

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Patrick M. O'Connor

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act modernizing competitive energy supply.

PETITION OF:

NAME:

Patrick M. O'Connor

DISTRICT/ADDRESS:

First Plymouth and Norfolk

SENATE No.

[Pin Slip]

The Commonwealth of Massachusetts

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

An Act modernizing competitive energy supply.

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

1 SECTION 1. Section 1 of chapter 164 of the General Laws, as appearing in the 2022
2 Official Edition, is hereby amended by inserting the following definition:-

3 “energy marketer” any person, firm, partnership, association or private corporation that
4 markets, advertises, or otherwise offers to sell generation service to retail customers that is acting
5 as an agent for a supplier.

6 SECTION 2. Section 1D of chapter 164 of the General Laws, as so appearing, is hereby
7 amended by inserting, before the word “Beginning” in line 1, the following:- (i)

8 SECTION 3. Said section 1D of said chapter 164 of the General Laws, as so appearing, is
9 hereby further amended by adding at the end thereof the following 2 new subsections:-

10 (ii) Distribution companies shall implement accelerated switching such that electric
11 customers to change electric suppliers within 3 business days of receiving the enrollment
12 transaction. Residential and small commercial customers moving within a distribution

13 company's territory shall have their competitive supplier of energy transferred directly to their
14 new service location without being required to switch to an interim rate provided by the
15 distribution company or other supplier.

16 (iii) Not later than 6 months after March 1, 2025, in order to further promote customer
17 choice and convenience in a restructured electricity and gas market, the department shall
18 commence a proceeding to implement enhancements to the distribution companies systems to
19 facilitate the ability for retail electric suppliers to send bills to retail customers pursuant to a
20 single bill format from the retail electric supplier company that shows both energy-related
21 charges and distribution-related charges; provided, however, that all bills shall contain
22 information concerning the quantity of gas or electricity consumed by said customer during the
23 same billing period for the previous year as provided by the distribution company. The
24 department is hereby authorized and directed to determine whether any additional information
25 shall be required to be disclosed on the bills and to promulgate rules and regulations to
26 implement the provisions of this subsection.

27 For retail electric suppliers who have chosen, and been approved by the department, to
28 provide consolidated bills pursuant to this subsection (iii), the retail electric supplier shall make
29 timely payments to distribution companies in accordance with this paragraph. The retail electric
30 supplier shall: (a) bill its customers receiving a single consolidated bill from the supplier for the
31 distribution charges; (b) pay such distribution companies the full amounts due from customers
32 for distribution services in a time period consistent with the average payment period of the
33 participating class of customer, less a percentage of amounts that reflects the average of the
34 uncollectible bills for the participating customer classes of the retail electric company. The

35 department shall conduct a review of the consolidated billing program every three years to adopt
36 rules with respect to the recovery of uncollectable expense.

37 SECTION 4. Section 1F of said chapter 164 of the General Laws, as so appearing, is
38 hereby amended by striking out subparagraph (iii) of paragraph (1), and inserting in place thereof
39 the following 3 subparagraphs:-

40 (iii) All energy brokers, energy marketers, and other suppliers seeking to do business in
41 the commonwealth shall submit a license application to the department, subject to rules and
42 regulations promulgated by the department and subject to a fee, the amount to be determined by
43 the department; provided, said amount shall not be less than \$10,000. Each energy marketer or
44 other supplier that applies for a retail license shall execute and maintain a bond issued by a
45 qualifying surety or insurance company authorized to transact business in the commonwealth of
46 Massachusetts in favor of the commonwealth. The amount of the bond shall equal \$5,000,000
47 per retail license as issued by the department. The bond shall be conditioned upon the full and
48 faithful performance of all duties and obligations of the applicant as a retail supplier and shall be
49 valid for a period of not less than 1 year. The cost of the bond shall be paid by the applicant. The
50 applicant shall file a copy of this bond, with a notarized verification page from the issuer, as part
51 of its application for certification.

52 (iv) Any third-party who contracts with or is otherwise directly engaged and compensated
53 by a supplier to sell electric generation services, or contracts with and is directly compensated by
54 a third-party marketer of the supplier to sell electric generation services on behalf of a supplier,
55 shall be a legal agent of the supplier. No third-party may sell electric generation services on
56 behalf of a supplier unless such third party has received appropriate training directly from such

57 supplier. This subparagraph (iv) shall not apply to third-party Electricity Brokers as defined
58 under 220 CMR 11.02, or consultants or agents acting on behalf of customers that are
59 compensated by the customer as part of the customer's electric contract price.

