An Act relative to energy affordability, clean power, and economic competitiveness

SECTION 1. The general court finds and declares that:

(a) federal actions related to offshore wind, including the suspension of new approvals for offshore wind projects and the reconsideration of previously approved offshore wind projects and designated offshore wind areas have created regulatory uncertainty, delayed construction schedules, and threatened hundreds of millions of dollars in private investment for offshore wind projects in the commonwealth;

(b) the United States Department of Transportation cancelled a previously-awarded $34,000,000 grant intended to support the development of an offshore wind staging and port facility in the City of Salem, thereby disrupting an important component of the commonwealth's strategy to build regional supply-chain capacity and delaying job creation, private-sector investment and regional industrial growth;

(c) the regional independent grid system operator, ISO-New England, has stated that as demand for electricity grows, New England must maintain and add to its energy infrastructure to ensure system reliability and that delays in the availability of new resources, regardless of technology, will adversely affect the region's economy and industrial growth;

(d) the United States Environmental Protection Agency has terminated $156,000,000 in funding for the Solar for All Program in Massachusetts, hindering solar development in low-income and historically disadvantaged communities;

(e) the United States has withheld approximately $63,000,000 in funding from the commonwealth to develop electric vehicle charging infrastructure under the national electric vehicle infrastructure program, threatening the commonwealth's ability to deploy the charging stations needed to meet its clean transportation goals;

(f) the United States Congress has enacted legislation accelerating the phase-out of clean electricity investment and production tax credits for offshore wind and solar projects, altering advanced manufacturing production credits for offshore wind components, eliminating residential clean energy and personal electric vehicle tax credits, and constraining states' authority to adopt more rigorous vehicle emissions standards, together erecting substantial barriers to deployment of renewable generation, electrification of vehicles and homes, and private investment in the clean energy sector;

(g) the cumulative effect of these federal actions threaten the commonwealth's planned jobs, supply-chain development, emissions reductions, and energy-equity goals, and materially increases the cost, time, regulatory risk and ratepayer burden of advancing clean energy objectives; and

(h) the commonwealth must establish emissions reduction goals that responsibly advance progress toward the 2050 targets while balancing environmental objectives with the need to avoid undue financial burden on ratepayers, and to ensure that the benefits and costs of the clean energy transition are shared equitably across all communities, with particular attention to low-income households and those historically overburdened by energy and environmental inequities.

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

Section 3B. Not later than February 15 of every third year of each plan approved under section 21 of chapter 25, the secretary shall set a goal, expressed in tons of carbon dioxide equivalent, for the succeeding plan's necessary contribution to meeting each statewide greenhouse gas emissions limit and sublimit adopted pursuant to this chapter, provided, however for the 2025 to 2027 plans and the 2028 to 2030 plans approved under section 21 or chapter 25, this goal shall be advisory, non-binding, and non-enforceable and shall not adversely impact (i)

the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers.

SECTION 3. Said chapter 21N is hereby further amended by adding the following section:-

Section 13. (a) All state agencies, departments, authorities, and instrumentalities with jurisdiction over energy, climate, emissions, utilities, building standards, portfolio standards, transportation electrification, or related regulatory actions shall be subject to this section.

(b) No regulation, administrative action, program implementation, procurement requirement, or policy issued by a state entity under this chapter or any other general or special law undertaken to comply with or contribute to the compliance of statewide greenhouse gas emission limits and sublimits established under this chapter or to advance the commonwealth's clean energy goals, shall take effect unless the entity has determined, based on reasonably available data, that such action will not impose unreasonable adverse impacts on:

(i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households; or

(ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers.

(c) Prior to any such action taking effect, the agency or department shall prepare an affordability and competitiveness assessment that, at a minimum:

(i) identifies expected cost impacts on residential, commercial, and industrial ratepayers;

(ii) evaluates whether those impacts are reasonable in light of projected benefits,

available funding mechanisms, and cost-mitigation measures;

(iii) considers cumulative impacts in combination with existing requirements; and

(iv) consults with relevant stakeholders, including ratepayer advocates, business organizations, and utilities, as appropriate.

(d) If the assessment identifies a potential for unreasonable adverse impacts, the agency shall either: (i) modify the proposed action to avoid or mitigate such impacts; or

(ii) adopt alternative compliance pathways, timelines, or cost-containment measures to ensure affordability and competitiveness are preserved.

(e) The completed assessment shall be made publicly available at least 30 days before the final adoption or implementation of the proposed action.

(f) Failure to comply with the requirements of this section shall constitute grounds for administrative reconsideration or judicial review under chapter 30A.

(g) Nothing in this section shall be construed to prohibit the Commonwealth from pursuing long-term greenhouse gas reduction, renewable energy deployment, or energy-efficiency measures, provided such actions comply with the affordability and competitiveness standard established herein.

(h) For purposes of this section, the social value of emissions reductions shall only be considered where such reductions are demonstrably identified by said entity and realizable from non-carbon energy sources.

SECTION 4. Section 1A of chapter 25 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by adding the following sentence:-

In balancing these priorities, the department shall be authorized to limit the scope and scale of programs offered by gas and electric companies to meet statewide gas greenhouse gas

emission limits and sublimits established pursuant to chapter 21N, to the extent that gas or electric bill impacts associated with such individual programs, or such programs in aggregate, are found to be unreasonable based on the total gas or electric bills that would otherwise result.

SECTION 5. Subsection (a) of section 19 of chapter 25 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended in lines 28 to 32 by striking out the words "; provided, however, that 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 heating and cooling to fossil fuel heating and cooling".

SECTION 6. Subsection (b) of section 19 of chapter 25 of the General Laws, as so appearing, is hereby amended in lines 45 to 49 by striking out the words "provided, however, that 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 heating and cooling to fossil fuel heating and cooling".

SECTION 7. Subsection (c) of section 19 of chapter 25 of the General Laws, as so appearing, is hereby amended by inserting after the second sentence the following sentence:- Properties owned by for-profit entities that rent such premises to low-income customers shall be served through the residential or commercial programs as appropriate to their metering configuration, rather than through the low-income programs.

SECTION 8. Subsection (c) of section 19 of chapter 25 of the General Laws, as so appearing, is hereby amended in lines 67 to 71 by striking out the words "; provided, however, that when determining cost-effectiveness, the calculation of benefits shall include calculations of

the social value of greenhouse gas emissions reductions, except in the cases of conversions from fossil fuel heating and cooling to fossil fuel heating and cooling".

SECTION 9. Said chapter 25 of the General Laws is hereby amended by striking out section 21, as so appearing, and inserting in place thereof the following section:-

Section 21. (a) To mitigate capacity and energy costs for all customers, the department shall ensure that, subject to subsection (c) of section 19, electric and natural gas resource needs shall first be met through all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply. The cost of supply shall be determined by the department with consideration of the average cost of generation to all customer classes over the previous 24 months.

(b)(1) Every 3 years, on or before March 31, the electric distribution companies and municipal aggregators with certified efficiency plans shall jointly prepare an energy efficiency investment plan and the natural gas distribution companies shall jointly prepare a natural gas efficiency investment plan. Each plan shall provide for the acquisition of all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply and shall be prepared in coordination with the energy efficiency advisory council established by section 22. Each plan shall provide for the acquisition, with the lowest reasonable customer contribution, of all of the cost effective energy efficiency and demand reduction resources that are available from municipalities and other governmental bodies.

(2) A plan shall include: (i) an assessment of the estimated lifetime cost, reliability and magnitude of all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply; (ii) the amount of demand resources, including 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 low-income customers; (iv) the requirement that eligibility for any other residential program offer requires a demonstration of cost-effective weatherization and air-sealing, either by participation in the program; by the age of the building or in a manner so directed by the program, (v) a description of programs, which may include, but which shall not be limited to: (A) efficiency and load management programs**,** including energy storage and other active demand management technologies**;** (B) demand response programs; (C) programs for research, development and commercialization of products or processes which are more energy-efficient than those generally available; (D) programs for development of markets for such products and processes, including recommendations for new appliance and product efficiency standards; (E) 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 code; (F) programs for the design, manufacture, commercialization and purchase of energy-efficient appliances and heating, air conditioning and lighting devices; (G) programs for planning and evaluation; (H) programs providing commercial, industrial and institutional customers with greater flexibility and control over demand side investments funded by the programs at their facilities; (I) programs for public education regarding energy efficiency and demand management; and (J) programs that result in customers switching to renewable energy sources or other clean energy technologies including, but not limited to, programs that combine efficiency with renewable generation and storage; provided,

however, that not more than 1 per cent of the fund shall be expended for items (C) and (D) collectively, without authorization from the advisory council; (vi) a proposed mechanism which provides performance incentives to the companies based on their success in meeting or exceeding the goals in the plan; (vii) the budget that is needed to support the programs; (viii) a fully reconciling funding mechanism which may include, but which shall not be limited to, the charge authorized by section 19; (ix) the estimated amount of reduction in peak load that will be reduced from each option and any estimated economic benefits for such projects, including job retention, job growth or economic development; (x) data showing the percentage of all monies collected that will be used for direct consumer benefit, such as incentives and technical assistance to carry the plan; (xi) consideration of historic and present program participation by low and moderate-income households, including households that rent; (xii) strategies and investments that the programs will undertake to achieve equitable access and reduce or eliminate any disparities in program uptake; and (xiii**)** a method for capturing the following data to assess the plan's services to low-income ratepayers: (A) the total number of ratepayers per municipality served; (B) the total energy efficiency 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, commercial and industrial. With the approval of the council, the plan may also include a mechanism to prioritize projects that have substantial benefits in reducing peak load, reducing the energy consumption or costs of municipalities or other governmental bodies, maximizing net equity impacts or that have economic development, job creation or job retention benefits.

