subsection (a) of said section 22 of said chapter 21A and the NOx Allowance Trading Program; (iii) the building decarbonization and energy efficiency surcharge established pursuant to subsection (c) approved by the department; and (iv) other funding as approved by the department after consideration of the: (A) effect of any rate increases on residential and commercial consumers; and (B) availability of other private or public funds, utility-administered or otherwise, that may be available for building decarbonization, electrification, energy efficiency or load management.

SECTION 13. Said section 19 of said chapter 25, as so appearing, is hereby further amended by striking out, in lines 35 to 37, inclusive, the words “gas energy efficiency programs proposed by gas distribution companies including, but not limited to, demand side management programs” and inserting in place thereof the following words:- the statewide building decarbonization and energy efficiency investment plan and the actions directed in subsections (c) and (d), from gas distribution companies to be directed to the electric distribution companies and municipal aggregators with certified energy plans according to a method approved by the department.

SECTION 14. Subsection (b) of said section 19 of said chapter 25, as so appearing, is hereby amended by striking out the second to fourth sentences, inclusive.

SECTION 15. Said section 19 of said chapter 25, as so appearing, is hereby further amended by striking out subsections (c) and (d) and inserting in place thereof the following 2 subsections:-

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

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

SECTION 16. Said chapter 25 is hereby further amended by striking out sections 21 and 22, as so appearing, and inserting in place thereof the following 2 sections:-

Section 21. (a)(1) Every 3 years, on or before March 31, the electric distribution companies and municipal aggregators with certified energy plans shall, in coordination with the energy efficiency advisory council established in section 22, jointly prepare a cost-effective statewide building decarbonization and energy efficiency investment plan, which shall provide for programs designed to support building decarbonization through the elimination of fossil fuel end uses or the reduction of fossil fuel energy use through energy efficiency and load management resources; provided, however, that the plan shall, in a cost effective manner, be prepared with substantial consideration of impacts on ratepayers' bills and the prudent use of ratepayer funds and designed to maximize energy efficiency and reduce greenhouse gas emissions to help meet statewide greenhouse gas emission limits and sublimits adopted pursuant to chapter 21N.

(2) The statewide plan shall include: (i) an assessment performed by the department of energy resources of the estimated lifetime cost, reliability and magnitude of available building decarbonization, energy efficiency and load management resources; (ii) the amount of demand

resources, including building decarbonization, electrification, efficiency, conservation, demand response and load management, that are proposed to be acquired under the plan and the basis for this determination; (iii) the estimated energy cost savings that the acquisition of such resources will provide to electricity and natural gas consumers, including, but not limited to, reductions in capacity and energy costs and increases in rate stability and affordability for customers, including low-income customers; (iv) the cost-effective budget with consideration of ratepayer bill impacts, that is needed to support the programs; (v) a fully reconciling funding mechanism, which may include, but shall not be limited to, the charge authorized by section 19; (vi) the estimated amount of reduction in peak load that will be realized from each option; (vii) an estimate of the social value of greenhouse gas emissions reductions that will result from the plan, including a numerical value of the plan's contribution to meeting each statewide greenhouse gas emissions limit and sublimit set by statute or regulation, together with provisions for giving each value prominent display in communications and plan documents; (viii) data showing the percentage of all monies collected that will be used for direct consumer benefit, such as incentives and technical assistance to carry out the plan; (ix) consideration of historic and present program participation by low- and moderate-income households, renters and small business ratepayers; (x) strategies and investments that the programs will undertake to achieve equitable access for low- and moderate-income households, renters and small business ratepayers and reduce or eliminate any disparities in program uptake, including consideration of a sliding scale of subsidies for homes based on the home's assessed value; (xi) an analysis of ratepayer bill impacts, including illustrative annual rate and bill impacts; and (xii) a method for capturing the following data to assess the plan's services to low- and moderate-income households, renters and small business ratepayers: (A) the total number of ratepayers per municipality served; (B) the

total statewide plan surcharge dollars paid by ratepayers as part of their utility bills per municipality served; and (C) the total incentives provided by the program administrators by municipality served, delineated by utility and sector, including residential, residential low-income and commercial and industrial. The plan may include a proposed mechanism which provides performance incentives to the companies based on their success in meeting or exceeding the building decarbonization, energy efficiency and load management goals in said plan.

(3) The statewide plan shall include a description of programs, which may include, but shall not be limited to: (i) energy efficiency and load management programs, including energy storage and other active demand management technologies; (ii) a program to provide not more than 1 per cent of funds to agencies or quasi-governmental agencies including, but not limited to, the Massachusetts Community Climate Bank and MassDevelopment for revolving funds or loans to finance energy improvements; (iii) energy efficiency and load management programs, including energy storage and other active demand management technologies; (iv) programs to support building decarbonization through the elimination of fossil fuel end uses; (v) programs for research, development and commercialization of products or processes, which support building decarbonization through the elimination of fossil fuel end uses; (vi) programs for development of markets for such products and processes, including recommendations for new appliance and product efficiency standards; (vii) programs providing support for energy use assessment, real time monitoring systems, engineering studies and services related to new construction or major building renovation, including integration of such assessments, systems, studies and services with building energy codes, programs and processes, or those regarding the development of high performance or sustainable buildings that exceed building energy codes; (viii) programs for

planning and evaluation; (ix) programs providing commercial, industrial and institutional customers with greater flexibility and control over building decarbonization and energy efficiency investments funded by the programs at their facilities; (x) programs for public education regarding building decarbonization, solar energy, energy efficiency and load management programs; (xi) programs for the purchase of electric chargers, energy efficient appliances and heating, air conditioning and lighting devices; (xii) programs delivering home energy scorecards at the time of a home energy assessment; (xiii) programs that result in customers switching to renewable energy sources or other clean energy technologies, including, but not limited to, programs that combine efficiency and building decarbonization through the electrification of fossil fuel end uses with renewable generation, solar energy, clean thermal energy, as defined in section 3 of chapter 25A, and storage; (xiv) programs to serve targeted geographic areas and provide enhanced services that differ from the statewide program offerings, including programs offered as enhancements by municipal aggregators with energy plans certified by the department under subsection (b) of section 134 of chapter 164; (xv) programs that may result in greenhouse gas emission reductions or energy savings realized after the statewide plan term; (xvi) programs to coordinate with gas utility non-pipeline alternatives investments, including but not limited to clean thermal energy, as defined in section 3 of chapter 25A; and (xvii) services to assist customers in decarbonization, load management and energy efficiency planning and implementation, which shall include education about other programs or resources outside the statewide plan that support the adoption of solar energy, clean thermal energy and other clean energy technology, building decarbonization measures, load management measures or energy efficiency measures.

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

(b)(1) In authorizing the statewide plan, the department shall ensure that sector level plans are delivered in a cost-effective manner and that the plan minimizes administrative costs and utilizes competitive procurement to the fullest extent practicable. When determining cost-effectiveness, the calculation of program benefits shall include calculations of the social value of greenhouse gas emissions reductions, except in the cases of conversions from fossil fuel utilizing measures to fossil fuel utilizing measures, and the calculation shall be subject to the conditions in paragraph (2).

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

(3) Sector cost effectiveness shall be reviewed periodically by the department and by the energy efficiency advisory council. For the purpose of reviewing cost effectiveness, programs

may be aggregated by sector. Any sector with a benefit cost ratio greater than 1.0 indicating benefits are greater than costs shall be considered cost-effective. The department may adopt alternative screening criteria appropriate for the evaluation of cost effectiveness of market transformation programs. If a sector fails the cost-effectiveness test as part of the review process, its component programs shall either be modified so that the sector meets the test or shall be terminated.

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

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

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

(e) The statewide plan prepared under subsection (a) shall be submitted for approval and comment by the energy efficiency advisory council organized pursuant to section 22 every 3 years on or before March 31. The electric distribution companies and municipal aggregators shall

provide any additional information requested by the council that is relevant to consideration of the plan. The electric distribution companies and municipal aggregators shall work collaboratively with the council to understand the impacts of proposed energy efficiency budgets on ratepayers before the plans and budgets are finalized and presented to the department for review. The electric distribution companies and municipal aggregators may make any changes or revisions to reflect the input of the council.

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

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

(3) The statewide plan approved pursuant to this subsection shall be in effect for 3 years. Mid-term modifications to a sector that propose an increase to a sector budget shall not be

approved unless there is a corresponding decrease in said sector such that no increase occurs in either the plan or a sector within the plan.

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

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

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

(i) All customer data collected by the electric and gas distribution companies and municipal aggregators, contractors, vendors or other implementation partners as part of an energy audit report or provision of energy efficiency and decarbonization services pursuant to implementation of the approved statewide building decarbonization and energy efficiency investment plans shall be confidential. No person shall disclose the name of a customer, the contents of an energy audit report prepared for such customer or other customer information associated with provision of energy efficiency and decarbonization services to any person other than the following, unless the customer or subsequent purchaser waives his right to confidentiality with respect to such information: (i) the customer; (ii) a subsequent purchaser of the building serviced; (iii) the electric and gas distribution companies; (iv) municipal aggregators that administer statewide building decarbonization and energy efficiency investment plans; (v) the authorized vendors and other implementation partners of the electric and gas distribution companies and municipal aggregators that administer statewide building decarbonization and energy efficiency investment plans; (vi) the department of energy resources, its authorized vendors and other implementation partners; and (vii) the executive office of energy and environmental affairs; provided, however, that tenants in an audited building shall have the right to inspect the energy audit report for the building in which they live.

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

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

Section 22. (a) The commissioner shall appoint and convene an energy efficiency advisory council, which shall consist of 19 members, including 1 person representing each of the following: (i) middle income residential consumers; (ii) the low-income weatherization and fuel assistance program network; (iii) the environmental community; (iv) large non-profit, commercial and industrial end-users; (v) low- and moderate-income interests; (vi) building decarbonization policy experts; (vii) organized labor, as recommended by the president of the Massachusetts AFL-CIO; (viii) the department of environmental protection; (ix) the office of the attorney general; (x) the executive office of economic development; (xi) Massachusetts Nonprofit Network, Inc.; (xii) a city or town; (xiii) the Massachusetts Association of Realtors; (xiv) a business located in the commonwealth that performs decarbonization services; (xv) the department of energy resources; (xvi) banking, mortgage, lending and other institutions specializing in real property finance; and (xvii) 3 members experienced in the management and fiscal control of large private-sector business organizations. The council shall have a

subcommittee dedicated to the issues of affordability and ratepayer bill impacts of not fewer than 5 members, to be chaired by a member selected by the governor. Interested parties shall apply to the department for designation as members. Members shall serve for terms of 5 years and may be reappointed. The commissioner of the department of energy resources shall serve as chair of the council. A member of the council who is a representative of building decarbonization policy experts shall not have a contractual relationship with an electric or natural gas distribution company doing business in the commonwealth, or any affiliate of such company, or any municipal aggregator. There shall be 1 non-voting, ex-officio member from each of the electric and natural gas distribution companies, 1 from each of the municipal aggregators, 1 from the heating oil industry, 1 from ISO New England and 1 from the Massachusetts clean energy technology center established pursuant to section 2 of chapter 23J.

(b) The council shall review the statewide plan prepared pursuant to section 21 and any related information. The council shall, as part of the approval process by the department, seek to maximize net economic benefits through building decarbonization or energy efficiency and load management resources and to achieve energy, capacity, climate and environmental goals through a sustained and integrated statewide building decarbonization and energy efficiency effort while giving substantial consideration to the affordability and ratepayer bill implications of such effort. The council shall: (i) review and approve program plans and budgets; (ii) work with program administrators in preparing energy resource assessments; (iii) determine the economic, system reliability, climate and air quality benefits of efficiency and load management resources; (iv) conduct and recommend relevant research; and (v) recommend long-term building decarbonization, efficiency and load management goals to maximize economic savings and achieve environmental goals. The council shall, as part of its review of the statewide plan,

examine opportunities to offer joint programs providing similar efficiency measures that save more than 1 fuel resource or to coordinate programs targeted at saving more than 1 fuel resource; provided, however, that any costs for joint programs shall be allocated equitably among the programs. Approval of building decarbonization, energy efficiency and demand response plans and budgets shall require a 2/3 vote. The council shall submit its approval and comments to the electric distribution companies and municipal aggregators not later than 3 months after submission of the plan, following which the electric distribution companies and municipal aggregators may make any changes or revisions to the plan to reflect the input of the council.

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

Annually, the council shall submit to the department a proposal regarding the level of funding required for the retention of expert consultants and reasonable administrative costs. The proposal shall be approved by the department either as submitted or as modified by the department. The department shall allocate funds sufficient for these purposes from the electric and gas energy efficiency funds authorized under sections 19 and 21; provided, however, that such allocation shall not exceed 1 per cent of such funding on an annual basis. The consultants used under this section shall be experts in building decarbonization, load management and energy efficiency and shall be independent.

(d) The electric distribution companies and municipal aggregators shall provide quarterly reports to the council on the implementation of the statewide plan. The reports shall include: (i) a

description of the progress in implementing the statewide plan; (ii) a summary of the savings secured to date; (iii) a quantification of the degree to which the activities undertaken pursuant to the statewide plan contribute to meeting the greenhouse gas emission reduction goal set forth by the secretary of energy and environmental affairs pursuant to section 3B of chapter 21N; and (iv) such other information as the council shall reasonably determine. Annually, as part of a quarterly report required under this subsection, the electric distribution companies and municipal aggregators shall, in order to assess the statewide plan's services to low- and moderate-income households, renters and small business ratepayers, provide, consistent with the data aggregation method approved by the department, the: (i) total number of ratepayers per municipality served; (ii) total energy efficiency surcharge dollars paid by ratepayers as part of their utility bills per municipality served; and (iii) total incentives provided by the program administrators by municipality served, delineated by utility and sector, including residential, residential low-income and commercial and industrial. The electric distribution companies and municipal aggregators shall provide an annual report to the department and the joint committee on telecommunications, utilities and energy on the implementation of the plan. The annual report shall include descriptions of the programs, expenditures, cost-effectiveness and savings and other benefits during the previous year and a quantification of the degree to which the activities undertaken pursuant to each plan contribute to meeting all greenhouse gas emission limits and sublimits imposed by law. The quarterly and annual reports shall be made available to the public.

SECTION 17. Subsection (d) of section 21 of said chapter 25, inserted by section 16, is hereby amended by striking out paragraph (2).

SECTION 18. Said chapter 25 is hereby further amended by adding the following section:-

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

(b) The department shall also include an analysis of the benefits of any clean energy, greenhouse gas reduction, energy efficiency and demand response programs and procurements and any other programs, procurements or investments funded, in whole or in part, by electric or gas utility customers on such dashboard, as deemed appropriate by the department. Any quantitative analysis shall include the direct and indirect electric system benefits of such programs, procurements and investments, such as system reliability and avoided energy costs, indirect climate, health and economic benefits and any other benefits deemed appropriate by the department. The department shall develop such analysis with the department of energy resources, in consultation with the office of the attorney general.

(c) The department shall conduct periodic comprehensive customer bill assessment investigations, which shall include, but not be limited to, identifying: (i) each cost component of the residential customer bills for each gas company and electric company and each associated utility cost recovery mechanism and regulatory approval process; (ii) the annual rate increase for

each cost component for the previous 10 years; (iii) the specific authorization, whether by statute, regulation, department order or otherwise, of each cost component appearing on a gas or electric company residential customer's bill and the date that the cost component was first authorized; (iv) a comparison of cost components, individually or grouped as deemed appropriate by the department, to current and historical cost components charged by investor owned utilities in the states of Maine, Vermont, New Hampshire, Rhode Island and Connecticut; and (v) the current and average total cost for each cost component to each residential customer class per kilowatt-hour or per therm, and on a monthly basis for a typical user in each rate class. The investigations shall also consider whether it is in the public interest to establish a maximum threshold for the amount charges assessed to gas or electric company residential customers may change from one month to another month and, if so, what the appropriate threshold should be. The department shall solicit public comment during the course of its investigation. The department shall complete an initial comprehensive customer bill assessment investigation within 180 days of the effective date of this section, update such investigation thereafter at intervals of not more than 3 years and make the findings of each investigation accessible in the retail residential customer bill assessment dashboard, as described in subsection (a).