60 (v) The department shall develop a training and educational program for any entity or
61 individual that is licensed by the department under this section as a competitive supplier. The
62 department shall develop the program in consultation with interested stakeholders, including
63 competitive suppliers. The program shall require that a designated representative of each
64 licensed competitive supplier demonstrate a thorough understanding of the department's
65 regulations regarding sales, consumer protection and any other matter the department deems
66 appropriate though an online training program. At the conclusion of the training, the department
67 shall conduct an online examination and, on a satisfactory score, certify that the designated
68 representative of the licensed competitive supplier has successfully completed the training. The
69 department shall determine the schedule and frequency by which a designated representative of a
70 licensed competitive supplier must complete the training and certification. The department may
71 not issue a license to a new competitive supplier until a designated representative of the new
72 competitive supplier completes the training and certification. The department may adopt
73 regulations that include appropriate penalties for failure to comply with this subparagraph. The
74 department shall use the assessments collected in accordance with paragraph (13) for the initial
75 development of the training and educational program. The department may establish reasonable
76 fees as authorized to fund the training and educational program.

77 SECTION 5. Said section 1F of said chapter 164 of the General Laws, as so appearing, is
78 hereby further amended by adding after subparagraph (ix) of paragraph (8)(a), the following new
79 subparagraph:-

80 (x) Energy brokers, energy marketers, or other suppliers that market and sell to
81 residential customers using in-person or door-to-door marketing practices, must use a third-party
82 verification process as defined in subparagraph (iii), above. Energy brokers, marketers, or other
83 suppliers that market using in-person or door-to-door marketing shall track the phone numbers
84 used for third-party verifications. Third-party verifications used in conjunction with in-person or
85 door-to-door marketing practices are prohibited from using non-fixed voice over internet
86 protocols or phone numbers that cannot otherwise be affiliated with said third-party. Any in-
87 person or door-to-door agent who initiates a sale shall not consummate a sale and shall terminate
88 the interaction if the individual is unable to understand or communicate in the language in which
89 the marketing or solicitation is being conducted.

90 SECTION 6. Subsection (8) of said section 1F of said chapter 164 of the General Laws,
91 as so appearing, is hereby amended by striking in paragraph (b) the words “30 days” and
92 inserting in place thereof the following:- two years.

93 SECTION 7. Said subsection (8) of said section 1F of said chapter 164 is hereby further
94 amended in paragraph (d) by striking out the figure “\$3,000”, and inserting in place thereof the
95 following:- \$5,000.

96 SECTION 8. Said section 1F of said chapter 164 of the General Laws is hereby further
97 amended by adding at the end thereof the following 3 new paragraphs:-

98 (11) For energy brokers, energy marketers, or other suppliers that market to customers
99 using in-person or door-to-door marketing, each agent representing the broker, marketer, or
100 supplier shall wear an identification badge which is visible at all times during the encounter and
101 accurately identifies: (i) such agent’s first name and unique agent identification number; (ii) the

102 energy broker, energy marketer, or supplier that such agent works for; (iii) the company trade
103 name or D/B/A, if different from the energy broker, energy marketer, or supplier name; (iv) the
104 agent's photograph; and (v) the customer service phone number of the energy broker, energy
105 marketer, or supplier.

106 (12) For energy brokers, energy marketers, or other suppliers that market to customers
107 using telephone solicitations, each broker, marketer, or supplier agent who initiates a call or who
108 receives an incoming call shall not consummate a sale and shall terminate the interaction if the
109 individual is unable to understand or communicate in the language in which the marketing or
110 solicitation is being conducted.

111 (13) The department shall establish an office of retail market oversight, herein after
112 referred to as the "office", to be funded by: the fee established in subparagraph (iii) of paragraph
113 (1) and; an annual assessment of retail suppliers and brokers based on a formula to be determined
114 by the department not to exceed \$10,000 annually per licensed entity. The office shall have the
115 power to actively seek input from all interested parties and to develop a thorough understanding
116 and critical analyses of the tools and techniques used to promote retail energy competition in
117 other states. The office shall monitor existing competitive conditions in the commonwealth,
118 identify barriers to retail competition for all customer classes, and actively explore and propose
119 to the department solutions to overcome identified barriers and enhance retail competition. The
120 office shall, in coordination with the office of ratepayer advocacy established in section 11E of
121 chapter 12, publish on a quarterly basis the number of complaints filed against each supplier, and
122 other information deemed relevant by the office. The office shall have the authority to address
123 violations by suppliers through the imposition of a probationary status which may include, but
124 not be limited to, enhanced oversight, additional reporting requirements, and submission for

125 department approval of a plan for any fines or remediation to customers specific to any supplier
126 that violates regulations or any rules subject to this chapter. The office shall report to the
127 department any recommendations for suspension or revocation of a license.

