

MassSenate

An Act to Save People Money, Repair the Climate and Grow the Economy

S.3143

Fact Sheet & Highlights

An Act to save people money, repair the climate and grow the economy will bring billions of dollars in energy savings to Massachusetts homeowners, renters, and businesses by prioritizing affordability in their energy bills, while at the same time making sure the state remains a leader in the global fight against climate change.

To do so, it will: eliminate extra fees, sudden price spikes, and seasonal rate swings; deliver cheaper and cleaner energy innovations; and avoid certain expensive infrastructure projects that have driven up high costs for ratepayers.

Prioritizing Affordability

Saves Ratepayers Up to \$7.1 Billion by Helping Utilities to Not Pass On Their Debt. Helps protect residential customers from staggering bills by allowing utility companies to lower debt and borrowing costs by securitizing certain costs related to electric grid modernization, storm recovery, and gas system transition. This supports consumers and utility companies as they work toward mandatory climate goals by investing in significant infrastructure improvements. This could result in up to \$7.1 billion in savings over 10 years.

Saves Ratepayers \$213 Million by Adjusting Renewable Energy Targets. Right-sizes certain required increases for clean energy purchases in order to keep targets realistic in the face of the Trump Administration's attack on offshore wind development. Defers the Renewable Portfolio Standard (RPS) requirement, which currently calls for utilities to gradually increase their purchase of clean energy by 3 per cent annually for 2027, 2028, and 2029, or make alternative compliance payments. Given federal setbacks to near-term offshore wind availability, right-sizes the requirement to a steady 1 per cent annual increase for those years. Estimated to result in \$213 million in ratepayer savings.

Saves Ratepayers \$75 Million by Reducing Big Facility Credits, Giving Homeowners Savings. Reduces net-metering credits given to large-scale solar and wind facilities in order to pass direct savings on to home customers. Ensures that homes and businesses with rooftop solar panels are not impacted by focusing on non-residential, non-customer sited standalone facilities. Values for net-metering credits, which are earned by sending excess energy generated back into the grid, would be reduced for those larger facilities in order to generate around \$75 million in direct savings to ratepayers over the next 10 years.

Saves Ratepayers \$26 Million by Lowering Utility Company Compliance Costs, Passing Savings to Customers. Drops the costs to utility companies for their compliance with renewable energy quotas, saving customers more money. Creates more Class I renewable energy certificates (RECs), which each represent 1 MWh of solar energy, within the Solar Massachusetts Renewable Target (SMART) Program. By creating more RECs, the legislation reduces the compliance costs which are paid by utility companies, results in utilities purchasing those RECs at a cost expected to be below market value, and further reduces program compliance costs, saving an estimated \$26 million on homeowner utility bills.

Declaring Massachusetts' Energy Independence

Saves Ratepayers Up to \$420 Million by Cutting Out the Intermediary on Energy Procurement to Avoid Extra Fees. Allows the state to directly solicit and enter into contracts to purchase clean energy generation. Currently, the utility companies act as the contracting agent for energy procurement, and the state is only able to negotiate the contracts. In

their current intermediary role, the utilities are given a special remuneration fee. By giving the contracting agent role to the Department of Energy Resources (DOER) instead, ratepayers would save an expected \$160 million to \$420 million by not having to pay the special fee to the utility companies.

Saves Ratepayers \$780 Million by Reforming Procurement to Help Stop Seasonal Price Swings. Provides more flexibility to the Department of Public Utilities (DPU) and electric utilities to help avoid the seasonal price swings that customers see on their electric bills. The legislation creates flexibility in the timing and duration of the default electricity supply period. Currently, the basic supply procurement process requires procurement every six months—a rigid process which results in significant seasonal price jumps. This change is estimated to result in \$780 million in savings over 10 years.

Saves Ratepayers an Estimated \$750 Million by Reforming Extra Charges, Dampening Price Spikes. Requires the DPU to review and reform certain ‘reconciling charges,’ which show up as multiple charges on customers’ gas and electric bills, to dampen the price spikes that show up during high-demand months of the year. Reconciling charges are companies’ attempts to recover costs associated with investment, operations, and programs. Currently, each charge is reviewed separately according to different standards, and some charges are fixed while others are based on volume and usage. This legislation requires DPU to examine each usage-based charge that spikes during peak months, potentially resulting in an estimated \$750 million in savings over the next 10 years.

Saves Ratepayers Up to \$1 Billion After Investigating Price Markups That Inflate Customers’ Bills. Calls on the DPU to investigate the gap between what electric ratepayers are charged and what the actual market cost would be if utility companies had actively shopped for the best rate for their customers. Currently, electric companies are required to provide default basic service to all their customers without marking up the cost or taking profit. But without a financial stake in the outcome, the companies might not shop aggressively to provide the best rate. From 2015 to 2024, Massachusetts customers were charged an estimated \$3.4 billion more than what suppliers paid generators for the power they sold. Changes stemming from this special investigation could save an estimated \$12 per month for every residential electric customer, up to \$1 billion in total consumer savings.

Focusing on Cost-Effective Energy Innovation

Saves Ratepayers an Estimated \$130 Million by Allowing Third-Party Investment in Power Lines, Sharing Profits with Consumers. Addresses growing electric demand and necessary expansion of power grid infrastructure by allowing an outside company to invest in electric distribution projects, while requiring the third party to send a portion of the profits back to ratepayers through bill credits or other community benefits. If this area were left unaddressed, utility companies could face difficulty raising the capital to build much-needed distribution projects fast enough to keep up with demand. Additionally, utility company investments in distribution projects could drive electric rate increases over time. By opening the door to third-party investment, this proposal saves an estimated \$130 million over 10 years.