SECTION 19. Section 2 of chapter 25A of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by striking out the second paragraph and inserting in place thereof the following paragraph:-

There shall be within the department: (i) a division of energy efficiency, which shall work with the department of public utilities regarding energy efficiency programs; (ii) a division of renewable and alternative energy development, which shall oversee and coordinate activities that seek to maximize the installation of renewable and alternative energy generating sources that

will provide benefits to ratepayers, advance the production and use of biofuels and other alternative fuels as the division may define by regulation and administer the renewable portfolio standard and the alternative portfolio standard; (iii) a division of green communities, which shall serve as the principal point of contact for local governments and other governmental bodies concerning all matters under the jurisdiction of the department of energy resources, with the exception of matters involving the siting and permitting of small clean energy infrastructure facilities; (iv) a division of clean energy procurement, which shall develop resource solicitation plans, administer procurements for clean energy generation and energy services and negotiate and manage contracts with clean energy generation and energy service facilities; and (v) a division of clean energy siting and permitting, which shall establish standard conditions, criteria and requirements for the siting and permitting of small clean energy infrastructure facilities by local governments and provide technical support and assistance to local governments, small clean energy infrastructure facility project proponents and other stakeholders impacted by the siting and permitting of small clean energy infrastructure facilities at the local government level. Each division shall be headed by a director appointed by the commissioner and shall be a person of skill and experience in the field of energy efficiency, renewable energy or alternative energy, energy regulation or policy, project development contracting and finance and land use and planning. Each director shall be the executive and administrative head of their respective division and shall be responsible for administering and enforcing the law relative to their division and to each administrative unit thereof under the supervision, direction and control of the commissioner. Each director shall serve at the pleasure of the commissioner, receive such salary as may be determined by law and devote full time during regular business hours to the duties of their office. In the case of an absence or vacancy in the office of a director, or in the case of

disability as determined by the commissioner, the commissioner may designate an acting director to serve as director until the vacancy is filled or the absence or disability ceases. The acting director shall have all the powers and duties of the director and shall have similar qualifications as the director.

SECTION 20. Section 3 of said chapter 25A, as so appearing, is hereby amended by inserting after the definition of "Clean peak resource" the following definition:-

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

SECTION 21. Said section 3 of said chapter 25A, as so appearing, is hereby further amended by inserting after the definition of "Energy savings" the following definition:-

"Geothermal energy", energy derived from (i) surface and subsurface ground sources, including bedrock and the earth beneath the bedrock; (ii) surface water, including the rivers, ponds and lakes within the commonwealth and the sea adjacent to the commonwealth; and (iii) subsurface water within the commonwealth, including groundwater, springs and aquifers; provided, however, that such energy shall not emit a greenhouse gas as defined in section 1 of

chapter 21N; and provided further, that such energy may take the form of deep geothermal energy.

SECTION 22. Section 6 of said chapter 25A, as so appearing, is hereby amended by striking out, in line 63, the word “and”.

SECTION 23. Said section 6 of said chapter 25A, as so appearing, is hereby further amended by striking out clause (15) and inserting in place thereof the following 2 clauses:-

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

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

SECTION 24. Section 7 of said chapter 25A, as so appearing, is hereby amended by striking out, in line 21 and 22, the words “with total storage capacity of over fifty thousand gallons”.

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

All electric companies, gas companies, transmission companies, distribution companies, suppliers and aggregators, as defined in section 1 of chapter 164, and suppliers of natural gas,

including aggregators, marketers, brokers and marketing affiliates of gas companies, excluding gas companies, as defined in said section 1 of said chapter 164, engaged in distributing or selling electricity or natural gas in the commonwealth shall make accurate reports to the department in such form and at such times, which shall be not less than quarterly, as the department shall require pursuant to this section. Each such company, supplier and aggregator shall report semi-annually to the department the average of all rates charged for default, low-income and standard offer service to each customer class and for each sub-class within the residential class, respectively; provided, however, that all such rate information so reported pursuant to this paragraph shall be deemed public information, and no such rate information shall be protected as trade secrets, confidential, competitively sensitive or other proprietary information pursuant to section 5D of chapter 25. Each such company, supplier and aggregator shall report to the department, in such form and at such times as the department shall require, detailed and accurate information, including, but not limited to, data regarding number of customers, load served, amounts billed to customers in dollars, renewable and clean energy attribute certificate purchases and supply product offerings. The department may make such information, or aggregates of such information, available to the public on its website.

The department may require resellers of petroleum products doing business in the commonwealth, including retail heating oil and propane suppliers, to report reasonable data on price, inventory and product delivery in a form determined by the department and may promulgate rules or regulations ensuring residential heating oil or propane prices are provided to consumers in a clear and conspicuous manner. The department shall maintain any data collected under this section and shall only publicly disclose any such data in an aggregate and deidentified manner.

SECTION 26. Section 10 of said chapter 25A, as so appearing, is hereby amended by striking out, in line 57, the figure “164” and inserting in place thereof the following figure:- 21A.

SECTION 27. Subsection (a) of section 11F of said chapter 25A, as so appearing, is hereby amended by striking out clauses (5) and (6) and inserting in place thereof the following 5 clauses:- (5) an additional 3 per cent of sales each year thereafter until December 31, 2026; (6) an additional 1 per cent of sales thereafter until December 31, 2030; (7) an additional 3 per cent of sales each year thereafter until December 31, 2033; (8) an additional 2 per cent of sales each year thereafter until December 31, 2036; and (9) an additional 1 per cent of sales each year thereafter.

SECTION 28. Section 11F½ of said chapter 25A, as so appearing, is hereby amended by striking out subsection (a) and inserting place thereof the following subsection:-

(a) The department shall establish an alternative energy portfolio standard for all retail electricity suppliers selling electricity to end-use customers in the commonwealth. Every retail electric supplier providing service under contracts executed or extended on or after January 1, 2009 shall provide a minimum percentage of kilowatt-hour sales, as determined by the department, to end-use customers in the commonwealth from alternative energy generating sources, and the department shall annually thereafter determine the minimum percentage of kilowatt-hour sales to end-use customers in the commonwealth, which shall be derived from alternative energy generating sources. For the purposes of this section, “alternative energy generating source” shall mean a source which generates energy using any of the following: (i) combined heat and power; (ii) flywheel energy storage; (iii) energy efficient steam technology; (iv) fuel cells; (v) any facility that generates useful thermal energy using sunlight, biomass,

biogas, liquid biofuel or waste-to-energy that is a component of either conventional municipal solid waste plant technology in commercial use or naturally occurring temperature differences in ground, air or water, whereby 1 megawatt-hour of alternative energy credit shall be earned for every 3,412,000 British thermal units of net useful thermal energy produced and verified through an on-site utility grade meter or other means satisfactory to the department; ; or (vi) any other alternative energy technology approved by the department under an administrative proceeding conducted under chapter 30A; provided, however, that facilities using biomass fuel shall be low-emission and use efficient energy conversion technologies and fuel that is produced by means of sustainable forestry practices; provided, further, that no biomass or combined heat and power source shall be eligible for qualification under this section unless it has submitted a complete application for qualification to the department on or before January 1, 2028; provided further, that any application submitted after such date shall be deemed ineligible for qualification; provided further, that for the purposes of this section, "complete application" shall mean an application that includes all information and documentation required by the department's regulations for qualification under this section, as in effect on the date the application is submitted. The following technologies and fuels shall not be considered alternative energy generating sources: (i) coal; (ii) petroleum coke; (iii) oil; (iv) natural gas, except when used in combined heat and power or as a biogas generating useful thermal energy or fuel cell technology; (v) construction and demolition debris, including, but not limited to, chemically-treated wood; and (F) nuclear power.

SECTION 29. Section 11F ¾ of said chapter 25A, as so appearing, is hereby amended by striking out, in line 39, the words "(10) biomass fuel; and (11)" and inserting in place thereof the following words:- and (10).

SECTION 30. Section 11G of said chapter 25A, as so appearing, is hereby amended by striking out, in lines 2, 4, 10, 14 and 15, the word “energy” and inserting in place thereof, in each instance, the following words:- building decarbonization and energy.

SECTION 31. Said section 11G of said chapter 25A, as so appearing, is hereby further amended by striking out, in line 11, the word “weatherization” and inserting in place thereof the following words:- building decarbonization, weatherization.

SECTION 32. Said chapter 25A is hereby further amended by striking out section 14, as so appearing, and inserting in place thereof the following section:-

Section 14. (a) A state agency, building authority, local governmental body or the judiciary may contract for energy conservation, building decarbonization and energy efficiency projects that have a total project cost of not more than $300,000, directly and without further solicitation, with electric and gas utilities, their subcontractors, contractors certified by the division of capital asset management and maintenance and other providers of energy conservation, building decarbonization and energy efficiency services authorized under sections 19 and 21 of chapter 25 and section 11G. For the purposes of this section, “energy conservation, building decarbonization and energy efficiency projects” shall mean projects to promote energy conservation, building decarbonization and energy efficiency, including, but not limited to: (i) energy conserving modification to windows and doors; (ii) caulking and weatherstripping; (iii) insulation; (iv) automatic energy control systems; (v) hot water systems; (vi) equipment required to operate variable steam, hydraulic and ventilating systems; (vii) plant and distribution system modifications; (viii) devices for modifying fuel openings and thermal conduits; (ix) electrical or mechanical motor or furnace ignition systems; (x) utility plant system conversions; (xi)

replacement or modification of lighting fixtures; (xii) energy recovery systems; (xiii) on-site electrical generation equipment using new renewable energy generating sources as defined in section 11F; (xiv) decarbonization activities; and (xv) cogeneration systems.

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

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

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

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

SECTION 33. Said chapter 25A is hereby further amended by inserting after section 17 the following section:-

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

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

SECTION 34. Section 19 of said chapter 25A, as appearing in the 2024 Official Edition, is hereby amended by striking out subsection (a) and inserting in place thereof the following subsection:-

(a) There shall be an Electric Vehicle Adoption Incentive Trust Fund to be expended, without further appropriation, by the department of energy resources for funding electric vehicle incentive programs consistent with this section. The fund shall be credited with: (i) money from public and private sources, including gifts, grants and donations; (ii) interest earned on such money; (iii) any other money authorized by the general court and specifically designated to be credited to the fund; and (iv) any funds provided from other sources; provided, that the department shall, subject to the availability of sufficient proceeds, rely on the RGGI Auction Trust Fund established in section 35II of chapter 10 to fund the Electric Vehicle Adoption Incentive Trust Fund and the green communities program established in section 10. The department shall expend amounts from the Electric Vehicle Adoption Incentive Trust Fund sufficient to pay rebates and other financial incentives to all parties qualified to receive them pursuant to subsections (b) to (d), inclusive. No expenditure from the Electric Vehicle Adoption Incentive Trust Fund shall cause the fund to be deficient at the close of a fiscal year. Revenues deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in the following fiscal year. If, in the estimate of the commissioner, rebates and other financial incentives paid or projected to be paid to consumers are likely to exceed the revenue available in such fund during the current fiscal year or the 12 months ensuing immediately thereafter, the commissioner shall make additional funds available as needed from alternative compliance payments collected pursuant to sections 11F, 11F ½, and 17.

SECTION 35. Subsection (d) of section 21 of said chapter 25A, as so appearing, is hereby amended by adding the following paragraph:-

(3) Where projects are proposed in municipalities under the jurisdiction of the Cape Cod commission or Martha's Vineyard commission, upon certifying an application is complete, the municipality shall file such application with the applicable commission as required by chapter 716 of the acts of 1989 or chapter 831 of the acts of 1977. The commission shall complete its review and issue a decision within 90 days of receipt of such application from the municipality, at which time the municipality shall commence its review process. If a municipality under the jurisdiction of the Cape Cod commission or Martha's Vineyard commission fails to issue a final decision within 11 months of the commission issuing its decision, a constructive approval permit shall be issued by the local government that includes the common conditions and requirements established by the department for the type of small clean energy infrastructure facility under review.

SECTION 36. Said chapter 25A is hereby further amended by adding the following 5 sections:-

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

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

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

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

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

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

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

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

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

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

765 solicitation plan to the department of public utilities if the department is seeking a revised
766 schedule of procurements or additional procurements.

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

770 (e) The department shall file the resource solicitation plan and its recommendations with
771 the department of public utilities. The department of public utilities shall review the resource
772 solicitation plan and recommendations to determine whether the resource solicitation plan is a
773 reasonable, appropriate and cost-effective mechanism to achieve the goals of this section. The
774 department of public utilities shall approve, approve with modifications or reject the plan within
775 7 months of submission. Upon approval of the resource solicitation plan, the department of
776 public utilities shall, not later than 3 months thereafter, require the distribution companies to
777 jointly propose tariffs consistent with the approved resource solicitation plan to recover costs
778 associated with all long-term contracts pursuant to this section; provided, however, that the
779 distribution companies shall not receive any remuneration, benefit or fee to compensate for costs
780 associated with such contracts. The tariffs shall apportion costs associated with such contracts to
781 be recovered from ratepayers among the distribution companies.

782 (f) The method for the clean energy solicitations shall be proposed by the department and
783 shall utilize a competitive bidding process. The department shall consult with the attorney
784 general and may consult with other state agencies as applicable regarding the choice of
785 solicitation methods. The department may coordinate any solicitation under this section with
786 other states, municipal light plants, a municipality or group of municipalities with an approved

municipal load aggregation plan pursuant to section 134 of chapter 164 or other governmental and nongovernmental organizations; provided, however, that the department shall describe any impacts that such coordination may have on the solicitation, including any impacts to nameplate capacity amounts or quantities of clean energy generation attributes sought in its solicitation. After notice and the opportunity for public comment, the department shall proceed with the clean energy solicitation. The department may competitively solicit proposals for long-term contracts for environmental attributes or energy services or a combination of both. The department may consult with other states, federal agencies and regional organizations including, but not limited to, ISO New England Inc. or its successor; provided, however, that when reasonable proposals have been received, the department shall make or cause to be made filings as necessary through the appropriate jurisdictional mechanism and enter into long-term contracts that are consistent with the limits and sublimits established pursuant to chapter 21N.

(g) Each solicitation shall require that bidders provide: (i) documentation reflecting the bidder's demonstrated commitment to workforce or economic development within the commonwealth; (ii) a statement of intent concerning efforts that the bidder and its contractors and subcontractors will make to promote workforce or economic development in the commonwealth through the project; (iii) documentation reflecting the bidder's demonstrated commitment to expand workforce and supplier diversity, equity and inclusion; (iv) documentation as to whether the bidder and its contractors and subcontractors participate in a state or federally certified apprenticeship program and the number of apprentices the apprenticeship program has trained to completion for each of the last 5 years; (v) a statement of intent concerning how or if the bidder and its contractors and subcontractors intend to utilize apprentices on the project; (vi) documentation relative to the bidder and its contractors and

subcontractors regarding their history of compliance with chapters 149, 151, 151A, 151B and 152, 29 U.S.C. § 201, et seq. and applicable federal antidiscrimination laws; (vii) documentation that the bidder and its contractors and subcontractors are currently, and will remain, in compliance with chapters 149, 151, 151A, 151B, and 152, 29 U.S.C. § 201, et seq. and applicable federal anti-discrimination laws for the duration of the project; (viii) documentation of the bidder's history with picketing, work stoppages, boycotts or other economic actions against the bidder and a description or plan on how the bidder intends to prevent or address such actions; (ix) documentation relative to whether the bidder and its contractors have been found in violation of state or federal safety regulations in the previous 10 years; and (x) a plan for benefits from the project for moderate and low-income ratepayers in the commonwealth. The department may require a wage bond or other comparable form of insurance in an amount to be set by the department to ensure compliance with law, certifications or department obligations. The department shall give preference for proposals that demonstrate that their plans provide benefits to the commonwealth and demonstrate commitment to secure those benefits through firm and binding agreements or contracts. The electric distribution companies may provide the department technical advice on the costs and benefits of the proposals.