(3) A program included in the plan shall be screened through cost-effectiveness testing which compares the value of program benefits to the program costs to ensure that the program is designed to obtain energy savings and other benefits with value greater than the costs of the

program. Program cost effectiveness shall be reviewed periodically by the department and by the energy efficiency advisory council. For the purposes of reviewing cost effectiveness, programs shall be aggregated by sector. Any sector shall be deemed cost-effective when the present value of the lifetime benefits of the sector is greater than or equal to the present value of the lifetime costs, as determined by the Total Resource Cost Test, as defined in section 1 of chapter 164. 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) Each plan prepared under subsection (b) shall be submitted for approval and comment by the energy efficiency advisory council every 3 years on or before March 31. The electric and natural gas distribution companies and municipal aggregators shall provide any additional information requested by the council that is relevant to the consideration of the plan. The council shall review the plan and any additional information and shall submit its approval or comments to the electric and natural gas distribution companies and municipal aggregators not later than 3 months after submission of the plan. The electric and natural gas distribution companies and municipal aggregators may make any changes or revisions to reflect the input of the council.

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

(2) Not later than 120 days after submission of a plan, the department shall issue a decision on the plan which ensures that the electric and natural gas distribution companies have identified and shall capture all energy efficiency and demand reduction resources that are cost

effective or less expensive than supply of this section and considered equity benefits, and shall approve, modify and approve, or reject and require the resubmission of the plan accordingly. The department shall approve a fully reconciling funding mechanism for the approved plan and, in the case of municipal aggregators, a fully reconciling funding mechanism that requires coordination between the distribution company and municipal aggregator to ensure that program costs are collected, allocated and distributed in a cost effective, fair and equitable manner. The department shall determine the effectiveness of the plan on an annual basis.

(3) Each electric and natural gas plan shall be in effect for 3 years.

(4) The department shall not approve a plan if the plan's total costs are greater than the total costs incurred for the 2022 to 2024 plan approved pursuant to this section.

(5) Not later than 15 months after the conclusion of the final year of each plan, the department, drawing upon the most accurate and most complete data and measurements then available, shall 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, natural resources and agriculture, indicating the degree to which the activities undertaken pursuant to the performance of each plan contributed to the goal for the plan set by the secretary pursuant to section 3B of chapter 21N.

(e) If an electric or natural gas distribution company or municipal aggregator has not reasonably complied with the plan, the department may open an investigation. In any such investigation, the utility company or aggregator shall have the burden of proof to show whether it had good cause for failing to reasonably comply with the plan. If the utility company or aggregator does not meet its burden, the department may levy a fine of not more than the product

of $0.05 per kilowatt-hour or $1 per therm times the shortfall of kilowatt-hours saved or therms saved, as applicable, depending upon the facts and circumstances and degree of fault, which shall be paid to the Massachusetts clean energy technology center within 60 days after the end of the year in which the department levies the fine. The fine shall not impact ratepayers. The department of energy resources shall oversee the use of the funds held by the Massachusetts clean energy technology center under this subsection so as to maximize the amount of energy efficiency achieved.

(f) The need for a program administrator to prepare for meetings with the council during the department's 120–day review period after submission of a 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.

SECTION 10. Section 22 of said chapter 25, as so appearing, is hereby amended by striking out subsection (b) and inserting in place thereof the following subsection:-

(b) The council shall, as part of the approval process by the department, seek to: (i) maximize net economic benefits through energy efficiency and load management resources and (ii) achieve energy, capacity, climate and environmental goals through a sustained and integrated statewide energy efficiency effort. The council: (i) shall review and approve demand resource 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 energy efficiency and load management resources; (iv) conduct and recommend relevant research; and (v) recommend long term energy efficiency, and load management goals to maximize economic savings and achieve environmental goals. Approval of energy efficiency, and demand resource plans and budgets shall require a 2/3 majority vote. The council shall, as

part of its review of plans, 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 one fuel resource. Any costs for such joint programs shall be allocated equitably among the efficiency programs.

SECTION 11. Said section 22 of said chapter 25 is hereby further amended by striking out subsection (d) and inserting in place thereof the following subsection:-

(d) The electric and natural gas distribution companies and municipal aggregators shall provide quarterly reports to the council on the implementation of their respective plans. The reports shall include: (i) a description of the program administrator's progress in implementing the plan; (ii) a summary of the savings secured to date; (iii) 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 or regulation, provided, however, that this provision shall not apply to the 2025 to 2027 plans and the 2028 to 2030 plans; and (iv) such other information as the council shall determine. Annually, as part of a quarterly report, the electric and natural gas distribution companies and municipal aggregators, in order to assess the plan's services to low-income ratepayers, shall provide, consistent with the method approved by the department: (i) the total number of ratepayers per municipality served; (ii) the total energy efficiency surcharge dollars paid by ratepayers as part of their utility bills per municipality served; and (iii) the total incentives provided by the program administrators by municipality served, delineated by utility and sector, including residential, residential low-income, commercial and industrial. The council 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 or regulation, provided, however, that this provision shall not apply to the 2025 to 2027 plans and the 2028 to 2030 plans. The quarterly and annual reports shall be made available to the public.

SECTION 12. 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 who shall be a person of skill and experience in the field of energy efficiency, renewable energy or alternative energy, energy regulation or policy, and land use and planning, respectively. The directors shall be the executive and administrative heads of their respective divisions 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. The directors shall serve at the pleasure of the commissioner, shall receive such salary as may be determined by law and shall devote full time during regular business hours to the duties of the 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 13. Section 3 of said chapter 25A, as so appearing, is hereby amended by striking out the definition of "Qualified RPS resource" and inserting in place thereof the following definition:-

"Qualified RPS resource", a renewable energy generating source, as defined in subsection (c) or subsection (d) of section 11F, that has: (i) installed a qualified energy storage system at its facility; or (ii) commenced operation on or after January 1, 2019, provided, however, that a qualified RPS resource that commenced operation prior to January 1, 2019 shall be considered to have the commercial operation date of when the resource is co-located or contractually paired with a qualified energy storage system that commenced operation after January 1, 2019 and having a minimum nominal useful energy capacity of not less than 25 per cent of the nameplate power rating of the qualified RPS resource for 4 hours.

SECTION 14. Section 6 of said chapter 25A, as so appearing, is hereby amended by striking out clauses (14) and (15) and inserting in place thereof the following 3 clauses:-

(14) develop and promulgate, in consultation with the state board of building regulations and standards, a municipal opt-in specialized stretch energy code that includes, but is not limited to, net-zero building performance standards and a definition of net-zero building, designed to achieve compliance with the commonwealth's statewide greenhouse gas emission limits and sublimits established pursuant to chapter 21N;

(15) develop and promulgate, regulations, criteria, guidelines and standard conditions, criteria and requirements that establish parameters for the siting, zoning, review, and permitting of small clean energy infrastructure facilities by 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 23.

SECTION 15**.** Said Section 7 of said chapter 25A as so appearing is hereby amended by striking the third paragraph and inserting in place there of the following 2 paragraphs:-

All electric and 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 at least 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 a trade secret, 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, the following: 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.