Saves Ratepayers \$230 Million by Supporting Renewable Natural Gas. Allows utility companies to create a new rate in order to offer renewable natural gas, a sustainable and cost-effective fuel created by anaerobic digestion from waste like compost and food scraps. Utilities would be able to transport the renewable natural gas into pipelines and send it to large industrial users, reducing reliance on fossil fuel gas. This proposal is estimated to save \$230 million over 10 years.

Controlling Costs and Lowering Bills

Streamlines ‘Mass Save’ Administration While Sustaining Its Work. Strengthens the state’s successful Mass Save program—which offers free assessments of home energy systems and provides upgrades and rebates to improve residents’ energy efficiency and weatherize their homes—by capping administration costs and reforming the extra cash that gets paid to gas and electric companies.

While Mass Save has increased its focus on low- and moderate-income households, the program administrators—gas and electric companies—have made numerous mid-term budget modifications that increased their residential and low-income budget by more than \$350 million. At the same time, the program currently requires “performance incentives” to be given back to those same gas and electric companies. Pooling funds and consolidating Mass Save administration will address how costly the program has become to run while continuing its work, which helps customers make their homes energy efficient and lowers their monthly bills.

Under this legislation, plans would be prohibited from spending more than 5 per cent of funds on planning and administration. Mid-term budget modifications would only be allowed if there is a corresponding decrease in spending and therefore no net added cost. The bill also removes a mandate that performance incentives must be paid to utility companies, instead creating discretion and making it an option in the planning process.

Helping to oversee it all, and help guide the program going forward, would be a new, temporary five-person Energy Efficiency Management Review and Financial Oversight board. This board, appointed primarily by the Governor but also with an appointee from the Attorney General and the Inspector General, would scrutinize Mass Save’s organization, fiscal controls, plan development, and relationships with front-line contractors and with customers.

Saves Ratepayers More than \$650 Million by Cracking Down on Unfair and Deceptive Practices. Reins in predatory practices used by so-called ‘competitive energy supplier’ businesses, which the Attorney General’s Office (AGO) has flagged for significantly driving up their residential customers’ electric bills. Through sales pressure tactics and attractive initial prices, these suppliers hook residential customers and then often spike their rates through auto-renew contracts. The AGO [recently reported](#) that over the past 10 years, residential customers of these ‘suppliers’ paid a total of \$738.7 million more than they would have if they stayed on basic service with National Grid or Eversource. This legislation requires added consumer protections and enhanced enforcement against improper practices, which will limit losses to homeowners and renters and result in more than \$650 million in savings over 10 years.

Saves Consumers an Estimated \$540 Million by Reducing Upfront Costs of Home Energy Equipment. Requires utility companies to create an option for customers to voluntarily finance energy projects on their property, like battery storage or rooftop solar panels, by repaying the cost through future electric bills. Customers would be able to avoid upfront costs and could ensure that the amount they are saving through the new, efficient equipment offsets the monthly charge. Depending on uptake, this change could result in \$540 million in savings over 10 years.

Saves Ratepayers \$130 Million by Bringing Geothermal Energy to More Hospitals and Colleges. Avoids paying big Mass Save incentives to large institutions and cuts down on investments needed to meet peak demand by authorizing gas companies to own single-customer geothermal systems for sizeable facilities like hospitals and college campuses. While gas utilities can currently develop, own, and operate multi-customer geothermal networks, they are not allowed to own single-customer systems. Large facilities interested in geothermal as a way to reduce their energy costs are put off by the upfront costs of doing it themselves. Making it possible for utility companies to operate these single-customer systems would potentially result in an estimated \$130 million in savings to all ratepayers over 10 years.

Emphasizing Efficiency at Utility Companies

Creates \$1.7 Billion in Ratepayer Savings by Making Energy Distribution Plans Efficient. Moves past a disjointed and inefficient system for planning energy distribution in Massachusetts by requiring the DPU to conduct comprehensive distribution planning and to merge overlapping planning proceedings. Utility companies currently plan their new system investments independently across multiple proceedings before state agencies, resulting in inefficiencies and redundancies. Changing the process will encourage utility companies to take full advantage of the existing power grid, aggregate customer-owned solar and storage equipment to help reduce peak energy demand as ‘virtual power plants,’ and incorporate innovations in customer demand management programs. By avoiding redundant or unnecessary infrastructure spending, this streamlined planning process is estimated to create \$1.7 billion in customer savings over 10 years.

Saves Ratepayers an Estimated \$1.46 Billion by Focusing on Crucial Gas Line Repairs, Restores Expense Reviews. Prioritizes crucial repairs to natural gas pipes while reining in a costly maintenance program that has ballooned prices. The Gas System Enhancement Program (GSEP) makes up a sizeable chunk of what customers pay for their gas service and has been flagged as both unduly expensive for customers and significantly profitable for utility companies. The program’s proposed budget for 2026 was \$817 million—which accounts for around 8 to 11 per cent of a customer’s monthly bill. Since 2014, GSEP has allowed gas companies to skip normal cost review processes for work to repair or replace natural gas infrastructure in the interest of emission reductions.

The Senate proposal narrows GSEP’s scope to cover repairs to leak-prone infrastructure without continuing the wholesale removal of all old pipes. The bill also phases out GSEP by 2030. After GSEP reaches its end, gas companies will have to submit their repair project expenditures to the DPU according to the pre-2014 process, which includes a review of the project’s necessity and thus encourages the companies to keep costs down and avoid unneeded work. In the meantime, by narrowing the projects under GSEP, this legislation will save customers around \$1.46 billion.