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

(i) Bidders shall, in a timely manner, provide documentation and certifications as required by law or otherwise directed by the department. For the purpose of considering any contract adjustments that may be requested pursuant to subsection (j), bidders shall include a separate confidential bid file containing key information regarding assumed capital costs,

financing costs, inflation rates, tax benefits, energy production profiles and similar information on which the bid is based. Incomplete or inaccurate information may be grounds for disqualification, dismissal or other action deemed appropriate by the department. Proposals received pursuant to a solicitation under this section shall be subject to review by the department, in consultation with the executive office of economic development, the executive office of energy and environmental affairs, the supplier diversity office and other state agencies as applicable. The department may request that other state agencies consulted pursuant to this subsection review and score proposals on specific criteria as established in the clean energy solicitation. Proposals received pursuant to a solicitation under this section may be subject to review by the electric distribution companies in order for such companies to develop and provide technical advice.

(j) The department shall issue a final, binding determination of the selected bid or bids; provided, however, that the final contract or contracts executed shall be subject to review by the department of public utilities. The department shall propose draft long-term contracts and take all reasonable actions to structure the contracts, pricing or administration of the products purchased under this section to contribute towards achieving compliance with limits and sublimits established pursuant to sections 3 and 3A of chapter 21N in a cost-effective manner that minimizes rate-payer impacts. The department shall consider the use of pricing mechanisms or pricing structures, including, but not limited to, indexed pricing. Such contracts shall provide for mechanisms that allow the department and the bid awardee to request upward or downward price adjustments for each bid or long-term contract, subject to review and approval by the department of public utilities and shall protect ratepayers and allow projects to be financed and begin and complete construction. Such mechanisms shall provide that, whether before or after contract

signing, after the award of a bid but prior to the commercial operation date the bidder or department may request upward or downward price adjustments to the bid or long-term contract price with the department of public utilities. Price adjustments may be requested only to account for claimed substantial and unforeseeable changes in: (i) law occurring after the bid submission and prior to the time that the project achieves its commercial operation date; or (ii) costs that are beyond the reasonable control of the requesting party. A party requesting a price adjustment shall provide supporting documentation demonstrating how the assumptions in the confidential bid file have changed as a result of the claimed substantial and unforeseeable changes in law or costs. The request shall include detailed calculations of the impact on project costs of the substantial and unforeseeable changes claimed.

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

(l) As part of its consideration of the merits of any price adjustment requested pursuant to subsection (j), the department of public utilities shall first determine, based on the information provided pursuant to said section (j), whether the request has been submitted to account only for substantial and unforeseeable changes in: (i) law occurring after the bid submission and prior to

the time that the project achieves its commercial operation date; or (ii) costs that are beyond the reasonable control of the requesting party. The department of public utilities may, in consultation with the office of the attorney general, approve an upward or downward price adjustment only upon a finding that the requested adjustment protects ratepayers, is consistent with the limits and sublimits established pursuant to chapter 21N and reflective only of costs and impacts beyond the reasonable control of the requesting party.

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

(n) There shall be a separate, non-budgeted special revenue fund known as the Central Procurement Fund, which shall be administered by the department, without further appropriation, for funding long-term contracts consistent with this section. The fund shall be credited with: (i) funds or revenue collected by distribution companies pursuant to a tariff approved by the department of public utilities in furtherance of the objectives and requirements of this section; (ii) revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; (iii) interest earned on such funds or revenues; (iv) bid fees

collected by the department from participants in clean energy solicitations conducted pursuant to this section; (v) other revenue from public and private sources, including gifts, grants and donations; and (vi) any funds provided from other sources. All amounts credited to the fund shall be used solely for activities and expenditures consistent with the public purposes of this section, including the funding of contracts and the ordinary and necessary administrative and personnel expenses of the department related to the administration and operation of the fund and performance of the duties established by this section. Revenues deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in the following fiscal year. No expenditure made from the fund shall cause the fund to be in deficit at any point.

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

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

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

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

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

(b) (1) Annually, each municipal light plant shall file with the commissioner a building decarbonization and energy efficiency plan that offers programs to all qualified customers, including, but not limited to: (i) building energy assessments to identify building decarbonization and energy efficiency opportunities; (ii) energy efficiency measures; (iii) building

decarbonization measures; (iv) home energy scorecards at the time of a building energy assessment as approved by the department; and (v) demand reduction and load management measures.

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

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

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

(c)(1) The commissioner of the department, as chair of the energy efficiency advisory council established pursuant to subsection (a) of section 22 of chapter 25, shall direct the electric distribution companies and municipal aggregators with certified energy plans to develop and implement a statewide building decarbonization and energy efficiency plan that complies with sections 19 to 21, inclusive, of chapter 25 including, but not limited to, the offer of programs to all qualified customers that support: (i) building energy assessments to identify building

decarbonization and energy efficiency opportunities; (ii) energy efficiency measures; (iii) building decarbonization measures; and (iv) load management measures.

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

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

(d)(1) Electric distribution companies, municipal aggregators with certified energy plans and municipal light plants shall collect and report electronically to the department and its authorized vendors and implementation partners building data that identifies all buildings or the units therein that received an energy audit, together with the recommendations made and decarbonization or energy efficiency measures installed; provided, however, that the data shall include whether said buildings or the units therein are participating in any demand response and load management programs, building energy use and cost by fuel type, and, where available, heating fuel, existing heating system type, and age of system, home energy score, or any other data the commissioner may request relating to the delivery of the plans. This data shall be reported quarterly to the commissioner. All data collected and reported pursuant to this subsection shall be considered confidential customer data and subject to the requirements of subsection (i) section 21 of chapter 25. In accordance with said subsection (i) of said section 21 of said chapter 25, such data shall not be deemed to be a public record as defined in clause

Twenty-sixth of section 7 of chapter 4 and shall not be subject to demand for production under section 10 of chapter 66. The department shall aggregate and report customer energy efficiency and decarbonization data provided by the electric distribution companies, municipal aggregators with certified energy plans and municipal light plants according to the data aggregation methods approved by the department. The department shall publish this report not later than 3 months after the close of each quarter and submit copies to the building decarbonization and energy efficiency advisory council, the clerks of the house of representatives and the senate and the joint committee on telecommunications, utilities and energy.

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

(e) The department may annually assess against each utility such amounts as may be necessary to permit the department to carry out its responsibilities under this section including, but not limited to, program development, administration and enforcement, certification, training, registration and inspection programs and public education and promotion expenses, exclusive of paid advertising. The assessments shall be based upon the intrastate operating revenues of a utility which are derived from electricity or gas sales within the commonwealth during the preceding calendar year. The department shall apportion estimated costs for the pending fiscal

year among all such utilities and shall assess them on a fair and reasonable basis. A utility shall pay such assessments to the department within 30 days after receipt of notice thereof. The assessed funds shall be dedicated to the purposes of this section.

The department shall subsequently apportion actual costs among all such utilities and shall make assessment adjustments for the same for any variation between estimated and actual costs on a fair and reasonable basis. Such estimated and actual costs shall include indirect costs and an amount equal to the cost of fringe benefits as established by the secretary of administration pursuant to section 6B of said chapter 29. Annually, not later than December 31, the department shall submit a report to the joint committee on telecommunications, utilities and energy and the senate and house committees on ways and means detailing the variation between estimated and actual costs and the adjustment made pursuant to such variation.

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

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

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

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

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

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

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

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

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

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

(b) The department shall procure, implement, administer and make available a commonwealth smart solar permitting platform that, at a minimum: (i) publishes, on a publicly accessible internet website, all permitting documentation and forms required to construct or install a residential solar energy system in the commonwealth; (ii) provides customer support and training to assist users to navigate the commonwealth solar permitting platform; (iii) allows contractors and other qualified parties to submit, via electronic means 24 hours a day, 7 days a week except when the permitting platform is down for an upgrade or maintenance, applications to install or construct a residential solar energy system within the commonwealth; (iv) automatically performs robust code compliance checks and reviews applications to install or construct residential solar energy systems up to the maximum capacity allowed by a 200-amp main service disconnect providing power to a detached 1- or 2-family dwelling including, but not limited to, a determination of whether an application aligns with the requirements of chapters 40C and chapter 143, except for the second paragraph of section 98 of said chapter 143, and section 3 of chapter 470 of the acts of 1973; (v) generates an approval via electronic means, without the need for follow-up manual review, to a code-compliant application and issues a permit or permit revision; (vi) produces construction documents to be used in the inspection of the residential solar energy system and for recordkeeping purposes; (vii) generates an inspection checklist to streamline and improve the quality and thoroughness of the final inspection; (viii) is capable of processing permit applications for solar energy systems and associated equipment including, but not limited to, photovoltaic panels, energy storage systems, main electrical panel upgrades and main breaker derates for detached one- and two-family dwellings; and (ix) is capable of processing, at a minimum, a substantial majority of permit applications for such systems in a substantial majority of jurisdictions in the commonwealth.

(c) The department shall provide access to, and facilitate use of, the commonwealth smart solar permitting platform to municipalities at no charge. For use of the commonwealth platform, the department may charge a reasonable fee or charge to contractors, providers of plan reviews and inspection services and other professionals engaged in the installation or construction of residential solar energy systems.

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

(e) A municipality proposing less than full compliance with subsection (d) shall, within 18 months of the effective date of this section, provide the department a detailed analysis demonstrating why adopting the commonwealth platform or an alternative platform is not feasible given the conditions and timeline required in this section and shall propose a secondary alternative method that, within 24 months of the effective date of this section: (i) allows contractors and other qualified parties to submit, via electronic means, applications to install or construct a residential solar energy system; (ii) automatically performs robust code compliance checks and reviews an application to install or construct such a system; (iii) generates an approval via electronic means, without the need for follow-up manual review, to a code-

compliant application and issues a permit or permit revision; (iv) accepts online payments of fees or charges if fees or charges are levied; and (v) issues a permit or permit revision upon receipt of payment.

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

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

(h) If the department determines that a compliance report submitted pursuant to subsection (g) is insufficient to verify whether the platform satisfies the requirements set forth in subsections (b) and (c) in a manner substantially equivalent to, or better than, that of the

commonwealth platform, the municipality shall grant the department access to the alternative or secondary alternative platform. The department may: (i) take further action to determine whether the platform satisfies the requirements set forth in said subsections (b) and (c) in a manner substantially equivalent to, or better than, that of the commonwealth smart solar permitting platform; (ii) consistent with state law, make its findings publicly available; and (iii), if it determines that the platform is not satisfactory, take action to encourage and secure compliance with said subsections (b) and (c) and subsection (g) and authorize the appropriate parties in the municipality's jurisdiction to utilize the commonwealth smart solar permitting platform.

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

(j) If the department determines that the annual report submitted pursuant to subsection (i) is insufficient to verify that the alternative or secondary alternative automated solar permitting platform meets the requirements set forth in subsections (b) and (c) in a manner substantially equivalent to, or better than, that of the commonwealth platform, the municipality shall provide

the department, at the department's request, access to the platform. The department may take further action to determine whether the platform satisfies the requirements set forth in said subsections (b) and (c) in a manner substantially equivalent to, or better than, that of the commonwealth platform, may, consistent with state law, make its findings publicly available and may, if it determines that the platform is not satisfactory, take action to encourage and secure compliance with said subsections (b) and (c) and subsection (i) and authorize the appropriate parties in the municipality's jurisdiction to utilize the commonwealth smart solar permitting platform.

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

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

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

(n) The commissioner shall provide training opportunities at no charge on the use of the commonwealth smart solar permitting platform to contractors, providers of plan reviews and

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

(o) The commissioner may adopt rules and regulations governing the form and format of applications for permits, approval documents, specifications and other information exchanged through the commonwealth smart solar permitting platform or any alternative or secondary alternative platform.

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

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

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

SECTION 37. The second paragraph of section 5 of chapter 25B of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by striking out clause (20) and inserting in place thereof the following clause:-

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

SECTION 38. Section 9 of said chapter 25B, as so appearing, is hereby amended by striking out the second paragraph and inserting in place thereof the following paragraph:-

If any efficiency conservation standard issued or approved for publication by the Office of the United States Secretary of Energy pursuant to the Energy Policy and Conservation Act, 10 C.F.R. §§ 430–431, is withdrawn, repealed or otherwise voided between January 1, 2018 and January 21, 2021, inclusive, or is withdrawn, repealed or otherwise voided between January 20, 2025 and January 31, 2029, inclusive, the minimum efficiency or conservation requirement permitted for any product covered by such standard shall be the minimum efficiency or conservation requirement in effect most recently for the product other than those in effect for the periods between January 1, 2018, and January 21, 2021, inclusive, and between January 20, 2025 and January 31, 2029, inclusive, and no such product may be sold or offered for sale in the commonwealth unless it complies with such minimum efficiency or conservation requirement.

SECTION 39. Chapter 40 of the General Laws is hereby amended by adding the following section:-

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

SECTION 40. Section 53G of chapter 44 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by striking out, in line 2, the word “section” and inserting in place thereof the following words:- section 21 of chapter 25A, section.

SECTION 41. Chapter 143 of the General Laws is hereby amended by inserting after section 96 the following section:-

Section 96A. Notwithstanding any general or special law to the contrary, the local energy code in effect at the time a building permit application is deemed complete by the local permit granting authority shall govern the design, construction and inspection of the project authorized by such permit for the duration of construction; provided, however, that work authorized under the permit proceeds in good faith continuously to completion. For purposes of this section, temporary delays resulting from weather, labor shortages, material shortages, financing, litigation, governmental action or other circumstances beyond the permit holder's reasonable control shall not, by themselves, constitute a failure to proceed in good faith continuously to completion.

Nothing in this section shall prohibit a permit holder from voluntarily electing to comply with a subsequently adopted energy code.

SECTION 42. Chapter 149 of the General Laws is hereby amended by inserting after section 27H the following section:-

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

No public authority including, but not limited to, the commonwealth, its subdivisions, a county, district or a municipality, shall permit or agree to construction by a gas or electric distribution company that requires the excavation, alteration, reconstruction or repair of public

lands, works or buildings unless the permit or agreement contains a stipulation requiring prescribed rates of wages, as determined by the commissioner, to be paid to individuals performing construction on infrastructure for thermal energy and any associated pipeline work who are not gas company or electric company employees. Any permit or agreement that does not contain the stipulation required under this section shall be void and no construction may commence thereunder. Rates of wages shall be requested by the commissioner or public body together with the gas company or electric company on whose service territory the public infrastructure lies and shall be furnished by the commissioner in a schedule containing the classifications of jobs and the rate of wages to be paid for each job. Said rates of wages shall include payments to health and welfare plans, pension plans and supplementary unemployment plans, or, if no such plan is in effect between employers and employees, the amount of such payments shall be paid directly to employees. Such requests for rates shall be made every 6 months.

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

An employee claiming to be aggrieved by a violation of this section may, 90 days after the filing of a complaint with the attorney general, or sooner if the attorney general assents in writing, and within 3 years after the violation, institute and prosecute in his own name and on his own behalf, or for himself and for others similarly situated, a civil action for injunctive relief, for

any damages incurred, and for any lost wages and other benefits pursuant to section 150. An employee so aggrieved who prevails in such an action shall be awarded treble damages, as liquidated damages, for any lost wages and other benefits and shall also be awarded the costs of the litigation and reasonable attorneys' fees.

SECTION 43. Section 1 of chapter 164 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by inserting after the definition of "Energy management services" the following definition:-

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

SECTION 44. Said section 1 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "Gas company" and inserting in place thereof the following definition:-

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

SECTION 45. Section 1A of said chapter 164, as so appearing, is hereby amended by adding the following subsection:-

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

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

Section 1B. (a) The department shall define service territories for each distribution company by March 1, 1998, based on the service territories actually served on July 1, 1997 and following, to the extent possible, municipal boundaries. After March 1, 1998, until terminated by effect of law or otherwise, the distribution company shall have the exclusive obligation to provide distribution service to all retail customers within its service territory. No other person, except a government or critical facility microgrid operating pursuant to section 158, shall provide distribution service within such service territory without the written consent of such distribution

company, which shall be filed with the department and the clerk of the municipality so affected. The department shall limit the distribution service provided by government or critical facility microgrids as necessary and appropriate, but at a minimum, shall establish rules, parameters, and as necessary, tariffs, related to eligible uses of the distribution equipment connected to a distribution company's electric distribution system by a government or critical facility microgrid.