128 SECTION 9. Chapter 164 of the General Laws, as so appearing, is hereby amended by
129 inserting after section 1K the following section:-

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

132 “low-income customer,” a retail customer in the commonwealth who is on a residential
133 low-income discount distribution rate as set forth in subsection (4) of section 1F, or participates
134 in a low-income energy assistance program, including, but not limited to, the Low-Income Home
135 Energy Affordability Program or “LIHEAP”.

136 “residential retail customer,” a retail customer in the commonwealth who is on a
137 residential distribution rate.

138 (b) Effective January 1, 2025, no supplier shall execute a new contract or renew an
139 existing contract for generation services with any low-income customer. The department shall
140 establish a competitive procurement process for the supply of retail electric service for low-
141 income customers in each utility service territory. The process shall be a retail auction with
142 oversight by the department. The department shall open a proceeding to establish rules for
143 implementing this section within 90 days of the effective days of this act.

144 (c) As a condition of licensure, or any licensure renewal as of July 1, 2025, under
145 subsection 1 of section 1F of chapter 164, each supplier shall:

146 (1) not extend a supply agreement with a residential retail customer beyond the
147 agreement's stated term without providing at least two notices prior to the end of the supply
148 agreement's stated term;

149 (2) not charge a termination or early cancellation fee of a contract to a residential retail
150 customer; provided, however, this provision shall not apply to charges or fees for devices,
151 equipment, or other non-commodity services;

152 (3) not make a material change in the terms or duration of any individual residential
153 contract for the provision of electric generation services by a supplier without providing two
154 disclosure notices to the customer and the options available to the customer ahead of the
155 proposed change;

156 (4) no less than quarterly, provide to the department: (i) a list detailing each rate the
157 supplier charged to residential retail customers in the last quarter; and (ii) the number of low-
158 income and non-low-income residential retail customers charged each rate included in such list
159 by rate class. The department shall require that suppliers publish at least one publicly available
160 rate from each supplier on the department's website; and

161 (5) no less than annually, provide data to the department concerning any renewable
162 energy certificates retired in connection with the generation service provided to individual
163 residential retail customers. Such data shall include the geographic location and fuel type of
164 each such renewable energy certificate, whether each certificate is RPS Class I eligible, pursuant
165 to section 11F of chapter 25A, and the percentage of the supply purchased from Class I
166 generation in excess of the supplier's annual Class I obligation. The department shall publish
167 this information from each supplier on its website.

168 (d) No license may be transferred without prior approval by the department. No customer
169 may be assigned or transferred without prior notice to the department. Notice of such customer
170 assignment or customer transfer shall be provided to the department at least thirty days prior to
171 the effective date of the assignment or transfer of a customer from one supplier to another
172 supplier. The department may, upon its review of such notice, require certain conditions or deny
173 assignment or transfer of such customer.

174 (e) Any violation of the conditions of licensure enumerated in this section shall be
175 penalized pursuant to subsection (7) of section 1F, at no less than \$10,000 per violation per day.
176 In addition, the attorney general is hereby authorized to bring an action under section 4 of
177 chapter 93A to enforce the consumer protection provisions of this section and to obtain
178 restitution, civil penalties, injunctive relief and any other relief awarded pursuant to said chapter
179 93A. Impersonating an employee of a distribution company or misrepresenting the business
180 relationship between the supplier and the distribution company shall be punishable by a fine of
181 not less than \$10,000 per incident, in addition to any other remedies that may be otherwise
182 applicable under this chapter or chapter 93A.

183 (f) No less than quarterly, the department shall publish each supplier's and electric and
184 gas distribution companies' complaint data, sourced from complaints made to the department as
185 well as those made to the attorney general, as provided to the department annually, on the
186 department's website. Such complaint data shall be and shall include, but not be limited to, the
187 total number of complaints received regarding the supplier and verified by the department or the
188 attorney general, the number of complaints received for misleading or false marketing, the
189 number of complaints for unauthorized switching, the number of complaints for Do Not Call list

190 violations, and the number of complaints for aggressive marketing. Complaints shall be
191 represented as a proportion of customers served.