

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

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 maximizing and optimizing small-scale assets in communities.

PETITION OF:

NAME:

James B. Eldridge

DISTRICT/ADDRESS:

Middlesex and Worcester

SENATE No.

[Pin Slip]

The Commonwealth of Massachusetts

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

An Act maximizing and optimizing small-scale assets in communities.

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

1 SECTION 1. Chapter 21N of the General Laws, is hereby amended by inserting after
2 section 3B the following section:-

3 Section 3C (a) As used in this section, the following words shall, unless the context
4 clearly requires otherwise, have the following meanings:

5 “distributed energy resource” shall be defined in accordance with Chapter 164 Section 1.

6 (b)The secretary shall establish goals for the deployment of distributed energy resources
7 in the commonwealth, such that distributed energy resources capacity is equal to or greater than
8 20 per cent of the commonwealth's total electric load by December 31, 2035.

9 (c) The goals to reach this milestone should include but not be limited to: solar
10 photovoltaic systems, energy storage systems, and other clean energy technologies that can be
11 interconnected to the electric distribution system.

12 (d) The secretary shall, at a minimum, consult with the department of public utilities and
13 the department of energy resources in order to: (1) develop a comprehensive plan to achieve the
14 distributed energy resources goal; (2) establish interim targets for distributed energy resource
15 deployment; (3) identify barriers to achieving the goal and recommend policy solutions; (4) track
16 and report annually on progress toward meeting the goal; and (5) ensure the equitable
17 distribution of distributed energy resources across all communities in the commonwealth.

18 (e) Nothing in this section shall preclude the secretary from establishing more ambitious
19 goals for distributed energy resource deployment or achieving the goals ahead of the specified
20 timeline.

21 SECTION 2. Chapter 164 of the General Laws is hereby amended by inserting after
22 section 148 the following section:-

23 Section 149: (a) As used in this section, the following words shall, unless the context
24 clearly requires otherwise, have the following meanings:

25 "virtual power plant", an aggregation of distributed energy resources operated in
26 coordination to provide one or more grid services.

27 (b) Each electric company shall establish a virtual power plant program to enable
28 coordinated operation of customer-sited distributed energy resources for peak load reduction and
29 other grid services.

30 (c) Each electric company shall: (1) file with the department of public utilities a virtual
31 power plant program proposal within 180 days of the effective date of this section;

32 (2) Implement the program through a standard offer, open access tariff that includes, at a
33 minimum: (i) provisions for both third-party aggregators and direct customer participation; (ii)
34 compensation mechanisms including upfront and performance-based payments; (iii) enhanced
35 incentives for low-to-moderate income persons, as defined in section 38d of chapter 121b, or
36 resides in an environmental justice population, as defined in section 62 of chapter 30, which shall
37 include but not be limited to higher payment or compensation, upfront financial assistance,
38 income-based utility discounts, reduced or no-cost enrollment, targeted outreach and education,
39 and pathways for ownership and local control of virtual power plant resources; (iv) measurement
40 and verification requirements; and (v) consumer protection provisions.

41 (d) The Department shall: (1) review and approve or modify program proposals within
42 120 days of filing; (2) establish annual procurement targets for peak load reduction and other
43 grid services; (3) determine whether performance incentives for electric distribution companies
44 based on achievement of program targets are appropriate; and (4) ensure programs maximize
45 ratepayer benefits including peak load reduction, renewable energy integration, and avoided
46 infrastructure costs.

47 (e) Electric companies shall not own resources that participate in a virtual power plant
48 program or act as aggregators under the program. The department shall promulgate regulations to
49 implement this section.

50 (f) Municipal light plants may apply to opt in using the process in subsection (c) by
51 submitting an informational filing with the Department of Energy Resources and the Department
52 of Public Utilities accordingly.

53 SECTION 3. Section 1E of said chapter 164 of the General Laws, as appearing in the
54 2022 Official Edition, is hereby amended by inserting after subsection (c) the following
55 subsection:-

56 (d) The department shall consider the implementation of financial performance-based
57 incentives and penalties and performance-based metrics to facilitate the interconnection of
58 distributed energy resources. If the department approves such performance-based incentives and
59 penalties for a particular company, the department shall include in such approval a framework
60 for periodic monitoring and review of the company's performance pursuant to metrics developed
61 by the department.