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

(c) Notwithstanding section 5D of chapter 25, the department and the department of energy resources shall have access to all information associated with the bids selected by the

distribution company pursuant to the competitive bidding process in this section; provided, however, that such information shall not be deemed to be a public record as defined in clause 26 of section 7 of chapter 4 and shall not be subject to demand for production under section 10 of chapter 66; and provided further, that aggregates of such information may be prepared and such aggregates shall be public records.

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

SECTION 47. Section 1D of said chapter 164 , as so appearing, is hereby amended by striking out the fourth paragraph and inserting in place thereof the following paragraph:-

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

average of the uncollectible bills for the participating classes of the electric distribution company or the average number of customers in arrears.

SECTION 48. Paragraph (1) of section 1F of said chapter 164, as so appearing, is hereby amended by striking out subparagraphs (ii) and (iii) and inserting in place thereof the following 4 subparagraphs:-

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

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

(iv) Each energy marketer of residential electrical generation services or other supplier of such services that applies for a retail license shall execute and maintain a bond, issued by a qualifying surety or insurance company authorized to conduct business in the commonwealth, in favor of the commonwealth. The amount of the bond shall equal $5,000,000 per retail license or per parent company of multiple marketers or suppliers licensed by the department, issued by the department; provided, however, that energy marketers and suppliers whose license to serve is limited to commercial and industrial customers and does not include residential customers, the

bond amount shall equal $1,000,000 per retail license. The bond shall be conditioned upon the full and faithful performance of all duties and obligations of the applicant as a retail supplier and shall be valid for a period of not less than 1 year. The cost of the bond shall be paid by the applicant. The applicant shall file a copy of this bond, with a notarized verification page from the issuer, as part of its application for certification.

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

SECTION 49. Said section 1F of said chapter 164, as so appearing, is hereby further amended by striking out paragraph (4).

SECTION 50. Paragraph (7) of said section 1F of said chapter 164, as so appearing, is hereby amended by striking out the fifth to seventh sentences, inclusive, and inserting in place thereof the following 2 sentences:-

If the department, after a hearing or other proceeding, determines that a distribution company, person, firm, supplier or corporation doing business in the commonwealth has violated any provisions of said code or of any rule or regulation promulgated by the department pursuant to sections 1A to 1H, inclusive, section 1L or any provision of chapter 93A or corresponding regulations promulgated pursuant to authority established by section 102C, or executed a new contract or renewed an existing contract for generation services with any individual residential retail customer within a city or town that has accepted section 72 of chapter 40, the department

may impose a civil penalty and impose any other terms or conditions that the department considers appropriate, including, but not limited to, restitution to specific customers harmed by the violation in question and suspension or revocation of the business' retail license. Civil penalties imposed under this subsection shall not exceed $100,000 for each violation and for each day that the violation persists, shall be capped at a maximum of $10,000,000, and shall not be inclusive of any financial restitution the department requires to be provided to specific customers determined to be harmed by such violation.

SECTION 51. Paragraph (8) of said section 1F of said chapter 164, as so appearing, is hereby amended by striking out, in line 336, the words "30 days" and inserting in place thereof the following words:- 2 years.

SECTION 52. Said chapter 164 is hereby amended by striking out section 1H, as so appearing, and inserting in place thereof the following section:-

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

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

"Eligible property", the property right created pursuant to this section, including, but not limited to, the right, title and interest of an electric company, gas company or a financing entity to any revenues, collections, claims, payments, money or proceeds of or arising from or

constituting reimbursable transition costs amounts which are the subject of a rate reduction bond order, including those non-bypassable rates and other charges authorized by the department in the rate reduction bond order to recover transition costs and the costs of providing, recovering, financing or refinancing the transition costs, including the costs of issuing, servicing and retiring electric or gas rate reduction bonds.

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

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

"MassDevelopment", the Massachusetts Development Finance Agency established in section 2 of chapter 23G.

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

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

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

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

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

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

(c)(1) The department shall: (i) further define the categories of costs eligible to be classified as transition costs; (ii) determine the appropriate duration over which transition costs may be recovered for each eligible cost category, including, but not limited to, ensuring that the

transition cost recovery period aligns with the period over which ratepayers can reasonably expect to derive benefits from the programs or assets in each eligible cost category; provided, however, that the term of an electric rate reduction or gas rate reduction bond shall not be issued for a term exceeding 30 years; (iii) determine whether there is a date after which electric rate reduction bonds and gas rate reduction bonds may no longer be issued; provided, however, that electric rate reduction bonds or gas rate reduction bonds shall not be issued after 2036 without further legislative authorization; (iv) determine the limits that should be placed on the total dollar amount of electric rate reduction bonds and gas rate reduction bonds that can be issued in aggregate over a given period for particular categories of costs; (v) determine whether there are mechanisms and approaches for issuing electric rate reduction bonds and gas rate reduction bonds, consistent with this section, that can further reduce costs for ratepayers, including reducing administrative and transaction costs; and (vi) take comment on and assess other relevant considerations as it determines. Any financial benefits resulting from mechanisms determined by the department to help reduce administrative, transaction or other costs, shall flow to ratepayers. The department shall take steps it deems necessary to ensure it has appropriate expert resources available that are independent of the special purpose trust, including those related to electric rate reduction bond and gas rate reduction bond structuring, marketing and pricing, to protect and support ratepayer interests.

(2) The department may authorize issuance of rate reduction bond orders in accordance with this section to facilitate the provision, recovery, financing or refinancing of transition costs. No rate reduction bond order shall be issued unless the department has found the issuance to be cost-effective and will result in a reduction in ratepayer costs. A rate reduction bond order shall specify that amounts collected from a customer shall be allocated first to current and past due

transition charges and then other charges and that, upon the issuance of electric or gas rate reduction bonds, transition charges collected shall be allocated first to eligible property and second to transition charges, if any, that are not subject to a rate reduction bond order.

(3) An electric company or gas company, may, from time to time as established by the department, file with the department an application that provides that its transition costs may be recovered through reimbursable transition costs amounts, which would therefore constitute eligible property under this section. An electric company or gas company, may, upon the department's written determination of substantial and documentable relative rate reduction, utilize a financing entity other than the state-designated financing entity or special purpose trust. The electric company or gas company shall, in its application, specify that its customers would benefit from reduced electricity or gas rates through the issuance of electric or gas rate reduction bonds and shall explain how and in what manner the customers will realize the benefit.

(4) The department shall promulgate rules and regulations establishing the form and content of applications that may be filed pursuant to paragraph (3) and establishing the procedure to be utilized for the filing and approval of said applications. The department shall determine reimbursable transition costs amounts recoverable in one or more rate reduction bond orders if it determines, as part of its findings in connection with the rate reduction bond order, that: (i) the costs described in the application are reasonable; (ii) the proposed issuance of rate reduction bonds and the imposition and collection of transition charges are reasonable and consistent with the public interest; (iii) securitization offers significant net advantages to a substantial number of the ratepayers of the relevant electric or gas company compared to pay-as-you-go, conventional bonding and other financing alternatives; provided, however, that the department shall find and set forth such significant net advantages relative to the alternatives; provided further, that the

department shall calculate and publish estimates of total costs to be incurred over the lifetime of the activities, assets, facilities, initiatives, projects or programs being securitized, including, but not limited to, costs of principal and interest as well as other costs and transition costs, and shall compare these estimated total costs to estimates of total costs of pay-as-you-go, conventional bonding and other financing alternatives; and (iv) the designation of the reimbursable transition costs amounts and the issuance of electric or gas rate reduction bonds by the financing entity in connection with some or all of the reimbursable transition costs amounts will have a high probability of reducing rates that customers of an electric company or gas company will pay compared to rates they would have paid over a given period if the rate reduction bond order were not adopted, or that such rates will be reduced in aggregate amounts equal to savings realized by the electric company or gas company with respect to the rate reduction bond order; provided, however, that said bonds may qualify for tax-exempt status to the full extent of state and federal law; provided further, that the department shall consult with the financing entity in making its determination concerning electric or gas rate reduction bonds.

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

(6)(i) Notwithstanding any other general or special law, rule or regulation to the contrary, except as otherwise provided in this section with respect to eligible property which has been made the basis for the issuance of electric or gas rate reduction bonds, the rate reduction bond orders and the reimbursable transition costs amounts shall be irrevocable and the department

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(11) No rate reduction bond order shall: (i) authorize or require customers other than those of the electric company or gas company applying for such rate reduction bond order and its successors to pay any transition charges or other amounts with respect to the transactions authorized by such rate reduction bond order; or (ii) authorize, permit or require that any amounts arising from the transactions authorized by such rate reduction bond order be used to subsidize or benefit any company or the customers thereof other than the electric company or gas company and the affiliates thereof applying for such rate reduction bond order and its affiliates' customers. A rate reduction bond order shall require that transition charges be paid over to the financing entity within one calendar month of collection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 53. Said chapter 164 is hereby further amended by inserting after section 1K the following section:-

Section 1L. (a) A licensed supplier other than a supplier acting in its capacity as a municipal aggregation supplier may offer electricity to a residential customer receiving a

discount rate pursuant to section 152 at a price that does not exceed the trailing 12-month average of a distribution company's default service rate in the distribution company's service territory as of the date of agreement with the customer.

(b) With respect to a residential customer, a supplier other than a supplier acting in its capacity as a municipal aggregation supplier shall not: (i) automatically renew a customer's contract at the end of a contract term without receiving the written consent of the customer within 45 days before the expiration of the then current contract with the customer; provided, however, that the supplier shall provide not less than 3 renewal notices prior to contract expiration: (A) approximately 60 days prior; (B) approximately 30 days prior, which notice shall clearly disclose the renewal rate, term and opt-out method; and (C) approximately 15 days prior; provided, however, that the supplier shall provide for independent third-party verification to confirm, for all in-person sales and telephonic sales, the customer's affirmative and informed consent to the terms of renewal; provided further, that a supplier shall not automatically renew a customer's fixed-rate contract to a variable-rate contract; (ii) offer a variable rate, other than a rate that adjusts for seasonal variation, more than twice in a single year or a time-of-use rate that establishes different rates for periods within a single day; (iii) pay a commission or other incentive-based compensation for enrolling customers to any energy brokers, energy marketers, other third-party marketing agents or any other employees or agents; (iv) impose on a customer a fee for cancellation or early termination of an electricity supply agreement; or (v) offer a voluntary renewable or green energy product that contains clean or renewable energy attributes other than those that qualify under any clean energy standard regulation established by the department of environmental protection pursuant to subsection (c) of section 3 of chapter 21N unless: (A) the supplier discloses to the customer in plain language, prior to enrollment, that the

customer will not receive electricity directly from renewable generating units and that the supplier will acquire and retire renewable energy certificates or other eligible clean energy attributes in an amount equal to the customer's usage; (B) the disclosure identifies the resource types and geographic origins of the renewable energy certificates to be retired; provided, however, that if such information is not available at the time of enrollment, the supplier shall disclose the resource types and geographic origins of renewable energy certificates retired for a substantially similar product over the prior 12 months and provide the specific product's renewable energy certificate details to the residential customer within 60 days after the first billing cycle; (C) the renewable energy certificates are tracked by a certificate tracking system that assigns unique serial numbers, records issuance, transfers and retirements, and prevents double counting; and (D) the supplier reports annually to the department the amount, type, and location of clean or renewable energy attributes retired on behalf of residential retail customers and the percentage of supply purchased in excess of the supplier's annual obligations under the clean and renewable energy portfolio standards established by the department of environmental protection and department of energy resources, respectively. The department shall publish the information received from each company or supplier on its website.

(c) The department shall establish and maintain a public website for residential customers to compare available retail electricity supply products. Each supplier other than a supplier acting in its capacity as a municipal aggregation supplier must list at least 1 product available to residential customers on said website. The department shall ensure that the website includes, but is not limited to: (i) the current, and where possible, future default service rate available to a customer pursuant to section 1B; (ii) the default supply rate of any municipal aggregation offering available to a customer pursuant to section 134; (iii) the contract term for all products

listed; (iv) the percentage of renewable or clean energy content included in the product, including information on the source or location of such content, as determined by the department; (v) all additional products and services included as part of the product; (vi) the estimated monthly cost per customer; and (vii) the information collected pursuant to subsections (d) and (g). The website shall allow for products to be sorted and compared to each other.

(d) Not less than quarterly, each supplier other than a supplier acting in its capacity as a municipal aggregation supplier shall provide to the department: (i) a list detailing each rate the supplier charged to residential retail customers in the last quarter; and (ii) the number of low-income and non-low-income residential retail customers charged each rate included in such list by rate class. The department shall publish average rates charged by each supplier to customer classes and the aggregate number of customers by each supplier served on the department's website.

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

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

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

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

SECTION 54. Said chapter 164 is hereby further amended by striking out section 15, as appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

Section 15. A gas or electric company, under the supervision of the department, selling, offering for sale or issuing, bonds, debentures, notes or other evidences of indebtedness, exclusive of stock, payable at periods of not less than 5 years after the date thereof, shall invite proposals for the purchase thereof. The department shall find that the manner of solicitation of such proposals demonstrates a measure of competition and is in the public interest. Said company may, however, reserve the right to reject any proposal.

SECTION 55. Section 15A of said chapter 164, as so appearing, is hereby amended by striking out, in line 5, the word “than” and inserting in place thereof the following word:- that.

SECTION 56. Said chapter 164 is hereby further amended by striking out section 33A, as so appearing, and inserting in place thereof the following section:-

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

“Advertising”, the commercial use by a utility of any media, including newspaper, social media, printed matter, radio and television, including any costs associated with research, analysis, preparation, planning or any other related costs identified by the department as related to public communication, whose purpose is to transmit a message to a substantial number of members of the public or to such utility’s consumers promoting the sale or consumption of

electricity or any specific energy source, unless such commercial use is approved or ordered by the department.

"Political advertising", advertising for the purpose of influencing public opinion with respect to legislative, administrative or electoral matters; provided, however, that political advertising shall not include policymaking activity in which the executive branch or the general court has invited gas or electric company participation, including, but not limited to, participation on or communication with any policy commission, committee, advisory council, working group or other body established by the executive branch or the general court; provided, however, that "political advertising" shall not include advertising which: (i) informs consumers of any utility about how they can conserve energy, improve energy efficiency, access money-saving rates or programs, seek assistance or customer support, prepare for weather events, reduce peak demand for energy, take part in demand management or load management initiatives, pursue building decarbonization, heat pump, networked geothermal, solar or storage technology, or other electrification measures, or otherwise use the services of any utility in a cost-efficient manner; (ii) is required by federal or state laws or regulations; (iii) informs consumers regarding service interruptions, emergency conditions, or measures to enhance safety, security, reliability of service, affordability, equity or reductions in greenhouse gas emissions; (iv) concerns employment opportunities with a utility; (v) relates to existing or proposed rates or rate schedules or notification of hearings thereon; or (vi) informs consumers of and stimulates the use of products or services which are subject to direct competition from products or services of entities not regulated by the department or any other government agency.

"Promotional advertising", any advertising for the purpose of encouraging any person to select or use the service or additional service of a utility regulated by the department, or the

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

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

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

(d) No gas or electric company regulated by the department shall recover through rates any direct or indirect cost associated with: (i) membership, dues, sponsorships or contributions to

any entity incorporated under section 501 of the Internal Revenue Code of 1986, as amended, including business or trade associations; (ii) charitable giving expenses, including contributions in cash or other quantifiable value to organizations qualified under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended; (iii) executive or legislative lobbying, as defined under section 39 of chapter 3, or soliciting others to engage in executive or legislative lobbying, including any costs for activities associated with lobbying such as policy research, analysis, preparation and planning undertaken in support of lobbying; provided, however that lobbying shall not include policymaking activity in which the executive branch or general court has invited gas or electric company participation, which activity shall include, but not be limited to, participation on or communication with any policy commission, committee, advisory council, working group or other body established by the executive branch or the general court; (iv) contributions to political candidates, campaign committees, issue committees or independent expenditure committees or other political expenses; (v) any costs, including marketing, administration, customer service or other costs, for products or services not regulated by the department, unless determined by the department to be reasonable; (vi) tax penalties or fines issued against such company, unless determined by the department to be reasonable; (vii) travel, lodging, entertainment, gifts or food and beverage expenses for such company's board of directors, trustees and external advisory councils not required by the department or legislature or the board of directors and officers of the parent of such company; or (viii) any ownership, lease or charter of aircraft for such company's board of directors, trustees, external advisory councils and officers or the board of directors and officers of the parent of such company.