All resellers of petroleum products, including retail heating oil and propane suppliers, doing business in the commonwealth shall make accurate reports of price, inventory, and product delivery data to the department in such form and at such time as the department shall require. A retail heating oil or propane supplier who operates in the commonwealth shall make the daily delivery price of heating oil or propane for residential heating customers available in a clear and conspicuous manner. If the retail heating oil or propane supplier operates a website for commonwealth customers, the daily delivery price shall be clearly and conspicuously displayed on the dealer's website. Any information regarding competitive supply that the department makes available to the public shall be presented only in aggregated or anonymized form and shall not include supplier-specific pricing, offers, or terms. Supplier-submitted pricing and other commercially-sensitive information shall be treated as confidential and used solely for regulatory oversight and market monitoring. Notwithstanding any general or special law to the contrary, nothing in this Section shall be construed to apply to an entity organizing or administering a program pursuant to section 137 of chapter 164.

SECTION 16. Section 11F of said chapter 25A, as so appearing, is hereby amended by striking out, in lines 18 to 220, the words "(5) an additional 3 per cent of sales each year thereafter until December 31, 2029; and (6)" and inserting in place thereof the following words:-

(5) an additional 1 per cent of sales each year thereafter until December 31, 2032; (6) an additional 3 per cent of sales each year thereafter until December 31, 2037; and (7)

SECTION 17. Subsection (f) of said section 11F of said chapter 25A, as so appearing, is hereby amended by adding the following sentences:-

Not less than seventy per cent of alternative compliance payments made pursuant to this section shall be credited directly to electric ratepayers. The department of energy resources, in consultation with the department of public utilities, shall establish by regulation a mechanism to ensure that: (1) all such payments are returned to ratepayers in the service territory of the retail electricity supplier or municipal aggregator that submitted the payment, on a per kilowatt-hour basis or other equitable crediting method; and (2) the credits shall appear as bill reductions or refunds to ratepayers within 90 days of the close of the compliance year in which the payment was made. Any administrative costs associated with implementing this subsection shall be minimized and may be deducted from such payments prior to their return to ratepayers, provided that such deductions do not exceed reasonable expenses as approved by the department of public utilities.

SECTION 18. Section 11F½ of said chapter 25A, as so appearing, is hereby amended by adding the following 2 subsections:

(f) No alternative energy generating source shall be eligible for qualification under this section unless it has submitted a complete application for qualification to the department on or January 1, 2028. Any application submitted after such date shall be deemed ineligible for

qualification. For the purposes of this subsection, “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 applicant is submitted.

(g) Notwithstanding subsection (f), any alternative energy generating source that, as of January 1, 2028, (i) has been qualified by the department under this section, or (ii) has submitted a complete application for qualification to the department, and that subsequently receives such qualification, shall remain eligible to generate alternative energy credits and to participate in the alternative portfolio standard, subject to the requirements and limitations in effect on the date of its qualification.

SECTION 19. Section 21 of said chapter 25A, as so appearing, is hereby amended, in line 84, by inserting after the word “include”, the following words:- , a demonstrated consideration of the use of surplus interconnection service, as defined in section 69G of chapter 164, and.

SECTION 20. Said section 21 of said chapter 25A, as so appearing, is hereby further amended by striking out subsections (k) through (o), inclusive.

SECTION 21. Said chapter 25A, as so appearing, is hereby amended by adding the following 2 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”, (i) 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 pursuant to 310 CMR 7.75.

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

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

"Energy services", operation of infrastructure that increases the deliverability or reliability of clean energy generation or reduces the cost of clean energy generation, including, but not limited to, transmission, energy storage 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 energy, including, but not limited to, those provided for in regulations promulgated pursuant to sections 11F and 17 of Chapter 25A or those provided for in regulations pursuant to 310 CMR 7.75.

"Long-term contract" a contract for a period of not more than 20 years.

(b) Notwithstanding any general or special law to the contrary, in order to maximize the commonwealth's ability to contribute to the limits and sublimits established pursuant to sections 3 and 3A of chapter 21N in a manner that improves (i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers, the department shall investigate the necessity, benefits and risks of solicitations for environmental attributes or energy services, competitively solicit for environmental attributes or energy services, 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 contribute to the limits and sublimits established pursuant to sections 3 and 3A of chapter 21N in a manner that improves (i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers, including resource type, nameplate capacity amounts and commercial operation dates for new resources; (ii) a schedule recommendation 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 solar energy generation that in total will equal to approximately ten gigawatts of aggregate nameplate capacity not later than December 31, 2040 and procurements for offshore wind energy generation that in total will equal to approximately ten 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, provided that annual remuneration for said distribution companies shall equal 1.75 per cent of the annual payments under the contract and such remuneration provision shall be acted upon by the department of public utilities at the time of contract approval; and (v) a review of the previous clean energy solicitations, if applicable. The department shall consult with the department of public utilities and attorney general's office in the development of this resource solicitation plan prior to filing at the department of public utilities. Any ex parte rules established

by the department of public utilities shall not apply to this consultation process. The department may revise and resubmit the resource solicitation plan to the department of public utilities if the department seeks a revised schedule of procurements or seeks additional procurements.

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

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

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

aggregation plan pursuant to section 134 of chapter 164 of the General Laws, or other governmental and non-governmental organizations; provided, however, that the department shall describe any impacts 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. 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 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 roadmap plans published pursuant to chapter 21N in a manner that improves (i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers.

(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 through the project; (iii) documentation reflecting the bidder's demonstrated commitment to expand workforce and supplier diversity, equity and inclusion in its past projects within the commonwealth; (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) a description or plan on how the bidder intends to prevent or address such actions during all phases of the construction, reconstruction, renovation, development, and operation of the project, including, but not limited to, the bidder's intended use of a project labor agreement; (x) 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; (xi) documentation relative to the bidder's past use of project labor agreements and the bidder's compliance with sections 26 to 27F, inclusive, of chapter 149; (xii) plans for mitigation, minimization and avoidance of detrimental environmental and socioeconomic impacts, including through meaningful consultation with impacted environmental and socioeconomic stakeholders, including federally recognized and state acknowledged tribes and, in the case of offshore wind, commercial and recreational fishing; and (xiii) a plan for benefits from the project for low-income ratepayers and environmental justice populations 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 in a manner that improves (i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers. The department shall give preference for proposals that demonstrate commitment to secure those benefits through firm and binding agreements or contracts. 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 electric distribution companies may provide the department technical advice on proposals' costs and benefits.

(h) Each solicitation shall notify bidders that bidders shall be disqualified from the solicitation if the bidder has been debarred by the federal government or 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. 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 to develop and provide technical advice. Bidders that demonstrate compliance with sections 26 to 27F, inclusive, of chapter 149

and the use of state or federally certified apprenticeship programs, shall receive added weight in clean energy solicitations under subsection (e).

(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 contracts and take all reasonable actions to structure the contracts, pricing or administration of the products purchased under this section to contribute towards the limits and sublimits established pursuant to sections 3 and 3A of chapter 21N in a manner that improves (i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers. The department shall consider the use of pricing mechanisms or pricing structures, including but not limited to, indexed pricing.

(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 proposed long-term contract and shall approve a long-term contract if the department finds that the contract is cost-effective and consistent with the roadmap plans published pursuant to chapter 21N in a manner that improves (i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers, 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) 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 11F and 17 of Chapter 25A and the clean energy portfolio standard program established pursuant to 310 CMR 7.75. If any retired environmental attributes are eligible under a renewable, clean peak or other energy portfolio standard established by the department or a clean energy portfolio standard established by 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.

(m) 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, provided that said tariff shall improve (i) the affordability of energy, utility, or related costs for residential ratepayers, including low-income and fixed-income households, and (ii) the operating costs or economic competitiveness of Massachusetts businesses, including commercial, industrial, and small business customers; (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 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.

(n) A proposal or solicitation issued by the department shall notify bidders that bidders shall be disqualified from the project if the bidder has been debarred by the federal government or commonwealth for the entire term of the debarment.

(o) A bidder shall, in a timely manner, provide documentation and certifications as required by law or otherwise directed by the department. Incomplete or inaccurate information may be grounds for disqualification, dismissal or other action deemed appropriate by the department.

Section 23. (a) For the purposes of this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:

“Permit granting authority”, the board of appeals or zoning administrator of a city or town.

“State smart solar permitting platform”, an Internet-based platform that automates plan review, produces a code-compliant approval, and instantly issues a permit or permit revision in response to the receipt of an acceptable application to construct a residential solar energy system and associated equipment.

(b) (1) The department shall establish, develop, implement, and administer the state smart solar permitting platform for the purpose of automatically performing plan review of applications to construct a residential solar energy system and associated equipment, and to instantly issue a permit or permit revision to construct a code-compliant residential solar energy system.

