

JOINT COMMITTEE ON TELECOMMUNICATIONS, UTILITIES, AND ENERGY

BILL SUMMARY

BILL NO. H.3544

TITLE: An Act relative to energy efficiency funds generated by municipal light plants

SPONSOR: Representative Alice H. Peisch

COMMITTEE: Telecommunications, Utilities, and Energy

HEARING DATE: June 12, 2025

PRIOR HISTORY: New file

CURRENT LAW:

Chapter 21A of the General Laws pertains to the Executive Office of Energy and Environmental Affairs (EEA).

Chapter 25 of the General Laws pertains to the Department of Public Utilities (DPU)

Section 19 of said Chapter 25 pertains to funding for energy efficiency programs and funding for clean energy equity workforce and market development programs.

SUMMARY:

SECTION 1.

Adds a new Section 22A to Chapter 21A of the General Laws requiring that at least 80% of the amounts generated by the carbon dioxide allowance trading mechanism (established under the Regional Greenhouse Gas Initiative (RGGI) Memorandum of Understanding) and the NOx Allowance Trading Program are to be used to fund the Mass Save energy efficiency program and electric energy efficiency programs for public electric vehicle (EV) chargers administered by the Municipal Light Plant (MLP) Program Administrators.

SECTION 2.

Strikes language in Section 19 of Chapter 25 that had only allowed energy efficiency programs administered by the investor-owned utilities and the municipal aggregators (i.e. not MLPs) to be funded with at least 80% of the amounts generated by the RGGI's carbon dioxide allowance trading mechanism and the NOx Allowance Trading Program.

Also strikes language in said section directing the DPU – as part of its cost-effectiveness determination pursuant to program authorization – to include a calculation of the social value of greenhouse gas

emissions reductions, except in cases of conversions from one method of fossil fuel heating and cooling to another fossil fuel-based alternative.

SECTION 3.

Inserts a new Section 16 into Chapter 25A of the General Laws that defines the “MLP Program Administrator” as the MA Municipal Wholesale Electric Company (MMWEC) and establishes reporting criteria that the MLP Administrator must annually submit to the DPU to remain eligible to receive energy efficiency funding from RGGI’s carbon dioxide allowance trading mechanism and the NOx Allowance Trading Program. This report must be consistent with the evaluation and verification requirements set out for the Mass Save program administrators, and will include the following information:

- Projected program expenditures and program savings
- A report of each program year’s activities, expenditures, and savings

Tasks the MLP Program Administrator with ensuring that the energy efficiency programs funded by RGGI align with the Mass Save program administered by the electric utilities and municipal aggregators, and are thus eligible to be counted towards MA’s energy savings and emissions reductions goals.

Provided that the MLP Program Administrator fulfills its reporting requirements and ensures programmatic alignment with Mass Save, this legislation directs DPU to periodically transfer funds in the same manner and timeline as the funds transfer for Mass Save.

Individual MLPs, or the MLP Program Administrator, may annually elect to not comply with the reporting requirements outlined in this legislation, and therefore not receive energy efficiency programmatic funding from the RGGI carbon dioxide allowance trading mechanism or the NOx Allowance Trading Program. In this event, the MLP will not be subject to any energy efficiency or demand side management program requirements established pursuant to the new Section 22A of Chapter 21A.