(e) The department and the office of ratepayer advocacy established pursuant to section 11E of chapter 12 shall monitor and investigate compliance and noncompliance with this section.

If the department determines that a gas or electric company regulated by the department improperly recorded an expense for which recovery is prohibited by this section, the department shall assess a non-recoverable penalty against such company in an amount that is not less than the total amount of costs improperly recorded and the department shall order such company to refund the amount improperly recovered, plus interest, to customers. For each penalty assessed and collected from any such company pursuant to this section, a portion of the penalty, as determined by the department, may be distributed to ratepayers through a rebate, or distributed to the department and the office of ratepayer advocacy for the purpose of increasing resources for enforcing this section.

SECTION 57. Section 69G of said chapter 164, as so appearing, is hereby amended by striking out, in line 1, the figure “69W” and inserting in place thereof the following figure:- 69X.

SECTION 58. Said section 69G of said chapter 164, as so appearing, is hereby further amended by striking out the definition of “Director” and inserting in place thereof the following definition:-

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

SECTION 59. Said section 69G of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "large clean transmission and distribution infrastructure facility" and inserting in place thereof the following definition:-

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

shall not include new transmission and distribution infrastructure that solely interconnects new and existing energy generation powered by fossil fuels on or after January 1, 2026.

SECTION 60. Section 69H of said chapter 164, as so appearing, is hereby amended, in the first paragraph, by inserting after the word “pipelines” in line 22 the following word:- , facilities.

SECTION 61. Said Section 69H of said chapter 164, as so appearing, is hereby further amended by striking out, in line 36, the word “large” and inserting in place thereof the following words:- facilities, large.

SECTION 62. Said section 69H of said chapter 164, as so appearing, is hereby further amended by striking out, in line 52, the words “and (v)” and inserting in place thereof the following words:- “(v) due consideration has been given to locating facilities underground and away from residential areas; and (vi).

SECTION 63. Said section 69H of said chapter 164, as so appearing, is hereby further amended by striking out, in line 114, the figure “69W” and inserting in place thereof the following figure:- 69X.

SECTION 64. Said chapter 164 of hereby further amended by inserting after section 69I the following section:-

Section 69I½. (a) The department, in consultation with the department of energy resources, based on long-range plans approved pursuant to section 69I, shall establish and maintain rolling 3-year projections of statewide natural gas demand. The projections shall include, but not be limited to: (i) requirements for electric generation; (ii) anticipated residential,

commercial and industrial consumption; (iii) winter and summer peak requirements; (iv) firm and interruptible load; and (v) any expected changes resulting from electrification, energy efficiency or economic trends.

(b) The secretary of energy and environmental affairs, in consultation with the department, shall develop and annually update a plan that: (i) matches natural gas supply with projected demand; (ii) ensures pipeline capacity and system reliability measures in a manner that does not result in excessive consumer cost burdens; (iii) minimizes potential service interruptions; and (iv) is consistent with the commonwealth's decarbonization goals. In developing said plan, the secretary shall conduct not less than 3 public hearings in geographically diverse locations in the commonwealth; provided, however, that at least 1 such hearing shall accommodate remote participation.

(c) The projections and plan required by subsections (a) and (b) shall be filed annually with the clerks of the senate and house of representatives and the joint committee on telecommunications, utilities and energy.

SECTION 65. Said chapter 164 is hereby amended by inserting after section 69W the following section:-

Section 69X. (a) A transmission company shall file with the board a description of any proposed reconductoring, replacement or rebuilding of a transmission facility or group of transmission facilities on an existing transmission corridor that has an estimated cost of not less than $25,000,000 prior to commencing construction. Such description shall include, but not be limited to: (i) an analysis of the need for the project; (ii) an explanation of the project scope, timing, cost and alternatives considered, including the deployment of advanced conductors, grid-

enhancing technologies and other advanced transmission technologies; (iii) an analysis of the near-term reliability risks to be addressed by the project; and (iv) an analysis of whether sufficient mechanisms exist in the regional system planning process to evaluate the project.

(b) Not later than 90 days following a submission pursuant to subsection (a), the director, at the director's sole discretion, may require a project applicant to submit an application for a consolidated permit as a large clean transmission and distribution infrastructure facility under sections 69H and 69T. In such a case, the applicant shall be required to seek and obtain a consolidated permit from the board before it may proceed with construction. The director shall notify the project applicant within 5 days of determining that they will require submission of an application pursuant to sections 69H and 69T. The board may establish rules that permit an applicant for a project reviewed pursuant to this section to forego certain pre-filing requirements with which other projects under section 69T are required to comply.

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

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

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

SECTION 66. Section 69I of said chapter 164, as appearing in the 2024 Official Edition, is hereby amended by striking out, in line 26, the figure “69W” and inserting in place thereof the following figure:- 69X.

SECTION 67. Section 69P of said chapter 164, as so appearing, is hereby amended by striking out, in lines 20 and 25, the figure “69W”, and inserting in place thereof, in each instance, the following figure:- 69X.

SECTION 68. Said chapter 164 is hereby further amended by inserting after section 83 the following section:-

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

If the department orders an audit under this section to be performed by an independent auditor, the department may select the auditor, subject to the applicable procurement laws and regulations of the commonwealth, and shall require the company being audited to enter into a

contract with the auditor providing for payment of the auditor by the company at no cost to the ratepayers of said company, and shall set a date by which time the audit shall be submitted to the department. Such contract shall provide that the independent auditor shall work for and be under the direction of the department according to such other terms as the department may determine necessary and reasonable.

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

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

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

(c) A company subject to an audit under this section shall, within 90 days after issuance of such an audit, submit to the department, in a form prescribed by the department, a report detailing the company's plan to adopt any recommendations made in the audit report pursuant to subsection (b). The department shall have the opportunity to respond to said report by making any further recommendations for additional actions it deems the company should undertake. Within 60 days of the company's receipt of such response, the company shall file with the department, in a form prescribed by the department, a report detailing the company's revised

plan to implement recommendations made in the audit report and the response. The company shall provide a copy of such revised plan to the office of ratepayer advocacy, which may submit comments on such revised plan to the department within 30 days of the department's receipt of such revised plan. After review of such revised plan and any comments received from the office of ratepayer advocacy, the department may require each company to further amend its plan in a particular manner. Such plan shall thereafter become enforceable upon approval by the department.

(d) The department may commence a subsequent proceeding to examine the company's compliance with the plan and may impose reasonable and appropriate penalties for any company noncompliance; provided, however, that the cost of such penalties shall by borne solely by the company and shall not be recoverable from ratepayers

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

SECTION 69. Said chapter 164 is hereby further amended by striking out section 92B, as appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

Section 92B. (a) The department shall direct each electric company to develop a comprehensive electric-sector modernization plan to proactively upgrade the distribution and, where applicable, transmission systems to: (i) improve grid reliability, communications and

resiliency; (ii) enable increased, timely adoption of renewable energy and distributed energy resources consistent with the most recent emissions reduction roadmap plan required by section 3 of chapter 21N; (iii) promote energy storage and electrification technologies necessary to decarbonize the environment and economy; (iv) prepare for future climate-driven impacts on the transmission and distribution systems; (v) accommodate increased transportation electrification, increased building electrification, economic development, new housing and other potential future demands on distribution and, where applicable, transmission systems; (vi) minimize or mitigate impacts on the ratepayers of the commonwealth and (vii) help realize the limits and sublimits established pursuant to said chapter 21N. An electric company shall use such plan to inform its annual load forecast and other distribution system plans and shall include:

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

(1) a detailed summary and timeline of all relevant company programs and investments, including, but not limited to, investments and programs developed as part of the statewide building decarbonization and energy efficiency investment plans authorized under section 21 of chapter 25; all investments and programs authorized by the department related to electric grid modernization, building electrification, transportation electrification and distributed energy resources; all investments, programs and efforts to utilize advanced metering infrastructure to either directly or indirectly manage energy demand or enable dispatchable distributed energy resources to provide benefits or services to the electric grid; and all investments, programs and efforts to reconduct, replace or rebuild transmission facilities, utilize advanced transmission

technology and grid-enhancing technology as defined in section 150 of this chapter and utilize non-wires alternatives.

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

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

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

(5) a description and summary of company efforts to enable third parties to provide load management and virtual power plant services, including, but not limited to, efforts to enable third party wholesale market participation, changes to company procurement processes or quantification of the distribution system benefits provided by third party offerings; provided,

however, that the company shall detail the status of any past, current or planned programs or procurements related to third party-provided grid services and shall provide information on how third parties can contract with the company, participate in programs and access customer electric usage data to enable load management and demand response services; provided further, that the company shall develop and propose for department approval the terms and conditions under which a third party may provide such services, including, but not limited to, distributed energy resource management system dispatch schedule, deliverability and performance requirements and compensation and non-performance penalty structures aligned with local distribution system grid needs.

(B) information on the flexible interconnection program required under section 157 including, but not limited to:

(1) a detailed summary of the flexible interconnection program and a timeline for all proposed and under development alternative interconnection solutions, and associated investments, that meet the definition of flexible interconnection under subsection (a) of section 157, including, but not limited to, relevant efforts to make use of advanced metering infrastructure and smart inverters; and

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

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

(3) a description of how the load management and virtual power plant plan provided pursuant to paragraph (1) and the flexible interconnection program required under section 157 are integrated with other distribution system planning efforts to most effectively reduce costs and maximize benefits to ratepayers, advance energy affordability and help the commonwealth realize its statewide greenhouse gas emissions limits and sublimits established pursuant to chapter 21N.

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

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

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

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

(IV) a community engagement plan with targeted engagement for low- and moderate-income populations in the service territory; and

(V) an implementation timeline for making changes in line with the findings of the study such as modifying design and construction standards, modifying operations and planning

processes and relocating or upgrading existing infrastructure to ensure reliability and resilience of the grid.

(b) An electric-sector modernization plan developed pursuant to subsection (a) shall describe in detail: (i) improvements to the electric distribution system to increase reliability and strengthen system resiliency to address potential weather-related and disaster-related risks; (ii) the availability and suitability of new technologies including, but not limited to, smart inverters, advanced metering and telemetry and energy storage technology for meeting forecasted reliability and resiliency needs, as applicable; (iii) patterns and forecasts of distributed energy resource adoption in the company's territory and upgrades that might facilitate or inhibit increased adoption of such technologies; (iv) improvements to the distribution system that will enable customers to express preferences for access to renewable energy resources; (v) improvements to the distribution system that will facilitate transportation or building electrification, economic development and new housing; (vi) improvements to the transmission or distribution system to facilitate achievement of the statewide greenhouse gas emissions limits under chapter 21N and consistent with the most recent emissions reduction roadmap plan required by section 3 of said chapter 21N; (vii) opportunities to deploy energy storage technologies to improve renewable energy utilization and avoid curtailment; (viii) alternatives to proposed investments, including changes in rate design, load management and other methods for reducing demand, enabling flexible demand and supporting dispatchable demand response; and (ix) alternative approaches to financing proposed investments. For all proposed investments and alternative approaches, each electric company shall identify customer benefits associated with the investments and alternatives including, but not limited to, safety, grid reliability and resiliency, the minimization of costs attributable to complying with the load management and

virtual power plant requirements of this section, facilitation of the electrification of buildings and transportation, accommodation of increased economic development and new housing, integration of distributed energy resources, avoided renewable energy curtailment, reduced greenhouse gas emissions and air pollutants, avoided land use impacts and minimization or mitigation of impacts on the ratepayers of the commonwealth.

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

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

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

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

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

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

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

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

An electric company shall submit its electric-sector modernization plan, together with a documentation of the Grid Modernization Advisory Council's review, input and recommendations, including, but not limited to, a list of each individual recommendation, the status of each recommendation with an explanation of why each recommendation was adopted, adopted as modified or rejected, along with a statement of any unresolved issues, to the

department in accordance with a schedule determined by the department. An electric company shall also submit a list of the entities with whom it engaged as required in clauses (iii) through (vi), inclusive, of subsection (c) with a summary of the input provided by such entities.

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

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

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

SECTION 70. Said chapter 164 is hereby further amended by inserting after section 92C the following section:-

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

(b) The framework required under subsection (a) shall seek to advance the following objectives: (i) minimize costs to ratepayers, including through the use of non-wires alternatives, load management, virtual power plants, flexible interconnection programs, advanced transmission technologies and grid enhancement technologies; (ii) consolidate the proceedings through which distribution system planning is conducted; (iii) consolidate the number of proceedings and charges through which an electric companies may seek cost recovery; (iv)

aligning distribution system plans and investments included in rate applications filed in accordance with section 94 and the electric-sector modernization plans filed in accordance with section 92B; (v) ensure that rate applications filed in accordance with section 94 present a comprehensive overview of current and future electric company capital and operating expenditures regardless of how such costs have historically been recovered; (vi) prioritize cost recovery mechanisms that adjust base distribution rates over time; (vii) optimizing distribution system investments to meet distribution system needs, including those enumerated in subsection (a) of section 92B; (viii) aligning the interests of the electric companies, ratepayers and developers with respect to incentive mechanisms; and (ix) maximize transparency, accessibility and meaningful participation for stakeholders in the development and regulatory review of distribution system plans and associated investments.

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

(d) Not later than December 1, 2027, each electric company shall submit to the department an assessment of the current performance and utilization of its electric distribution and transmission system as compared with the performance and utilization of which it is capable. Each assessment shall include, but not be limited to: (i) the ratio of distribution system peak load to total distribution electric grid capacity; (ii) the ratio of current electric load delivered to total potential deliverable electric load over the distribution system; (iii) the percentage of kilowatt-

hours of electricity lost during the distribution process or by the distribution system; (iv) an analysis of constrained circuits on the distribution system; and (v) an evaluation of the performance of the distribution system at peak times; provided, however, that each electric company shall provide to the department any additional information the department may request in connection with its review and evaluation of the assessment and the efficiency and performance of the electric company's system.

(e) Each electric company shall petition the department for approval of electric grid utilization metrics; provided, however, that such petition shall identify the metrics the electric company currently employs and proposes to employ as well as an overview of utilization metrics standards in the industry.

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

utilization through the use of virtual power plants, non-wires alternatives and other methods of improving electric grid performance and utilization.

(g) Not later than July 1, 2028, the department shall approve electric grid utilization metrics which shall include, as appropriate, the following: (i) a description of the ways in which such metrics may inform the department's consideration of future utility requests for approval of cost recovery for capital investments; (ii) a timeline by which each electric company shall increase electric grid utilization in accordance with the approved metrics; and (iii) direction regarding the potential of each electric company to increase electric grid performance and utilization through the use of virtual power plants and non-wires alternatives, including, but not limited to: (i) energy storage resources; (ii) customer-owned and customer-financed capacity resources; (iii) virtual power plants; (iv) flexible interconnection; and (v) advanced transmission technologies and grid enhancement technologies.

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

(i) In its annual report, the department shall include any findings it made or is considering with respect to an electric company's assessment of the performance and utilization metrics approved by the department and with respect to the electric company's performance against such metrics. In such annual report, the department shall analyze the potential of each electric company to increase electric grid utilization through the use of virtual power plants and non-wires alternatives, including, but not limited to, the following: (i) energy storage resources; (ii)

customer-owned and customer-financed capacity resources; (iii) virtual power plants; and (iv) flexible interconnection. To comply with the requirements of this subsection, the department may request of each electric company any information necessary to properly evaluate the electric company's use of virtual power plants, non-wires alternatives and other methods to improve electric grid performance and utilization in the commonwealth.