(2) The state smart solar permitting platform shall have the following minimum capabilities:

(i) perform robust code compliance checks using algorithms to evaluate characteristics of the proposed residential solar energy system to determine whether the proposed system aligns with the requirements of the Massachusetts Electrical Code and Massachusetts State Building Code;

(ii) produce construction documents to be used for the inspection of a residential solar energy system and for recordkeeping purposes;

(iii) instantly release permits and permit revisions to construct a residential solar energy system;

(iv) provide users with the ability to submit an application to construct a residential solar energy system 24 hours a day, except when the platform is down for an upgrade or maintenance;

(v) allow the use of electronic signatures, stamps, seals and other certifications and documents on all applications and submitted materials necessary for issuance of a permit; and

(vi) be able to process permit applications for residential solar energy systems and associated equipment including, but not limited to, photovoltaic panels, energy storage systems, main electrical panel upgrades, and main breaker derates, that provide electrical power to detached one- and two-family dwellings.

(c) (1) A permit granting authority shall either allow for the submission of applications to construct a residential solar energy system and associated equipment through the state smart solar permitting platform or through an alternative automated solar permitting platform that satisfies the requirements set forth in subsection (b) in an equivalent manner as the state smart solar permitting platform implemented by the department. A permit granting authority that implements an alternative automated solar permitting platform shall not require an applicant to submit documentation to receive a permit to construct a residential solar energy system and associated equipment that is not required by the state smart solar permitting platform.

(d) (1) A permit granting authority that does not allow for the submission of applications to construct a residential solar energy system through the state smart solar permitting platform shall submit an annual compliance report to the department with sufficient information for the department to determine whether their alternative automated solar permitting platform implemented by the permit granting authority satisfies all the requirements set forth in subsection (b). The department may establish guidelines for submission of a local compliance report, assess whether the alternative automated solar permitting platform implemented by the permit granting authority satisfies all the requirements set forth in this section, and shall provide public access to the compliance reports and any assessments of compliance on the department's website.

(e) If the department determines that a permit granting authority has elected to utilize an alternative automated solar permitting platform and is out of compliance with this section, contractors may utilize the state smart solar permitting platform for residential solar energy systems in that permit granting authority's jurisdiction.

(f) To defray the cost of developing and administering the state smart solar permitting platform, the department may adopt, amend, and repeal rules and regulations providing for the

charging of, and setting the amount of, solar permit surcharge fees to be collected by the department, a permit granting authority or private agency. A permit granting authority shall remit to the department all monies collected by the authority through solar permit surcharge fees.

SECTION 22. Section 1 of chapter 142A of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by inserting after the definition of “Claimant” the following 2 definitions:- “Comparable equipment”, similar equipment to the proposed system design that maintains at least the same kilowatt-AC and kilowatt DC system size. “Consumer”, a natural person who seeks or acquires goods or services for personal, family or household use.

SECTION 23. Said section 1 of said chapter 142A, as so appearing, is hereby further amended by inserting after the definition of “Fund” the following 2 definitions:-

“Lease”, a contract, as understood under 12 CFR 1013.2, in the form of a bailment or lease for the use of personal property by a natural person primarily for personal, family, or household purposes, for a period exceeding 4 months and for a total contractual obligation not exceeding the applicable threshold amount, whether or not the lessee has the option to purchase or otherwise become the owner of the property at the expiration of the lease.

“Loan”, a credit offered or extended to a consumer primarily for personal, family, or household purposes.

SECTION 24. Said section 1 of said chapter 142A, as so appearing, is hereby further amended by striking out the definitions of “Residential contracting” and “Salesperson” and inserting in place thereof the following 7 definitions:-

“Residential contracting, the reconstruction, alteration, renovation, repair, modernization, including, but not limited to a residential solar electric system, conversion, improvement, removal, or demolition, or the construction of an addition to any pre-existing owner occupied building containing at least one but not more than four dwelling units, which building or portion

thereof is used or designed to be used as a residence or dwelling unit, or to structures which are adjacent to such residence or building.

“Residential solar electric system”, a system or facility for the generation of electricity that uses solar energy to generate electricity located on the property of a customer of an electric utility that is connected on the owner’s side of the electricity meter to provide electricity primarily to offset load on that property primarily for personal, family, or household purposes. “Salesperson”, any person, other than a supplier of material or a laborer, who solicits, offers, negotiates, executes, or otherwise endeavors, to procure by any means whatsoever, directly or indirectly, a contract for residential contracting services from an owner on behalf of a contractor or subcontractor. “Solar agreement”, a contract for the purchase of a residential solar electric system; a lease for a third-party owned residential solar electric system; or a residential power purchase agreement. An agreement under this Act is between a solar company and a consumer. “Solar company” or “solar installation company”, any form of business organization or any other nongovernmental legal entity, including, without limitation, a corporation, partnership, association, trust or unincorporated organization that engages in transactions directly with residential consumers to sell and install residential solar electric systems, or to install Residential solar electric systems owned by third parties from whom consumers will lease Residential solar electric systems or purchase electricity generated by such systems. "Solar company” or “solar installation company” shall not include an entity that is a third-party owner of systems or a financier of such systems who does not sell or install residential solar electric systems or individuals who self-install a system .

“Solar power purchasing agreement”, a financial agreement where a solar company arranges for the design, permitting, financing, installation, maintenance, repairs or replacement of a residential solar electric system and sells the power generated to the consumer.

“Solar salesperson”, a salesperson means an employee or independent contractor hired by a licensed Solar Company and who solicits, sells, negotiates or executes agreements for Solar Electric Systems. Solar Salesperson does not include 1) An officer of record of a corporation licensed pursuant to this chapter, or a manager, member, or officer of record of a limited liability company; 2) A general partner listed on the license record of a partnership; 3) A person who contacts the prospective buyer for the exclusive purpose of scheduling appointments for a Salesperson; 4) Every person listed in the records of the Office of Consumer Affairs and Business Regulation as then associated with a licensee; and 5) Persons or businesses who solely provide referrals to a licensed Solar Company or contact information for licensed Solar Companies.

SECTION 25. Subsection (a) of section 2 of said chapter 142A s, as so appearing, is hereby amended by striking out paragraphs (8) to (10), inclusive, and inserting in place thereof the following paragraphs:- (8) there shall be a clear and conspicuous notice appearing in the contract:

(i) that all contractors and subcontractors must be registered by the director and that any inquiries about a contractor or subcontractor relating to a registration should be directed to the director;

(ii) of the registration number of the contractor or subcontractor;

(iii) of an owner’s three-day cancellation rights under section forty-eight of chapter ninety-three, section fourteen of chapter two hundred and fifty-five D, or section ten of chapter one hundred and forty D as may be applicable; provided, however, in connection with any sale of a residential solar electric system, the consumer shall have at least five business days after the date of the transaction and receipt of the signed agreement to cancel the agreement without any financial penalty;

(iv) of all warranties, guarantees, transferability of any obligations, and the owner's rights under the provisions of this act;

(v) in ten point bold type or larger, directly above the space provided for the signature, “Do not sign this contract if there are any blank spaces”";

(vi) of any lien on or security interest on the residence as a consequence of the contract.

(9) if an agreement for the purchase of a residential solar electric system, it shall also include the following terms: (i) The name, license or registration number, address, telephone number, and email address of the solar company and the installer, if different; (ii) If applicable, the name, license or registration number, telephone number, and email address of the salesperson who solicited or negotiated the agreement; (iii) The purchase price for the system; (iv) The payment schedule for the system, if any; (v) A description of the project system size expressed in kilowatts-DC and kilowatts-AC, the solar modules to be installed, the inverters to be installed, the monitoring to be installed, and, if applicable, the energy storage system to be installed; (vi) If applicable, a statement in close proximity to the description of the project that must be separately acknowledged by the customer and reads: “I understand comparable equipment may be installed but the proposed kilowatts-AC system size and kilowatts-DC system size will not decrease; and (vii) An explanation of which parties are responsible for filing the interconnection application and permits. This section does not apply to the following: (A) The transfer of title or rental of real property on which a residential Solar Electric System is or is expected to be located; (2) A lender, governmental entity, or other third party that enters into an agreement with a customer to finance a residential Solar Electric System but is not a party to a system purchase agreement, Power Purchase Agreement, or lease agreement; (3) An Agreement for a Solar Electric Systems that is not for residential use; or (4) An Agreement for a Solar Electric System that is installed as a feature on new construction.