SECTION 71. Said chapter 164 is hereby further amended by striking out section 124F, as appearing in the 2024 Official Edition, and inserting in place thereof the following section:-

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

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

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

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

SECTION 72. Said chapter 164 is hereby further amended by striking out section 137, as so appearing, and inserting in place thereof the following section:-

Section 137. (a) Notwithstanding any general or special law to the contrary, any non-profit institution in the commonwealth or any agency, executive office, department, board, commission, bureau, division or authority thereof, including the executive, legislative and judicial branches of the commonwealth or any political subdivision thereof, or of any authority established by the general court to serve a public purpose, may, unless located within the boundaries of a community served by a municipal light department, participate in and become a member of any competitively procured program organized and administered under chapter 25A or this chapter by or on behalf of any public instrumentality of the commonwealth or of any subsidiary organization thereof for the purpose of group purchasing of electricity, natural gas or telecommunications services, including supply, building or transportation electrification, energy management services, distributed energy resources or renewable energy projects and related products, equipment or goods; provided, however, that any entity seeking to provide group purchasing services pursuant to this section to such institutions, agencies, executive offices, departments, boards, commissions, bureaus, divisions or authorities shall be an aggregator subject to the requirements of clause (ii) of paragraph (1) of section 1F; provided further, that each such entity shall, not more than 90 days after the close of its business year, submit an annual report on its organizational and compensation structure and its various business activities with the secretary of energy and environmental affairs, the commissioner of the department of public utilities, the clerks of the house of representatives and the senate, the chairs of the house and senate committees on ways and means and the chairs of the joint committee on telecommunications, utilities and energy.

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

(c) Any agency, executive office, department, board, commission, bureau, division or authority of the commonwealth, including the executive, legislative and judicial branches of the commonwealth, may, on behalf of the commonwealth, dispose of real property by lease, easement or license which is part of a power purchase agreement or net metering agreement in a program organized and administered under this section, including, but not limited to, construction of renewable energy projects on state property.

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

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

SECTION 73. Section 138 of said chapter 164, as so appearing, is hereby amended by striking out the definitions of "Class I net metering credit", "Class II net metering credit" and "class III net metering credit" and inserting in place thereof the following 3 definitions:-

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

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

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

a municipality or other governmental entity, the credit shall be equal to the excess kilowatt-hours multiplied by the sum of (i) and (ii) and the distribution kilowatt-hour charge; and provided further, that this shall not include the demand side management and renewable energy kilowatt-hour charges set forth in sections 19 and 20 of chapter 25.

SECTION 74. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of "market net metering credit" and inserting in place thereof the following definition:-

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

SECTION 75. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of “neighborhood net metering credit” and inserting in place thereof the following definition:-

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

SECTION 76. Said section 138 of said chapter 164, as so appearing, is hereby further amended by inserting after the definition of “solar net metering facility” the following 2 definitions:-

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

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

SECTION 77. Subsection (f) of section 139 of said chapter 164, as so appearing, is hereby amended by striking out the third sentence.

SECTION 78. Said section 139 of said chapter 164, as so appearing, is hereby further amended by striking out, in lines 137 to 138 and 145 to 147, inclusive, the words "that are not net metering facilities of a municipality or other governmental entity under subsection (f)".

SECTION 79. Subsection (l) of said section 139 of said chapter 164, as so appearing, is hereby amended by inserting after the figure "40B", in line 216, the following words:- or where the single parcel contains multi-family housing in a zoning district that is compliant with section 3A of Chapter 40A.

SECTION 80. Said section 139 of said chapter 164, as so appearing, is hereby further amended by adding the following subsection:-

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

SECTION 81. Subsection (a) of section 139A of said chapter 164, as so appearing, is hereby amended by striking out the definition of "Small hydroelectric power net metering facility" and inserting in place thereof the following definition:-

“Small hydroelectric power net metering facility”, a turbine-generator unit with a nameplate or demonstrated operational capacity of not more than 2 megawatts, using water to generate electricity that is connected to a distribution company; provided, however, that turbine-generator units sharing a common point of interconnection or parcel shall be treated as individual facilities rather than in the aggregate.

SECTION 82. Said chapter 164 is hereby further amended by striking out section 142, as so appearing, and inserting in place thereof the following section:-

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

“Eligible system”, a plug-in solar photovoltaic system that is certified by UL LLC, formerly known as Underwriters Laboratories, or an equivalent nationally recognized testing laboratory.

“Interconnection agreement”, an agreement between a person and a distribution company governing the connection of an interconnecting generation facility to the distribution company’s system and the ongoing operation of the interconnecting generation facility after it is connected to the system.

“Plug-in battery system”, an alternating current-coupled energy storage device that: (i) connects to a retail electricity customer's electrical system wiring through a standard outlet; (ii) is capable of charging from or discharging to the electrical system to which it is connected independently of any photovoltaic system; and (iii) is intended to offset on-site electricity consumption by the retail electricity customer, perform energy arbitrage or participate in grid-support operations.

"Plug-in photovoltaic system", a photovoltaic generation device that: (i) connects to a retail customer's electrical system writing through a standard electrical outlet in a manner that is consistent with the requirements of interconnected electric power sources established in the National Electrical Safety Code adopted by the board of building regulations and standards; (ii) is intended primarily to offset, in part, the retail electricity customer's electricity consumption; and; (iii) uses inverters that are configured to shut off after 0.2 seconds if power is disrupted.

(b) Subject to the requirements of this section, a retail electricity customer may install and operate 1 or more eligible systems at such retail electricity customer's service address for the purpose of offsetting on-site electricity consumption.

(c) An eligible system that has a maximum power output to a standard electrical outlet of not more than 391 watts shall be exempt from product listing provisions from UL LLC, formerly known as Underwriters Laboratories, or an equivalent nationally recognized testing laboratory that would require alterations to the building's premises, wiring or electrical panels.

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

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

company may not deny the installation of an eligible system that complies with the requirements of this section.

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

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

(h) A person shall neither directly nor indirectly unreasonably prohibit the installation, use or operation of a portable-scale solar generation device.

(i) A covenant or restriction that explicitly or indirectly unreasonably prohibits or restricts the installation, use or operation of a small portable solar generation device is unenforceable and void as a matter of public policy.

(j) A tenant shall be responsible for any damages sustained to the rental dwelling unit or the premises as a result of any small portable solar generation device installed pursuant to this section. A tenant’s liability shall be limited strictly to instances of documented gross negligence or intentional misuse. The landlord shall carry the burden of proof to demonstrate that the

damage was caused by an affirmative act of the tenant outside the scope of ordinary residential use.

SECTION 83. Said chapter 164 is hereby further amended by striking out section 145, as so appearing, and inserting in place thereof the following section:-

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

"Customer", a retail natural gas customer.

"Eligible infrastructure measure", a replacement, retirement or an improvement of existing infrastructure of a gas company that: (i) is made on or after January 1, 2015; (ii) is designed to improve public safety or infrastructure reliability; (iii) does not increase the revenue of a gas company by connecting an improvement for a principal purpose of serving new customers; (iv) reduces, or has the potential to reduce, lost and unaccounted for natural gas through a reduction in natural gas system leaks; (v) is not included in the current rate base of the gas company as determined in the gas company's most recent rate proceeding; (vi) may include use of advanced leak repair technology approved by the department to repair an existing leak-prone gas pipe to extend the useful life of the such gas pipe by no less than 10 years; and (vii) may include replacing gas infrastructure clean thermal energy infrastructure.

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

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

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

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

(b) A gas company shall file with the department a plan to address aging or leaking natural gas infrastructure within the commonwealth and the leak rate on the gas company's natural gas infrastructure in the interest of public safety and reducing lost and unaccounted for natural gas through a reduction in natural gas system leaks. Each company's gas infrastructure plan shall include interim targets for the department's review. The department shall review these interim targets to ensure each gas company is meeting the appropriate pace to reduce the leak rate in a safe and timely manner and comply with the limits and sublimits established pursuant to chapter 21N of the general laws. The interim targets shall be for periods of not more than 6 years or at the conclusion of 2 complete 3-year walking survey cycles conducted by the gas company. The gas companies shall incorporate these interim targets into timelines for remediating leak-prone infrastructure filed pursuant to subsection (c) and may update them based on overall progress. The department may levy a penalty against any gas company that fails to meet its interim target in an amount up to and including the equivalent of 2.5 per cent of such gas company's transmission and distribution service revenues for the previous calendar year.

(c) Any plan filed with the department shall include, but not be limited to: (i) eligible infrastructure measures concerning mains, services, meter sets and other ancillary facilities composed of non-cathodically protected steel, cast iron and wrought iron, prioritized to

implement the federal gas distribution pipeline integrity management plan annually submitted to the department and consistent with subpart P of 49 C.F.R. part 192; (ii) an anticipated timeline for the completion of each project; (iii) the estimated cost of each project; (iv) rate change requests; (v) a description of customer costs and benefits under the plan, including the costs of potential stranded assets and the benefits of avoiding financial exposure to such assets; (vi) the relocations, where practical, of a meter located inside of a structure to the outside of said structure for the purpose of improving public safety; and (vii) any other information the department considers necessary to evaluate the plan.

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

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

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

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

(g) All rate change requests made to the department pursuant to an approved plan, shall be filed annually on a fully reconciling basis, subject to final determination by the department pursuant to subsection (f). The rate change included in a plan pursuant to section (c), reviewed pursuant to subsection (d) and taking effect each May 1 pursuant to subsection (e) shall be subject to investigation by the department pursuant to subsection (f) to determine whether the gas company has over collected or under collected its requested rate adjustment with such over collection or under collection reconciled annually. If the department determines that any of the costs were not reasonably or prudently incurred, the department shall disallow the costs and

direct the gas company to refund the full value of the costs charged to customers with the appropriate carrying charges on the over-collected amounts. If the department determines that any of the costs were not in compliance with the approved plan, the department shall disallow the costs from the cost recovery mechanism established under this section and shall direct the gas company to refund the full value of the costs charged to customers with the appropriate carrying charges on the over collected amounts.

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

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

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

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

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

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

(j) The department may promulgate rules and regulations under this section. The department may discontinue a plan and require a gas company to refund any costs charged to

customers due to failure to substantially comply with a plan or failure to reasonably and prudently manage project costs.

SECTION 84. Section 147A of said chapter 164, as so appearing, is hereby amended by striking out, in line 1, the word “section”, the second time it appears, and inserting in place thereof the following word:- For chapter.

SECTION 85. Said Section 147A of said chapter 164, as so appearing, is hereby further amended by striking the definition of “non-emitting renewable thermal infrastructure project” and inserting in place thereof the following definition:-

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

SECTION 86. Subsection (b) of section 150 of said chapter 164, as so appearing, is hereby amended by striking out, in line 55, the word “Where” and inserting in its place thereof the following words:- Where the department determines that.

SECTION 87. Subsection (d) of said section 150 of said chapter 164, as so appearing, is hereby amended by striking out, in lines 74 through 75, the words “Once every 5 years, not later than September 1 of the fifth year” and inserting in place thereof the following words:- Once every 3 years, beginning in 2027, and not later than September 15 of each year in which a report is required.

SECTION 88. Said chapter 164 is hereby further amended by adding the following 10 sections:-

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

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

discount rate as provided for in this section shall be established by the department. Following initial verification of eligibility for the low-income or moderate-income discount rate, eligibility may be reevaluated not less than every 2 years thereafter.

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

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

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

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

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

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

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

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

(2) The department shall, in accordance with the provisions of this section, review an application by a distribution company to enter into a lease agreement for either distribution asset entitlements or transmission asset entitlements with third parties to provide financing and other monies for investment in distribution projects or transmission projects and direct benefits to the distribution company's customers in addition to the direct distribution-related or transmission-related services provided through the assets funded through the financing arrangement. The application filed under this section may include all such information identified in paragraph (5) or it may be a framework application which sets forth the manner in which the distribution

company and its non-utility counterparty shall opt into specific leases under the framework in a future filing and with the department reviewing the terms of that framework filing. For purposes of this section, a non-utility counter party may not be an affiliate of a distribution company. The department shall, following an adjudicatory hearing pursuant to chapter 30A, make a determination as to whether the application provides net benefits to the customers of the distribution company and based on that determination, approve, approve conditionally, reject without prejudice or reject the application within 9 months of the date the application is filed.

(3) The department shall promulgate regulations on the eligible uses of charitable financial contributions required pursuant to this section including, but not limited to: (i) support for low- and moderate-income energy assistance programs; (ii) programs that support the deployment of energy efficiency, solar, storage, building electrification, or transportation electrification for low- and moderate-income neighborhoods; (iii) direct benefits for communities that are hosting or adjacent to the infrastructure being financed through these funds; or (iv) other eligible uses as identified by the department through a public process.

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

(5) Any leasing agreement for distribution assets entitlements or transmission assets entitlements which is entered into and signed by the distribution company and a non-utility third-party may contain provisions allowing the non-utility counterparty to lease distribution asset entitlements to distribution projects or transmission asset entitlements to transmission projects of

the distribution company, provided, however, that the actual distribution entitlement leases or the transmission entitlement leases under the agreement shall include, but not be limited to:

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

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

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

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

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

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

(vii) ratepayer protections to ensure that: (A) the distribution entitlement lease or the transmission entitlement lease does not lead to the double recovery of costs associated with the covered assets by enabling the distribution company to recover any of the costs that are otherwise being recovered in the distribution rate charged by the nonutility counterparty that holds the distribution entitlement lease; and (B) neither the rate charged by the non-utility counterparty to recover costs associated with its distribution entitlement lease nor the rate charged by the nonutility counterparty to recover costs associated with its transmission entitlement lease exceeds the rate that would otherwise be charged by the distribution company for its cost to recover the investment in assets covered by the lease in the absence of the lease agreement;

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

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

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

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

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

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

(iii) a levelized fixed rate to recover capital costs using a cost-recovery structure based on a fixed and levelized rate over the term of the lease; provided, however, that the non-utility counterparty can provide evidence that such recovery does not violate the requirement set forth in clause (vii) of paragraph (5) of said subsection (a) that the non-utility counterparty’s rate

recovery is no higher than what the distribution company could recover in the absence of the lease.

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

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

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

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

Section 155. For the purpose of ensuring public safety in the making, sale, distribution or transportation of clean thermal energy, as defined in section 3 of chapter 25A, and in the construction, ownership or operation of related facilities, equipment and infrastructure, the department shall have supervision of clean thermal energy facilities and related equipment and infrastructure of gas companies. The department shall keep itself informed as to the methods, practices, and condition of all facilities and equipment associated with such energy and shall make such examinations and investigations as necessary, including the adequacy of operation, maintenance and capital improvements to ensure the safe operation thereof. After holding technical conferences and receiving public input, the department may, if necessary, promulgate regulations to implement this section. The department may establish reasonable fees, which may be retained by the department, to fund the department's supervision of clean thermal energy safety.

Section 156. Each gas company shall develop, and periodically amend, a comprehensive just transition plan, to be included as part of any climate compliance plan submission directed by the department, which transition plan shall address workforce impacts arising or potentially arising from significant economic, technological or political pressures attributable to decarbonization, artificial intelligence, trade policy, foreign policy, supply chain disruptions or other developments. In determining the reasonableness of a gas company's climate compliance

plan, the department shall consider said company's just transition plan. Such just transition plan shall be amended every 2 years, beginning April 1, 2028, and included as an update in any climate compliance plan submitted by the company.

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

Section 157. (a) For the purposes of this section, "flexible interconnection" shall mean a process by which a distribution company allows new customer load to connect and distributed energy resources to interconnect to the electric distribution grid based on an agreed-upon curtailment schedule or protocols and associated tariff, contract or technical requirements, as applicable.

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

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

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

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

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

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

(b) A local, regional, state or federal government entity that owns, operates or leases a renewable energy generating source as defined in section 11F of chapter 25A that: (i) qualifies under any clean energy standard regulations established by the department of environmental protection pursuant to subsection (c) of section 3 of chapter 21N; or (ii) qualifies as a class I or class II renewable energy generation source pursuant to section 11F of chapter 25A may independently deliver electricity generated from such source across a public right-of-way; provided, however, that: (A) such source shall be connected to a government or critical facility microgrid; and (B) such local, regional, state or federal government entity shall engage the distribution company to complete the interconnection of such microgrid to the electric distribution grid and does not shift costs to other ratepayers. For the purposes of this section, a government entity shall not be considered a distribution company or an electric company.

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

"Integrated energy planning" or "IEP", the coordinated planning of natural gas and electric power distribution systems to: (i) identify opportunities for strategic electrification and

demand reduction that minimize total costs to ratepayers across both systems; (ii) reduce ratepayer exposure to stranded asset risk and unnecessary infrastructure investment; (iii) align infrastructure investments with the commonwealth's emissions limits established under chapter 21N, the electric-sector modernization plans developed pursuant to section 92B, and the comprehensive distribution system planning and cost recovery framework developed pursuant to section 92D; and (iv) inform gas supply planning and procurement to optimize resource acquisition in light of anticipated demand changes.

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

(b) The department shall coordinate and oversee integrated energy planning to reduce costs to ratepayers by avoiding construction or replacement of infrastructure that is unnecessary, avoidable or at significant risk of being stranded, to reduce greenhouse gas emissions in compliance with the limits and sublimits established in chapter 21N and to further the priorities of the department pursuant to section 1A of chapter 25. In carrying out its duties under this section, the department may: (i) establish procedures for developing, coordinating, overseeing and implementing integrated energy planning and plan implementation, including, but not limited to, by establishing planning and implementation roles for the department, gas companies and distribution companies; (ii) require gas companies and distribution companies to provide the data and analysis necessary to support such planning; (iii) establish common planning assumptions and methodologies; (iv) facilitate cross-utility coordination; (v) require

consideration of non-pipeline alternatives in the planning, design, engineering, construction, and justification of gas infrastructure investments; (vi) align energy efficiency programs, gas system enhancement planning, line extension allowance policies, climate compliance plans, gas company obligations to serve, and other policies with integrated energy planning and plans; (vii) establish performance incentives or alternative earnings opportunities for utilities that achieve outcomes consistent with integrated energy planning objectives; (viii) authorize cost recovery for prudently incurred integrated energy planning activities; (ix) identify and take into account workforce transition issues; and (x) take such other actions as the department deems necessary.

(c) Each gas company and distribution company shall work collaboratively to develop a common set of planning tools and data infrastructure for sharing data and information to facilitate the development and implementation of integrated energy planning and the review of plans by the department; provided, however, that such tools shall include criteria and processes by which the gas and distribution companies will integrate energy planning and related investments within and between companies; and provided further, that the department shall have full access to the planning tools and data infrastructure developed under this subsection.

(d) The department of energy resources, in consultation with the office of energy transformation, may convene an integrated energy planning working group to produce findings and make recommendations on integrated energy planning and plan implementation. The working group shall facilitate integrated energy planning in the commonwealth with the objectives of reducing costs to ratepayers by avoiding construction of infrastructure that is unnecessary, avoidable, or at significant risk of being stranded; reducing greenhouse gas emissions in compliance with the limits and sublimits established in chapter 21N; and furthering the priorities of the department pursuant to section 1A of chapter 25. In carrying out its duties

under this section, the working group may review and comment on the objectives enumerated in subsection (b) and any activities the department undertakes to carry out its duties pursuant to such subsection. The working group shall report its findings and recommendations to the department, the gas and distribution companies and the joint committee on telecommunications, utilities and energy. The gas and distribution companies shall respond to, and the department shall consider, any such findings and recommendations.

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

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

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

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

Section 161. No transmission company shall own or control transmission facilities located in the commonwealth unless such company participates in and transfers control of such facilities to ISO –New England.

SECTION 89. The General Laws are hereby amended by inserting after chapter 164B the following chapter:-

CHAPTER 164C.

Supervision of Clean Thermal Energy Facilities

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

“Clean thermal energy”, as defined in section 3 of chapter 25A.

“Department”, the department of public utilities.

Section 2. To ensure public safety in the making, sale, distribution or transportation of clean thermal energy and in the construction, ownership or operation of related facilities, equipment and infrastructure, the department shall have supervision of clean thermal energy facilities and related equipment and infrastructure of any company, institution or organization that makes, sells or distributes such energy or constructs, owns or operates related infrastructure if such facilities and related infrastructure have a thermal capacity of greater than 1 megawatt. The department shall keep itself informed as to the methods, practices and conditions of all facilities and equipment associated with such energy and shall make examinations and investigations as necessary, including the adequacy of operation, maintenance and capital improvements to ensure their safe operation. After holding technical conferences and receiving

public input, the department may promulgate regulations to implement this chapter. The department may establish reasonable fees, which shall be retained by the department, to fund the department's supervision of clean thermal energy safety.

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

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

SECTION 90. Section 2 of chapter 165 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by striking out, in line 4, the words:-“through eight-four” and inserting in place thereof the following words:- to 84, inclusive.

SECTION 91. Chapter 465 of the acts of 1980 is hereby repealed.

SECTION 92. Section 51 of chapter 209 of the acts of 2012 is hereby repealed.

SECTION 93. Sections 11 and 11A of chapter 75 of the acts of 2016 are hereby repealed.

SECTION 94. Chapter 239 of the acts of 2024 is hereby amended by striking section 110 and inserting in place thereof the following section:-

Section 110. The regulations required to be promulgated by the executive office of energy and environmental affairs or its designated agency under section 31 of chapter 21A of the General Laws and the regulations required to be promulgated by the division of standards in the office of consumer affairs and business regulation under section 59 of chapter 98 of the General Laws shall be completed not later than 7 months after the effective date of any initial regulation promulgated under the California Code of Regulations, Title 20, Division 2, Chapter 12, Article 2 and shall apply to chargers installed on or after June 1, 2026.

SECTION 95. (a) Notwithstanding any general or special law or regulation to the contrary, there shall be within the department of public utilities, but not subject to the control or authority of said department, a body known as the energy efficiency management review and financial oversight board. The board shall undertake an independent professional review of the organization, budget-setting process, spending controls and performance of building decarbonization, energy efficiency, load management and demand reduction programs

established pursuant to sections 19, 21 and 22 of chapter 25 of the General Laws. The board shall formulate and recommend a plan to stabilize and improve the programs' finances, management, and operations, with special attention to ensure regional equity and effective access for small businesses and middle-income, moderate-income and low-income households.

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

(c) Upon written request of the chair, the department of public utilities, the department of energy resources, the energy efficiency advisory council, and each program administrator shall furnish to the board data, records, contracts, cost information, and program documentation reasonably necessary to the board's review, to the extent consistent with law. The board, as appropriate, shall work collaboratively with said departments and entities to stabilize and improve the programs' finances, management and operations. The board shall be subject sections 18 to 25, inclusive, of chapter 30A and chapter 66 of the General Laws; provided, however, that competitively sensitive or proprietary commercial or financial information furnished to the board

shall be exempt from disclosure and the board shall protect such information through redaction or aggregation in its public report.

(d) The board shall hold public hearings in diverse areas of the commonwealth and receive testimony and written comments. The board shall review and make comments, findings and recommendations concerning: (i) the organizational structures through which energy efficiency programs and services are and should be delivered, governed, and administered, including but not limited to consideration of market-based organizational structures and the current and prospective roles of organizational leaders, the energy efficiency advisory council, the department of public utilities, the department of energy resources, program administrators, vendors, contractors and providers; (ii) the process by which the programs' three-year plans, annual budgets and mid-term modifications are and should be developed, reviewed, and set, including the transparency, timeliness, rigor and objectivity of such process; (iii) the adequacy of spending controls, cost oversight, procurement practices, and financial management, including controls over administrative costs, performance incentives, and payments to vendors and contractors; (iv) the relationships between program spending, household, business and system benefits, and costs borne by ratepayers; (v) ratepayer bill impacts, opportunities to improve cost-effectiveness, affordability, and household, business and system benefits; (vi) opportunities to improve training and career and business development; (vii) methods for surveying and responding to customer dissatisfaction; and (viii) any other related matters the board considers relevant to the sound management and financial oversight of energy efficiency programs. The board shall annually publish a report of its activities, findings and recommendations and shall filed said report with the clerks of the senate and house of representatives and the chairs of the joint committee on telecommunications, utilities and energy.

SECTION 96. Section 95 is hereby repealed.

SECTION 97. (a) For purposes of this section, the following words shall have the following meanings unless the context clearly requires otherwise:

"Approval", any permit, certificate, order, not including enforcement orders, license, easement, certification, determination, exemption, variance, waiver, building permit or other approval or determination of rights from any municipal, regional or state governmental entity including any agency, department, board, authority, commission or other instrumentality thereof, for a clean energy facility, issued, granted, constructively approved or otherwise made under chapter 21 of the General Laws, chapter 21A of the General Laws, except section 16, chapter 21C of the General Laws, chapter 21D of the General Laws, chapter 21E of the General Laws, chapter 21H of the General Laws, sections 61 to 62L, inclusive, of chapter 30 of the General Laws, chapter 40 of the General Laws, chapters 40A to 40C, inclusive, of the General Laws, chapter 41 of the General Laws, chapter 43D of the General Laws, section 21 of chapter 81 of the General Laws, section 2 of chapter 85 of the General Laws, chapter 91 of the General Laws, chapter 111 of the General Laws, chapter 131 of the General Laws, chapter 131A of the General Laws, chapter 164 of the General Laws, chapter 716 of the acts of 1989, chapter 831 of the acts of 1977 or any other state, regional or local law, regulation, by-law or ordinance.

(b) Notwithstanding any general or special law to the contrary, any approval in effect or existence from January 1, 2025 to January 1, 2029, inclusive, for a facility that meets the definition of a "large clean transmission and distribution infrastructure facility" under section 69G of chapter 164 of the General Laws or any offshore wind energy facility or portion thereof that has received any approvals under subsection (a), shall be extended for the longer of: (i) a

period of 4 years in addition to the lawful term of the approval; or (ii) a period of 4 years in addition to any extensions of such approvals, including any extensions set forth in any general or special law including, but not limited to, section 280 of chapter 238 of the acts of 2024.

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

SECTION 98. (a) Notwithstanding any special or general law to the contrary, the bid awardee, the department of energy resources and the electric distribution companies may each request an upward or downward price adjustment for any bid submitted under or any contract awarded pursuant to section 83C of chapter 169 of the acts of 2008 in connection with the August 30, 2023 request for proposals. Such requests shall be subject to review and approval by the department of public utilities and shall protect ratepayers and allow projects to be financed, begin construction and complete construction. Price adjustments may be requested only to account for: (i) substantial and unforeseeable changes in law occurring after the bid submission and prior to the time that the project achieves its commercial operation date; or (ii) substantial and unforeseeable changes in costs that are beyond the reasonable control of the requesting party. The section 83C bid evaluation team shall require the requesting party to provide documentation supporting any proposed price adjustments including, but not limited to, documentation identifying how the assumptions pertaining to capital costs, financing costs,

inflation rates, tax benefits, energy production profiles and similar information on which the bid is based.

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

SECTION 99. Electric distribution companies shall coordinate with the department of energy resources to develop a common application for developers of distributed generation facilities and energy storage systems applying for interconnection, net metering or any solar incentive program established by the department of energy resources pursuant to section 24 of chapter 25A of the General Laws. The common application shall be designed to minimize the administrative burden placed on applicants and reduce administrative costs. The electric distribution companies and department of energy resources shall jointly file a proposal for the design of a common application with the department of public utilities within 9 months after the effective date of this section and the department of public utilities shall complete its review of the joint proposal within 3 months after its receipt thereof. The application shall be made

available for distributed generation facilities and energy storage systems not later than 24 months after the effective date of this section.

SECTION 100. (a) Not later than 120 days after the effective date of this section, the department of public utilities shall open an investigation relative to: (i) the regulatory steps necessary to implement section 158 of chapter 164 of the General Laws; (ii) existing administrative or regulatory barriers to the deployment of government or critical facility microgrids and potential ways to lower such barriers; and (iii) ways to protect customers not connected to such microgrids including, but not limited to, ensuring that: (A) costs for the development and connection of such microgrids are not shifted to the electric distribution system; (B) the electric distribution system remains reliable once a given microgrid is connected and operational; and (C) customers other than those eligible to be served by a given microgrid are not served by such microgrid; provided, however, that steps to exclude such customers shall not impose excessive additional costs.

(b) Not later than 6 months after the effective date of this section, the department shall: (i) issue guidelines for standards, protocols and technical requirements necessary to enable the development and interconnection of government or critical facility microgrids; provided, however, that such guidelines shall address any identified administrative and regulatory barriers and provide for impact studies required for government or critical facility microgrids to connect to the electric distribution system; (ii) develop government or critical facility microgrid service standards that delineate an obligation by distribution companies to provide electric service to customers on the microgrid; (iii) require the distribution companies as defined in section 1 of chapter 164 of the General Laws to file a proposed model tariff provision under which government or critical facility microgrids may take service; provided, however, that such

proposed model tariff provision: (A) shall protect customers not connected to such microgrids from cost shifting; (B) may charge microgrid customers for such services as back up or standby service; (C) shall not compensate microgrid customers for the use of fossil fuel electricity generation; (D) may provide additional direction for each distribution company to follow in filing the model government or critical facility microgrid tariffs; and (iv) provide direction to each distribution company regarding any additional filings or administrative changes necessary to promote the deployment of government or critical facility microgrids.

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

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

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

SECTION 101. (a) Not later than 3 months after the effective date of this act, the department of public utilities shall issue guidance to the electric distribution companies as necessary regarding establishment of the flexible interconnection program authorized by section 157 of chapter 164 of the General Laws.

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

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

(3) Not later than 4 months after receipt of such guidance, the electric distribution companies shall present draft versions of the documents to be included in the filing of proposed model tariff provisions or tariff revisions, any consensus language developed by the working group and any alternative proposals supported by a majority of working group members and an explanation of why the distribution company opted not to adopt such alternative proposals, to the working group on sustainable economic development zones established in section 114. The distribution companies shall accept written and oral comments and allow members of such

working group to propose modifications. The distribution companies shall include those comments and proposed modifications with the filing required under subsection (c).

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

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

SECTION 102. (a) Notwithstanding any general or special law to the contrary, electric distribution companies shall develop inclusive utility investment program proposals designed to permit customers to finance the construction of energy projects through an optional tariff payable directly through their electric bills and shall submit such proposals to the department of public utilities for approval in accordance with this section.

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

(c) Programs developed by the electric distribution companies under this section shall enable the distribution companies to offer to make investments in energy projects to customer properties with low-cost capital and use an opt-in tariff to recover the costs from customers that participate. Programs shall be designed to provide customers with immediate and ongoing electric bill savings relative to baseline electric bill costs if they choose to participate. Programs shall allow residential electric customers that own the property, and renters that have permission of the property owner, to agree to the installation of an energy project. Programs shall ensure that: (i) eligible projects do not require upfront payments; provided, however, that customers may pay down the costs for projects with a payment to the installing contractor in order to qualify projects that cannot be justified through the available energy cost savings; (ii) participants agree that the distribution company can recover its costs for the projects at their location by paying for the project through an optional tariff directly through the participant's electricity bill, allowing participants to benefit from installation of energy projects without traditional loans; (iii) the program is accessible to moderate- and low-income residents; and (iv) all other available financial incentives are maximized by participants to the greatest extent possible.

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

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

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

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

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

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

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

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

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

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

SECTION 103. (a) Notwithstanding any general or special law to the contrary, program administrators of the approved energy efficiency investment plan, authorized pursuant to section 21 of chapter 25 of the General Laws, shall require household income verification for all eligible customers and renters in designated equity communities, as designated pursuant to the 2025 to 2027, inclusive, 3-year plan to qualify for comprehensive moderate-income rebates and incentive. Household income verification shall not be required for low-income eligible customers and renters and incentives shall remain accessible to residents in affordable housing.