(10) if an agreement for the lease of a residential solar electric system, it shall also include the following terms: (i) The name, license or registration number, address, telephone number, and email address of the lessor and the installer, if different; (ii) If applicable, the name, telephone number, license or registration number, and email address of the salesperson who solicited or negotiated the agreement; (iii) The total number of payments under the lease and the payment schedule for the leased system, including the number, amount, and due dates or periods of payments; (iv) A description of the project, including the system size expressed in kilowatts-DC, the solar modules to be installed, the inverters to be installed, and, if applicable, the energy storage system to be installed; (v) A description of any maintenance and repair responsibilities for each party; (vi) A description of whether the consumer has the right to purchase the leased system either during the lease term or at the term of the lease and the purchase price; (vii) A description of the options to transfer the lease to third-parties and the conditions for the transfer; (viii) Which parties are responsible for filing interconnection application and permits; (ix) The right to withhold payment for noncompliance of the lease; and (x) A description of any security interest filed against the system;

This section does not apply to the following: (1) The transfer of title or rental of real property on which a residential Solar Electric System is or is expected to be located; (2) A lender, governmental entity, or other third party that enters into an agreement with a customer to finance a residential Solar Electric System but is not a party to a system purchase agreement, Power Purchase Agreement, or lease agreement; (3) An Agreement for a Solar Electric Systems that is not for residential use; or (4) An Agreement for a Solar Electric System that is installed as a feature on new construction.

(11) if a solar power purchase agreement, it shall also include the following terms: (i) The name, license or registration number, address, telephone number, and email address of the solar

company and the solar installation company, if different from the company who sells a solar power purchase agreement; (ii) If applicable, the name, telephone number, license or registration number, and email address of the salesperson who solicited or negotiated the agreement; (iii) The payment schedule for the sale of output of the residential solar electric system, including the number, amount, and due dates or periods of payments; (iv) A description of the project, including the system size expressed in kilowatts-DC and kilowatts-AC, the solar modules to be installed, the inverters to be installed, the monitoring to be installed and, if applicable, the energy storage system to be installed; (v) A description of any maintenance and repair responsibilities for each party; (vi) A description of whether the owner has the right to purchase the system either during the term of the solar power purchase agreement or at term of the solar power purchase agreement and the purchase price; (vii) A description of the options for the owner to transfer the contract to third parties and the conditions for the transfer; (viii) Which parties are responsible for filing interconnection application and permits; and (ix) A description of any security interest filed against the system;

This section does not apply to the following: (1) The transfer of title or rental of real property on which a residential Solar Electric System is or is expected to be located; (2) A lender, governmental entity, or other third party that enters into an agreement with a customer to finance a residential Solar Electric System but is not a party to a system purchase agreement, Power Purchase Agreement, or lease agreement; (3) An Agreement for a Solar Electric Systems that is not for residential use; or (4) An Agreement for a Solar Electric System that is installed as a feature on new construction.

(12) an enumeration of such other matters upon which the owner and the contractor may lawfully agree; provided, however, that no such agreement may waive any rights conveyed to the owner under the provisions of this chapter; and

(13) any other provision otherwise required by the applicable laws of the commonwealth.

No contract shall contain an acceleration clause under which any part or all of the balance not yet due may be declared due and payable because the holder deems himself to be insecure. However, where the contractor deems himself to be insecure he may require as a prerequisite to continuing said work that the balance of funds due under the contract, which are in the possession of the owner, shall be placed in a joint escrow account requiring the signature of the contractor and owner for withdrawal.

At the time of signing, the owner shall be furnished with a copy of the contract signed by both the contractor and the owner. No work shall begin prior to the signing of the contract and transmittal to the owner of a copy of such contract.

The contractor or salesperson shall verbally explain to the owner their right to rescind the agreement without penalty upon the owner signing the agreement.

Any contract entered into between a contractor and homeowner shall require the contractor to inform the homeowner of the following: (i) any and all necessary permits, (ii) that it shall be the obligation of the contractor to obtain said permits, and (iii) that homeowners who secure their own permits will be excluded from the guaranty fund provisions of this chapter.

Any contract entered into between a contractor and homeowner may provide that the contractor may initiate alternative dispute resolution through any private arbitration services approved by the director, under paragraphs (a) to (e), inclusive, of section four; provided, that said alternative dispute resolution provision is clearly and conspicuously disclosed in the contract, in language designated by the director, and that each party separately signs and dates the provision, thereby assenting to the procedure.

A solar company shall retain a copy of all signed agreements for the duration of the agreement but not less than four years after the date of consummation.

Contracts which fail to comply with the requirements of this section shall not be invalid solely because of noncompliance.

SECTION 26. Said chapter 142A, as so appearing, is hereby further amended by inserting after section 2 the following 2 sections :-

Section 2A. (a) Prior to entering into an agreement for a residential solar electric system with any owner, a solar company shall provide the owner with a separate written disclosure form in no smaller than ten point font and no more than four pages in length.

The disclosure form shall contain: (1) The name, address, telephone number, email address, and license or registration number of the solar company; (2) The name, address, telephone number, email address, and license or registration number of the installer if different from the solar company; (3) The name, address, telephone number, email address, and license or registration number of the system maintenance provider if different from the solar company; (4) The payment schedule for upfront costs, including any payments due at signing, commencement of installation, and completion of installation, if applicable; (5) System design assumptions, including system size, estimated first year production, estimated annual system production degradation, presence of energy storage, energy storage capacity, and a description of the equipment needed to provide backup power. (6) A disclosure notifying the owner whether and to what extent system maintenance and repairs are included in the agreement, and any system maintenance costs for which the owner will be responsible; (7) If applicable, a statement in close proximity to the description of the project that must be separately acknowledged by the owner and reads: “I understand comparable equipment may be installed but the proposed kilowatts-AC system size and kilowatts-DC system size will not decrease”; (8) A disclosure describing warranties for the repair of any damage to the owner’s residence in connection with the system installation or removal; (9) A description or location in the agreement of any performance or

production guarantees, if applicable; (10) An estimated start and completion date for installation and a statement in close proximity which reads; “The actual start and completion date depends on many factors such as delays related to permitting and interconnection approvals which are controlled by your local jurisdiction and local utility respectively.”; (11) A brief description of the basis for any savings estimates that were provided to the owner, if applicable. The description shall include, at a minimum, the applicable utility rates, assumptions for increases to future electricity rates, and estimated system production and status of utility compensation for excess energy generated by system at the time of contract signing; (12) A disclosure concerning the retention of any renewable energy credits; and (13) A statement that “The assumptions used to estimate savings such as utility rates may change. There may be fees that cannot be offset with solar. Excess electricity sent back to the grid may be credited at rates below what you pay for electricity. For further information regarding rates, you may contact your local utility or the Massachusetts Department of Public Utilities. Tax and other state and federal incentives are subject to change or termination by executive, legislative or regulatory action, which may impact savings estimates. Please read your Contract carefully for more details.”.

In the case of a purchase of a residential solar electric system, the disclosure form required shall also include: (1) Purchase price for the system; (2) Estimated start and completion dates for installation; and (3) A disclosure notifying the owner of the responsible party or parties for obtaining interconnection approval.

In the case of a lease for a residential solar electric system, the disclosure form required shall also include: (1) The length of the lease; (2) Monthly payments for the first year of the lease; (3) Total estimated lease payments over the term of the lease; (4) Any payment increases and the timing of any such increase, if applicable; (5) The total number of lease payments; (6) Payment due dates and the manner in which the owner will receive invoices; (7) Any one-time or recurring

fees, including but not limited to the circumstances triggering any fees, if applicable; (8) A disclosure notifying the owner whether the lessor will be filing a fixture filing on the system; and (9) A disclosure describing the transferability of the lease, and any conditions for lease transfers in connection with an owner selling their home.

In the case of a solar power purchase agreement, the disclosure form required shall also include: (1) The length of the solar power purchase agreement; (2) Rates for the first year of the solar power purchase agreement; (3) Any rate or payment increases and the timing of any such increase, if applicable; (4) the total number of solar power purchase agreement payments; (5) Payment due dates and the manner in which the owner will receive invoices; (6) Any one-time or recurring fees, including but not limited to the circumstances triggering any fees, if applicable; (7) A disclosure notifying the owner if a fixture filing will be filed on the system; and (8) A disclosure describing the transferability of the system in connection with the owner selling their home;

(b) The department of energy resources, in consultation with the director, shall develop a consumer educational brochure that must be provided no later than when the disclosure form required by this section is provided to the consumer. The brochure may include, but is not limited to, information regarding solar photovoltaic technology, solar compensation policies such as net metering, federal tax credits, questions to ask solar companies, consumer rights, and sources of additional information that are available to assist owners.