(b) To qualify for comprehensive moderate-income rebates and incentives under subsection (a), the owner of a rental property located in a designated equity community shall

provide sufficient documentation to the program administrators demonstrating that not less than 50 per cent of the occupied dwelling units in the property are rented to households that meet the applicable income eligibility requirements.

SECTION 104. (a) Not later than 3 months after the effective date of this section, the department of public utilities shall open a proceeding to consider whether to require electric distribution companies to accept certain noncash alternatives or financial securities in lieu of cash to cover common system modification costs under an interconnection service agreement. Such noncash alternatives or financial securities may include, but shall not be limited to, surety bonds and letters of credit, including standby letters of credit.

(b) In conducting such proceeding, the department shall: (i) solicit input from such electric distribution companies, developers of distributed energy resources, consumer advocates and other stakeholders as it deems necessary; (ii) review laws, regulations and proceedings in other states including, but not limited to, New York state PUC Case 24-E-0414, pertaining to the acceptance or nonacceptance of noncash alternatives or financial securities in lieu of cash for common system modification payments required under interconnection agreements; and (iii) balance the public interest in reducing project development costs and promoting the growth of distributed energy resources against the public interest in avoiding increased risks to electric distribution companies and ratepayers.

(c) Not later than 9 months after the effective date of this section, the department shall issue a final order that either: (i) directs electric distribution companies to accept noncash alternatives or financial securities consistent with the purposes and criteria set forth in this

section; or (ii) makes written findings as to why such alternatives and securities should not be accepted.

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

SECTION 105. The secretary of energy and environmental affairs shall convene a stakeholder working group to develop recommendations for legislative and regulatory changes that may be useful to enable any agency, executive office, department, board, commission, bureau, division or authority of the commonwealth or any political subdivision thereof including, but not limited to, local and regional bodies, authorities and commissions to own, install, operate or bill for systems of clean thermal energy as defined in section 3 of chapter 25A of the General Laws that promote affordability, reliability, public health, public safety and equity, while also satisfying the requirements of chapters 21N of the General Laws with respect to greenhouse gas emissions limits and sublimits and said chapter 25A with respect to the development of clean thermal energy.

The working group shall be convened not later than 30 days after the effective date of this act and shall include: the secretary of energy and environmental affairs or a designee; the attorney general or a designee; the commissioner of energy resources or a designee; the chair of the department of public utilities or a designee; the commissioner of environmental protection or a designee; the chairs of the joint committee on telecommunications, utilities and energy or their designees; the commissioner of the Massachusetts Water Resources Authority or a designee; and 12 members to be appointed by the secretary of energy and environmental affairs, 1 of whom shall be an advocate for low-income residents of the commonwealth, 1 of whom shall be an advocate for middle-income residents of the commonwealth, 2 of whom shall be representatives

of municipalities or groups of municipalities, of whom 1 shall be a representative of municipal light plants, 1 of whom shall be a regional planning agency, 1 shall be a representative of a labor union representing water distribution workers, 2 shall be representatives of nonprofit or for profit organizations with expertise in energy markets, 1 shall be a representative of a nonprofit organization with expertise in the transition to clean thermal energy, 1 shall be a representative of a nonprofit environmental organization and 1 shall be a representative of a district energy company.

The working group shall consider: (i) enabling legislation, regulation and best practices with respect to governance and finance; (ii) facility and project ownership, operation and partnerships; (iii) land access and rights of way; (iv) protection of environmental values and clean energy thermal sources, including the definition, protection and development of thermal commons of the commonwealth; (v) liability, safety and labor standards; and (vi) other opportunity costs and benefits. The working group shall evaluate opportunities to advance neighborhood-scale clean thermal energy installations to promote affordability, reliability, public health, public safety, equity and reductions in greenhouse gas emissions.

The working group shall submit its report to the executive office of energy and environmental affairs, the department of energy resources, the house and senate committees on ways and means committees, the joint committee on telecommunications, utilities and energy, the senate and house committees on global warming and climate change and the clerks of the senate and house of representatives not later than September 30, 2027.

SECTION 106. The department of public utilities shall investigate and review best practices for setting allowed rates of return on common equity for electric and local distribution

companies; provided, however, that the department shall ensure that rates of return on common equity preserve an electric or gas company's financial integrity and allow the company to attract capital on reasonable terms and support returns on investments comparable to returns on investments of similar risk and shall consider whether and how departmental practice may: (i) have allowed rates of return that are higher than necessary; (ii) have led to overinvestment in infrastructure; (iii) be modified to employ a wider range of proxy groups and a wider range of inputs to model or estimate the potential rates of return for the purpose of reducing the gap between allowed rates of return and the cost of equity; (iv) be modified to facilitate comparisons with independent third-party return forecasts and financial benchmarks, including, but not limited to, United States Department of the Treasury bond yields of appropriate maturity and capital market assumptions published by reputable financial institutions and investment analysts; (v) be modified to include other regulatory mechanisms, including, but not limited to, performance-based mechanisms; and (vi) otherwise mitigate ratepayer impacts by more closely aligning the return on equity with the cost of capital.

The department shall complete the investigation required under this section and shall submit a report and any draft legislation to the joint committee on telecommunications, utilities and energy, the senate and house committees on ways and means and the clerks of the senate and the house of representatives not later than October 1, 2027.

SECTION 107. (a) Notwithstanding any general or special law to the contrary, not later than January 1, 2027, the department of public utilities shall commence a proceeding to identify and review each reconciliation charge that has been established for electric and gas distribution companies. The department shall evaluate whether charges can be eliminated or revised with the objectives of reducing ratepayers' bills, particularly during peak usage months, and promoting

ratepayer adoption of electric vehicles and efficient electric heating to reduce statewide and sector-based greenhouse gases in compliance with the limits and sublimits set in chapter 21N of the General Laws. The department's investigation shall include, but not be limited to, an examination of whether and how the objectives can be achieved by implementation of each of the following: (i) converting volumetric reconciling charges to nonbypassable fixed charges; (ii) seasonally adjusting volumetric reconciling charges to reduce rates during peak usage months; or (iii) shifting cost recovery for volumetric reconciling charges into base distribution rates. The department shall issue an order directing electric and gas distribution companies to make necessary changes to their rates to achieve these objectives not later than July 1, 2027.

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

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

(3) In such order, the department shall require each gas and electric company to file a plan to avoid exceeding such thresholds. Such plans shall include proactive measures to avoid the occurrence of price volatility including, but not limited to, long-term contracting, and measures that shall be proposed or considered by each gas and electric company if a change in

reconciliation or supply charge filed with the department would exceed the established thresholds including, but not limited to, the short-term deferral of a portion of a rate increase.

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

SECTION 108. Notwithstanding any general or special law to the contrary, not later than December 1, 2026, the department of public utilities shall commence a proceeding to investigate default service supply procurement and attendant costs to rate payers. Such investigation shall consider whether procurement practices for providing default service pursuant to section 1B of chapter 164 of the General Laws best serve the purposes of improving the competitiveness of procurements and constraining the retail premium realized by suppliers in the form of profit margins, credit costs, transaction costs, risk hedging and other factors. Such investigation shall consider whether: (i) all-requirements contracting provides the best value for consumers or whether ratepayer interests would be better served by more frequent use of procurements that vary in length, are undertaken in combination with other distribution companies, utilize block contracting or involve greater reliance on spot energy market purchases; (ii) distribution companies should have more flexibility to engage in, and should engage more often in, procurement self-supply; (iii) distribution companies should change their practices with respect to reconciling costs; (iv) distribution companies should use auctions and other alternatives to conventional competitive bidding; (v) procurement strategies should change in response to customer migrations from basic service to municipal aggregation; (vi) caps on supplier retail premiums and directives to distribution companies to refund supply charges deemed excessive

are within the department's discretion; (vii) the period allotted for review of basic service supply procurements should be expanded and, if so, whether such an expansion requires legislation or can be undertaken by the department under its current authority; (viii) independent third parties should be established and tasked with procuring basic service supplies on behalf of distribution companies; and (ix) other changes in laws, regulations or distribution company practices would better serve the interests of ratepayers.

SECTION 109. Notwithstanding chapter 30A of the General Laws, the executive office of economic development shall promulgate emergency regulations pursuant to subsection (l) of section 70 of chapter 23A of the General Laws and shall amend any existing regulations implementing paragraph (zz) of section 6 of chapter 64H of the General Laws not later than 60 days after the effective date of this act. Such emergency regulations shall take effect immediately upon filing in accordance with said chapter 30A and shall remain in effect until superseded by final regulations.

SECTION 110. Not later than 1 year after the effective date of this act, each electric company shall submit a supplement to the electric-sector modernization plan approved by the department of public utilities. The supplement shall provide updated forecasts and assessments of electric demand and supply as the department may require and shall otherwise be limited to complying with any new requirements imposed by section 92B of chapter 164 of the General Laws. The department shall determine its requirements for such updated forecasts and assessments within 90 days after the effective date of this act. An electric company shall consult with the Grid Modernization Advisory Council established in section 92C of said chapter 164 not later than 120 days before the electric company files the supplement with the department. The Grid Modernization Advisory Council shall return the supplement to the company with

recommendations not later than 70 days before the company files the supplement with the department.

SECTION 111. (a) The secretary of energy and environmental affairs, in consultation with the executive office of economic development and the executive office of housing and livable communities, shall establish a program to provide additional support to communities that host large clean energy infrastructure facilities, as defined in section 69G of chapter 164 of the General Laws, that support the deployment of offshore wind, solar, battery storage and geothermal, in accordance with the emissions reduction goals established by chapter 21N of the General Laws, which may include giving qualifying host communities priority consideration to applications submitted to programs managed through the Community One Stop for Growth and state programs including, but not limited to, the Seaport Economic Council and any other state grant program identified by the secretary; provided, however, that the terms of the programs shall be consistent with regulations promulgated by the energy facilities siting board. Qualifying communities shall also be eligible for program benefits established in section 10 of chapter 25A of the General Laws.

(b) The secretary shall adopt rules and guidelines and promulgate regulations for the administration of this section, including, but not limited to, establishing criteria for qualifying large clean energy infrastructure facilities and information for communities on program benefits.

SECTION 112. Not later than 6 months after the effective date of section 82, the board of building regulations and standards shall determine whether changes to the building code are required to permit the use of plug-in battery systems or plug-in photovoltaic systems. If the board

determines that changes to the building code are required, the board shall consider such changes within 6 months of the date of such determination.

SECTION 113. (a) Notwithstanding any general or special law to the contrary, there shall be a working group on residential solar consumer protection for the purposes of producing a comprehensive written assessment of, and proposing legislative, regulatory and industry changes regarding, the issues and challenges present or projected to arise between residential solar customers and potential customers and solar system manufacturers, wholesalers, retailers, lenders and installers. The working group shall aim to facilitate affordable solar system adoption and improve system performance, customer satisfaction and consumer protection over the entire lifecycle of residential solar system products and contracts.

(b) The working group shall be convened not later than 45 days after the effective date of this act and shall consist of: the attorney general or a designee, who shall serve as co-chair; the chair of the department of public utilities or a designee, who shall serve as co-chair; the undersecretary of the office of consumer affairs and business regulation or a designee; 1 person to be appointed by the president of the senate; 1 person to be appointed by the speaker of the house of representatives; and 8 persons to be appointed by the governor, 3 of whom shall be selected from a list of persons submitted by each of the following organizations: (i) the National Consumer Law Center, Inc.; (ii) the Green Energy Consumers Alliance, Inc.; and (iii) the League of Women Voters of Massachusetts; 3 of whom shall be shall be selected from a list of persons submitted by each of the following organizations: (A) the Solar Energy Industries Association; (B) the Solar Energy Business Association of New England, Inc. and (C) Vote Solar, Inc.; and 2 persons with expertise in relevant aspects of law and finance. A vacancy on the working group

shall be filled in the same manner in which the original appointment was made. Members of the working group shall receive no compensation for their services.

(c) The working group may request from all industry, nonprofit, academic and government sources such information and assistance as it may require. Its responsibilities shall include, but not be limited to, (i) canvassing all public, nonprofit and for-profit sources to compile and publish, within 12 months after the effective date of this section, a comprehensive inventory, in both technical terms and in plain English, of significant product and service shortcomings it determines to exist in marketing and sales, financing, contracting, installation, system monitoring, maintenance, repair, replacement and upgrades over the entire lifecycle of systems and contracts, central office operations and software, and disclosures, notifications and communications to customers; (ii) assessing the sufficiency of information, data and reporting regarding such shortcomings and methods to improve such information, data and reporting, consistent with privacy safeguards; (iii) providing a comparative analysis in plain English of the legal and financial benefits and costs, long term and short term, to consumers and companies of accessing and delivering residential solar by means of direct consumer ownership, power purchase agreement, leasing and community solar; (iv) evaluating, for financial value, transparency, and enforceability, the production and performance guarantees given by companies in residential solar contracts; (v) evaluating the feasibility and desirability of requiring compensation, credits or offsets in the event of system outages and failures; (vi) analyzing the effect of supply chain issues on the timeliness, quality and cost of installations, maintenance, repairs, replacements and upgrades; (vii) assessing the effectiveness and sufficiency of remedies available to consumers in the event of product and service shortcomings; (viii) evaluating the effects of the elimination of federal solar tax credits on the solar market in the commonwealth

and providing an analysis of actions to mitigate negative impacts associated with the expiration or reduction of federal solar tax incentives; and (ix) assessing the potential operational, financial and legal implications for consumers of virtual power plant operations that include the consumers' residential solar systems.

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

SECTION 114. (a) The secretary of environmental affairs or a designee and the secretary of economic development or a designee shall convene and co-chair a working group on sustainable economic development zones which working group shall consist of the secretary of housing and livable communities or a designee, the chief executive officer of the Massachusetts Housing Finance Agency or a designee, the chief executive officer of the Massachusetts Development Finance Agency or a designee, the commissioner of energy resources or a designee, the chief executive officer of the Massachusetts clean energy technology center or a designee, the chair of the intergovernmental coordinating council established in section 81 of chapter 179 of the acts of 2022 or a designee, the attorney general or a designee and representatives of municipalities, business, utilities, low- and moderate-income populations, affordable housing developers, home builders, life sciences and laboratory developers and

operators, technology developers and operators, data center developers and operators, other commercial building owners and developers, environmental and land use organizations, labor, consumers, equity organizations and clean energy developers and providers to develop long-term solutions that align with the clean energy policies of chapter 21N of the General Laws to address delays in connecting new electric customers to the electric grid for the purposes of economic development and housing and develop recommendations for use by either the general court or the department of public utilities to accelerate these connections in identified areas to achieve the objectives and goals established by said chapter 21N, chapter 358 of the acts of 2020 and chapters 150 of the acts of 2024 and chapter 239 of the acts of 2024. The working group shall convene not later than 60 days after the effective date of this act.

(b) The working group shall, at a minimum, identify: (i) the electric and thermal infrastructure needs of various economic development segments and housing development types in identified zones or areas; (ii) barriers to the rapid development of electric and thermal infrastructure necessary to support the development of the identified economic development segments and housing development types in clause (i); (iii) options to enable the anticipatory and accelerated build-out of electric and thermal infrastructure which shall align with achievement of the limits and sublimits on greenhouse gas emissions set pursuant to chapter 21N of the General Laws and the 2023 State Hazard Mitigation and Climate Adaptation Plan in identified areas; (iv) options to enable and finance the construction of clean thermal energy networks and on-site clean energy, including solar and storage for resilience, that support the needs of the local electric grid; (v) options for special tariffs or special contracts offered by electric or gas companies as defined in section 1 of chapter 164 of the General Laws to encourage economic development, support electric and clean thermal energy infrastructure build-out and connect to

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

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

SECTION 115. Sections 9 to 16, inclusive shall take effect on January 1, 2028.

SECTION 116. Section 96 shall take effect on December 31, 2030.

SECTION 117. Section 17 shall take effect on January 1, 2040.

SECTION 118. The department shall fully implement a commonwealth smart solar permitting platform pursuant to section 26 of chapter 25A of the General Laws and make it available within 12 months after the effective date of this section.