This section does not apply to the following: (1) The transfer of title or rental of real property on which a residential Solar Electric System is or is expected to be located; (2) A lender, governmental entity, or other third party that enters into an agreement with a customer to finance a residential Solar Electric System but is not a party to a system purchase agreement, Power Purchase Agreement, or lease agreement; (3) An Agreement for a Solar Electric Systems that is

not for residential use; or (4) An Agreement for a Solar Electric System that is installed as a feature on new construction.

Section 2B. Any solar company or solar installation company that sells itself to another company, whether through stock sale, asset sale or bankruptcy, shall notify all owners of the transaction, and provide owners with the contact address, telephone number, electronic mail, and website of the new company within 90 days upon the transaction completion.

A consumer may seek recovery under chapter 93A against a solar company or solar installation company for failure to comply with this section.

SECTION 27. Section 9 of said chapter 142A, as so appearing, is hereby amended by striking out subsection (a) and inserting in place thereof the following subsection:-

(a) No contractor or subcontractor shall undertake, offer to undertake, or agree to perform residential contracting services unless registered therefore with the approval of the office of consumer affairs and business regulation. No solar salesperson of a residential solar electric system shall seek to contract with a consumer unless registered therefore with the approval of the office of consumer affairs and business regulation.

SECTION 28. Section 10 of said chapter 142A, as so appearing, is hereby amended in by striking out subsection (c) and inserting in place thereof the following subsection:-

(c) whether the applicant has ever been previously registered in the commonwealth as a salesperson, contractor or subcontractor pursuant to this chapter, under what other names he was previously registered, whether there have been previous judgments or arbitration awards against him, whether there is money owing to the fund on account of such judgments or awards against him, and whether his registration has ever been suspended or revoked.

SECTION 29. Said chapter 142A, as so appearing, is hereby further amended by inserting after section 10 the following section:-

Section 10A. All solar salespersons of residential solar electric systems shall be annually registered therefore with the approval of the office of consumer affairs and business regulation. An independent contractor may be retained as a solar salesperson by one, or more, licensed solar company. A solar salesperson may be employed by one, or more than one, licensed solar company.

Prior to engaging in any sales or marketing of a solar electric system, a solar salesperson shall state the name of the solar company that they are selling on behalf of and the purpose of the engagement. Solar salespersons must wear an identification badge with their name, photo, company name, company license number, and salesperson registration number.

In the absence of a state or local ordinance to the contrary, solar salespersons of residential solar electric systems shall not visit any residence to conduct sales except between the hours of 9:00 a.m. and 8:00 p.m; provided, however, an owner may schedule an in-person meeting time with a solar salesperson between the hours of 8:00 p.m. and 9:00 a.m.

Solar salespersons of residential solar electric systems are prohibited from wearing apparel, carrying equipment, or distributing materials that include the logo or emblem of an electric distribution company or retail energy supply company, or using any language suggesting a relationship with an electric distribution company, retail energy supply company, or government agency where no actual relationship exists.

The Office of Consumer Affairs and Business Regulation shall evaluate solar salesperson training and certification programs, including the American National Standards for “Solar Salesperson Training,” ANSI SEIA 401, beginning January 1, 2027, and determine if such training and certification will be a requirement for solar salesperson registration effective January 1, 2028.

SECTION 30. Section 11 of said chapter 142A, as so appearing, is hereby amended by striking out the first paragraph of subsection (a) and inserting in place thereof the following paragraph:-

(a) Every contractor or subcontractor shall pay a registration fee in an amount equal to the sum of: (i) the fee paid by construction supervisors pursuant to section 94 of chapter 143; and (ii) an amount necessary to recover the aggregate cost to the commonwealth associated with the use of credit cards to pay fees charged pursuant to this chapter. Every solar salesperson of a residential solar electric system shall pay a registration fee in an amount as approved by the director necessary to administer such salespersons registration and renewal system. The registration fee required by this paragraph shall be payable upon application for registration and renewal.

SECTION 31. Section 13 of said chapter 142A, as so appearing, is hereby amended by adding, after the word “all”, in line 3, the following words:- solar salespersons,.

SECTION 32. Section 19 of said chapter 142A, as so appearing, is hereby amended by inserting after the first paragraph the following paragraph:-

Any solar salesperson selling residential solar electric systems without obtaining a certificate of registration as required by this chapter or without completing any future required training, as applicable, shall be punished with a fine not exceeding five thousand dollars.

SECTION 33. Said chapter 142A, as so appearing, is hereby amended by inserting after section 21 the following section:-

Section 22. The department of energy resources and the office of consumer affairs and business regulation shall develop the consumer disclosure form as required by section 2A of chapter 142A through a process with input from solar companies, other stakeholders and the public. The department of energy resources and the office of consumer affairs and business

regulation may consider use of any existing disclosure forms for solar transactions published by the state and any national standards regarding solar disclosure forms in their development of the disclosure form required by said section.

The disclosure form shall be required for use with all new agreements that are entered into 180 days after the final disclosure form is published by the department of energy resources and the office of consumer affairs and business regulation.

SECTION 34. Chapter 149 of the General Laws, as appearing in the 2024 Official Edition, is hereby amended by inserting after section 27H the following section:-

Section 27I. All construction, as defined in section 27D, on a thermal energy network, and on any utility infrastructure impacted by the construction or installation of a thermal energy network requiring the excavation, construction, reconstruction of public lands, rights of way, public works, or 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 and procured 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, as defined in section 27D, by a gas or electric distribution company requiring the excavation, alternation, reconstruction, or repair of public lands, works, or buildings unless said agreement contains a stipulation requiring prescribed rates of wages, as determined by the commissioner, to be paid to individuals performing thermal energy network or heat loop construction and associated pipeline work who are not gas company or electric company employees. Any such approval which does not contain said stipulation shall be invalid, and no construction may commence thereunder. Said rates of wages shall be requested of said commissioner by said public 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 six 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 35. 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 entity, firm, partnership, association, private corporation, or other third-party who contracts with or is otherwise directly engaged and compensated by a supplier to sell electric generation services, or contracts with and is directly compensated by a third-party marketer of the supplier to sell electric generation services on behalf of a supplier, that markets, advertises, or otherwise offers to sell generation service to retail customers that is acting as an agent for a supplier, including, but not limited to, entities engaged in door-to-door, telemarketing, or tabletop interactions with retail customers. "Energy marketer" shall not include contractors, agents, or employees engaged in incidental activities where compensation is not tied to customer enrollment.

SECTION 36. 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 or sell electricity. A gas company may make, sell, or distribute utility-scale non-emitting thermal energy, including networked geothermal and deep geothermal energy. A gas company may also make, sell, or distribute geothermal energy to individual customers, if approved by the department.

SECTION 37. Said section 1 of said chapter 164, as so appearing, is hereby further amended by inserting after the definition of "Petroleum products" the following definition:-

"Portable solar generation device", a moveable photovoltaic generation device that: (i) has a maximum power output of not more than 1,200 watts; (ii) is designed to be connected to a building's electrical system through a standard 120-volt alternating current outlet; (iii) is

intended primarily to offset part of the customer's electricity consumption; (iv) includes a device or feature that prevents the system from energizing the building's electrical system during a power outage; (v) meets the standards of the most recent version of the National Electrical Code; and (vi) is certified by Underwriters Laboratories or an equivalent nationally recognized testing laboratory.

SECTION 38. Said section 1 of said chapter 164, as so appearing, is hereby further amended by inserting after the definition of "Supplying electricity in bulk" the following definition:-

"Total Resource Cost Test," a cost-screening tool administered by the Department of Public Utilities to determine cost-effectiveness for programs or measures within the energy efficiency investment plans proposed by electric distribution companies and municipal aggregators with certified efficiency plans or natural gas efficiency investment plans proposed by gas companies pursuant to section 21 of chapter 25. A program or measure shall be deemed cost-effective when the present value of the lifetime benefits of the program or measure is greater than or equal to the present value of the lifetime costs. Benefits shall include avoided energy costs, avoided capacity costs, avoided transmission and distribution costs, and other resource savings directly attributable to the sector. Costs shall include all incremental program administrator costs, participant costs, and other resource costs necessary for implementation. The calculation of benefits shall not include the social value of greenhouse gas emissions reductions.

SECTION 39. Section 1A of said chapter 164, as so appearing, is hereby amended by adding the following subsection:-

(h) Neither this section nor sections 1B to 1H, inclusive, shall preclude an electric company or a distribution company from competitively procuring sources of energy generation

or energy transportation services, or a combination thereof, provided that a proposal for such generation or transportation services, or both, shall be:

(1) secured by a long-term contract executed by an electric company or distribution company with terms of one year or greater;

(2) subject to the review and approval of the department of public utilities under section ninety-four A, before becoming effective; and

(3) meets the following criteria, as determined by the department:

(a) is cost-effective to electric and gas ratepayers in the commonwealth over the contract term, taking into consideration potential economic and environmental benefits and opportunities to allocate to, or share costs, on a fair and equitable basis with other states and populations within other states that may benefit from such contracts, among other benefits;

(b) provides enhanced electricity reliability, system safety and energy security;

(c) contributes to the mitigation of winter electricity price spikes;

(d) provides energy price-suppression benefits;

(e) where feasible, creates and fosters economic development and quality jobs in the commonwealth;

(f) includes benefits to environmental justice populations and low-income ratepayers in the commonwealth; and

(g) includes opportunities for diversity, equity and inclusion, including, at a minimum, a workforce diversity plan.

An electric or distribution company shall be entitled to recover contract payments and associated costs necessary to procure and execute contracts presented to the department for approval pursuant to this section. Such electric or distribution company shall propose to the department a cost allocation methodology that allows such costs to be recovered through rates approved for such company, as well as affiliated gas company customers, to the extent benefits from any contracts approved pursuant to this section are demonstrated to accrue in part to such customers.

SECTION 40. Said chapter 164, as so appearing, is hereby amended by striking out section 1B, 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, and no other person 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.

(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 the 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 no less 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 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 the provisions of 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; provided, however, that aggregates of such information may be prepared and such aggregates shall be public records.

(d) The department is hereby authorized and directed to promulgate rules and regulations necessary to carry out the provisions of 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 41. The first paragraph of section 1D of said chapter 164, as so appearing, is hereby amended by adding the following sentence:-

Not later than August 1, 2026, each distribution company's standard billing format for residential customers shall display a breakdown of charges for distribution service to inform customers of the portion of the delivery charge attributable to system benefit programs offered by a gas or electric company, or make other such changes to improve customer understanding of the components of the gas and electric bill and to provide clarity on what costs are causing increases to the total amount of a customer's bill.

SECTION 42. Said 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 who have chosen the complete billing method, 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; (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 through a formal stakeholder proceeding a structure for the electric distribution companies to file for approval by the department different percentage discounts for suppliers other than municipal aggregation 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 43. 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 to 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 be subject to an annual fee, the amount to be determined by the department; provided, said amount shall not be more than $10,000 and may be differentiated between energy brokers, energy marketers, and suppliers.

(iv) Each energy marketer or other supplier that applies for a retail license shall execute and maintain a bond issued by a qualifying surety or insurance company authorized to transact business in the commonwealth of Massachusetts in favor of the commonwealth. The amount of the bond shall equal $5,000,000 per retail license as issued by the department. 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 compensated by the customer as part of the customer's electric contract price.

SECTION 44. Said section 1F of said chapter 164, as so appearing, is hereby further amended by striking out paragraph (4).

SECTION 45. Paragraph (7) of said section 1F of said chapter 164, as so appearing, is hereby further amended by striking out the fifth through seventh sentences 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 other corporation doing business in the commonwealth who 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 of the General Laws or corresponding regulations, pursuant to authority established by section 102C, 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 46. Paragraph (8) of said section 1F of said chapter 164, as so appearing, is hereby further amended by striking out, in line 336, the words "30 days" and inserting in place thereof the following words:- 2 years.

SECTION 47**.** Said chapter 164, as so appearing, is hereby amended by inserting after section 1K the following 2 sections:-

Section 1L. (a) A licensed supplier other than a municipal aggregation supplier shall not provide electric supply service to a low-income residential customer. For the purpose of this section, "low-income residential customer" shall mean a customer actively enrolled in an R2 electric rate tariff.

(b) A licensed supplier offering electric service to a residential customer other than a municipal aggregation supplier:

(i) may not automatically renew a residential customer's fixed-rate contract to a variable-rate contract.

(ii) may automatically renew a residential customer's contract provided that:

(1) the customer provides affirmative consent to automatic renewal at the time of enrollment or anytime thereafter; and

(2) The supplier provides renewal notices prior to contract expiration as follows: (i) at least 60 days prior; (ii) at least 30 days prior—clearly disclosing the renewal rate, term, and opt out method; and (iii) a final reminder at least 15 days prior.

(iii) may not offer to a residential customer 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, or as otherwise approved by the department; (iii) shall, for all in-person sales and telephonic sales, conduct third-party verification confirming the customer's affirmative and informed consent to the terms of enrollment; (iv) may not impose on

a residential customer a fee for cancellation or early termination of an electricity supply agreement; and (v) offer a voluntary renewable or green energy product, provided that:

(1) The supplier discloses to the residential customer in plain language and 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 ("RECs") or other eligible clean energy attributes in an amount equal to the customer's usage.

(2) The disclosure identifies the resource type(s) and geographic origin(s) of the RECs to be retired. If such information is not available at the time of enrollment, the supplier shall disclose the resource type(s) and geographic origin(s) of RECs retired for a substantially similar product over the prior twelve (12) months, and provide the specific product's REC details to the residential customer within sixty (60) days after the first billing cycle.

(3) The RECs are sourced from any certificate tracking system that assigns unique serial numbers, records issuance, transfer, and retirement, and prevents double counting.

(4) The supplier annually reports to the department the amount, type, and location of clean or renewable attributes retired on behalf of residential customers, and the percentage retired in excess of applicable portfolio requirements.

(c) The department shall establish and maintain a public website for residential customers to compare available retail electricity supply products. Suppliers must list at least one product available to residential customers on said website. The department shall ensure that the website includes, but is not limited to, all of the following information: (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; and (vi) the estimated monthly cost to the customer. The website shall allow for products to be sorted and compared to each other.

(d) No less than quarterly, suppliers 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 to customer classes and the aggregate number of customers served on the department's website. Any information regarding competitive supply that the department makes available to the public shall be presented only in aggregated or anonymized form and shall not include supplier-specific pricing, offers, or terms. Supplier-submitted pricing and other commercially-sensitive information shall be treated as confidential and used solely for regulatory oversight and market monitoring.

(e) No less than annually, suppliers shall provide data to the department concerning any clean or renewable energy attributes retired in connection with the generation service provided to individual residential retail customers. Such data shall include the geographic location and fuel type of each such attribute, and the percentage of the 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 this information from each supplier on its website. Any information regarding competitive supply that the department makes available to the public shall be presented only in aggregated or anonymized form and shall not include supplier-specific pricing,

offers, or terms. Supplier-submitted pricing and other commercially-sensitive information shall be treated as confidential and used solely for regulatory oversight and market monitoring.

(f) A licensed supplier shall provide written notice to the department prior to any assignment or transfer of their supplier license. Notice shall be provided to the department at least thirty 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 or transfer of the license.

(g) No 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 well as those made to the attorney general, as provided to the department annually, on the department's website.

(h) Notwithstanding any general or special law to the contrary, nothing in this Section shall be construed to apply to any entity organizing or administering a program pursuant to section 137 of chapter 164.

Section 1M. Notwithstanding any general or special law to the contrary, a distributed energy resource generation facility with a total export capacity up to 500kWAC seeking interconnection to the electric distribution system shall be subject to an expedited interconnection review process based on existing hosting capacity separate from any group study process administered by a distribution company, and shall not be subject to any Area System Operator study. Projects shall be eligible where existing feeder-level hosting capacity, excluding the total capacity of in queue projects subject to group study, exceeds the export capacity of the applicant. The review and award of interconnection agreement for such application shall be completed not later than 120 days after the date the application is determined to be complete.

Such applicant meeting these criteria shall not be responsible for substation upgrade-related costs.

SECTION 48. Said chapter 164, as so appearing, is hereby amended by striking out section 15, as so appearing, 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 more 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 and all proposals.

SECTION 49. 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 word, “that”.

SECTION 50. Said chapter 164, as so appearing, is hereby amended by striking out section 33A and inserting in place thereof the following section:-

Section 33A. (a) For the purposes of this section, the following words and phrases shall have the following meanings:-

"Advertising", the commercial use by a utility of any media, including newspaper, social media, printed matter, radio, and television, in order to transmit a message to a substantial number of members of the public or to such utility's consumers, 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 promote the sale or consumption of natural gas, electricity, or other thermal energy, unless such advertising is specifically approved or ordered by the department.

"Goodwill or institutional advertising", means any advertising designed primarily to bring the utility's name before the general public in such a way as to solely improve the image of the utility or to promote the utility or the industry.

"Political advertising", any advertising for the purpose of influencing public opinion with respect to legislative, administrative, or electoral matters.

"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.

For the purposes of this section, the terms “goodwill or institutional advertising,” "political advertising," and "promotional advertising" shall not include advertising which informs consumers of any utility on how they can conserve energy, access money saving rates or programs, seek assistance or customer support, prepare for weather events, reduce peak demand for energy, or other services, such as building decarbonization or other electrification measures, or otherwise use the services of any utility in a cost-efficient manner; is required by federal or state laws or regulations; informs consumers regarding service interruptions, safety measures, or emergency conditions; concerns employment opportunities with a utility; or relates to any explanation or justification of existing or proposed rate schedules, or notification of hearings thereon which 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. A communication shall be considered advertising, goodwill or institutional advertising, promotional advertising, or political advertising if any portion of the communication is advertising, goodwill or institutional advertising, promotional advertising, or political advertising as defined herein.

(b) 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 goodwill or institutional, promotional, or political advertising as defined in this section.

(c) 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 those terms are defined in 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; (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 owned, leased or chartered 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.

(d) No gas or electric company regulated by the department shall recover through rates its direct or indirect costs associated with its attendance in, participation in, preparation for, or

appeal of any contested proceeding conducted before the department. Such costs shall include, but need not be limited to, attorneys' fees, fees to engage expert witnesses or consultants, the portion of employee salaries associated with such attendance, participation, preparation or appeal of a contested proceeding and related costs identified by the department.

(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. In addition to assessing a non-recoverable penalty against a company pursuant to this subsection, 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 51. Section 69G of said chapter 164, as so appearing, is hereby amended, in line 52, by inserting after the word "project" the following words:- , including the use of surplus interconnection service.

SECTION 52. Said section 69G of said chapter 164, as so appearing, is hereby further amended by inserting after the definition of "Solar facility" the following definition:-

"Surplus interconnection service", a form of interconnection service that allows a generation facility to use any unused capability, as such term is defined in Schedule 22 to the

ISO-New England Tariff , established in an interconnection agreement for an existing generating facility that has achieved commercial operation such that if surplus interconnection service is utilized, the total amount of interconnection service at the same point of interconnection, as such term is defined in Schedule 22 to the ISO-New England Tariff , would remain the same; provided however, that the board shall amend the definition of “surplus interconnection service”, and any terms therein, so that it conforms to subsequently adopted modifications to the referenced Schedule of the ISO-New England Tariff.

SECTION 53. Section 69H of said chapter 164, as so appearing, is hereby amended, in line 42, by inserting after the word “alternatives the following words:- , including the use of surplus interconnection service,.

SECTION 54. Section 69I of said chapter 164, as so appearing, is hereby amended by adding the following paragraph at the end thereof:-

The department is authorized to require any electric or gas company to satisfy any or all provisions of this section upon a determination, after notice and a hearing, that such provisions are applicable for an electric or gas company to demonstrate that energy supply procurements under section ninety-four A, should be approved by the department to ensure a necessary energy supply for the commonwealth with a minimum impact on the environment at the lowest possible cost.

SECTION 55. Section 69J of said chapter 164, as so appearing, is hereby amended, in line 36, by inserting after the word “energy” the following words:- use of surplus interconnection service,.

SECTION 56. Section 69T of said chapter 164, as so appearing, hereby amended by inserting after the word “including”, in line 52, the following words:- ,surplus interconnection service and other.

SECTION 57. Section 92B of said chapter 164, as so appearing, is hereby amended by striking out paragraphs (c) through (e) and inserting in place thereof the following paragraphs:-

(c) An electric-sector modernization plan developed pursuant to subsection (a) shall also include the following:

(i) a load management and virtual power plant plan that, based on the best available data, minimizes ratepayer costs and maximizes ratepayer benefits of distributed energy resources and distributed generation to the greatest extent possible, which shall include, but not be limited to:

(A) a detailed summary and timeline for all current, proposed, and under development programs and investments, including all investments and programs developed as part of the statewide decarbonization and energy efficiency plan authorized under section 21 of chapter 25 of the General Laws, all investments and programs authorized by the department related to electric grid modernization, building electrification, transportation electrification, and distributed energy resources, and all efforts to make use of advanced metering infrastructure, that (i) directly or indirectly manage energy demand to reduce its impact on and provide benefits to the electric power system or (ii) utilize or otherwise enable dispatchable distributed energy resources to provide benefits or services to the electric grid including, but not limited to, reducing, deferring, or eliminating transmission or distribution infrastructure investments, avoiding development of new fossil-based power generation, reducing wholesale energy market costs, or enabling wholesale energy market participation;

(B) quantitative five- and ten-year targets for peak load reduction, including targets for system-wide peak and separate targets for non-coincident sub-system peaks, and electric system

benefits for both load management and virtual power plants that are inclusive of, but not limited to, targets set as part of the statewide decarbonization and energy efficiency plan and any other plans approved by the department;

(C) a qualitative and quantitative evaluation of the benefits of such programs 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;

(D) a detailed methodology and approach 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. Such methodology shall be as consistent as practicable with the comparable methodology employed by each other electric company.

(E) a description and summary of current, proposed, and under development plans and processes to enable third-party providers to provide load management and virtual power plant services, including but not limited to, how such services will be used to reduce, defer, or eliminate infrastructure investment needs, the status of any past, current, or planned procurements of grid services from third parties, and information on how third parties can participate in programs and access customer electric usage data to enable load management and virtual power plant services.

(ii) information on the flexible interconnection program required under section 159, including, but not limited to:

(A) a detailed summary of the flexible interconnection program and a timeline for all, additional proposed and under development alternative interconnection solutions, and associated

investments, that meet the definition of flexible interconnection under subsection (a) of section 159, including, but not limited to, relevant efforts to make use of advanced metering infrastructure and smart inverters;

(B) 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.

(iii) a comprehensive description and summary of how the load management and virtual power plant plan provided pursuant to paragraph (i) and the flexible interconnection program required under section 159 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 under chapter 21N.

(d) 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 under 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 such as planning scenarios and modeling and the requirements of subsection (c) and respond to information and document requests from said council;

(iv) solicit input from the entities listed in subsection (b) of section 3 of chapter 43D of the General Laws, the chair of the interagency permitting board established by section 62 of chapter 23A of the General Laws and 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;

(vi) conduct technical conferences and not less than 2 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 load management and virtual power plant services and Massachusetts businesses and housing developers; and

(vii) prepare and file a climate vulnerability and resilience plan with the electric-sector modernization plan based on best available data, which shall include, but not be limited to, the following:

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

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

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

(D) a community engagement plan with targeted engagement for environmental justice populations in the service territory; and

(E) 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.

(e) 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; and 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 demonstration 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 and an explanation of whether and 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 engaged as required in paragraphs (iv) and (v) of subsection (d) and 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 submittal. In order to be approved, a plan shall provide net benefits for customers and meet the criteria enumerated in clauses (i) to (vi), inclusive, of subsection (a).

(f) An electric-sector modernization plan developed by an electric company pursuant to subsection (a) shall propose discrete, specific, enumerated investments to the distribution and, where applicable, transmission systems, alternatives to such investments and alternative approaches to financing such investments, that facilitate grid modernization, greater reliability, communications and resiliency, increased enablement of distributed energy resources, increased transportation electrification, increased building electrification, accommodate increased economic development and new housing and the minimization or mitigation of ratepayer impacts, in order to meet the statewide greenhouse gas emissions limits and sublimits under chapter 21N. 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 investments in accordance with any performance metrics included in the approved plans. An electric-sector modernization plan developed by an electric company pursuant to subsection (a) shall also propose distribution and, where applicable, transmission system planning, Grid

Modernization Advisory Council and stakeholder engagement, and regulatory processes to ensure that the criteria enumerated in clauses (i) to (vi), inclusive, of subsection (a) are met throughout the five-year electric-sector modernization plan period.

SECTION 58. Said chapter 164, as so appearing, is hereby amended by inserting after section 92C the following section:-

Section 92D. (a) By July 1, 2028, the department shall establish a comprehensive distribution system planning and cost recovery framework that encompasses the 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 in subsection (a) shall seek to accomplish the following objectives: (i) minimizing costs to ratepayers, including through the use of non-wires alternatives and virtual power plants; (ii) consolidating the proceedings through which distribution system planning is conducted; (iii) consolidating the number of proceedings and charges through which the 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) ensuring that rate applications filed in accordance with section 94 present a complete picture of current and future electric company capital and operating expenditures regardless of how such costs have historically been recovered; (vi) prioritizing cost recovery mechanisms that adjust base distribution rates over time instead of reconciliation charges; (vii) optimizing distribution system investments to meet distribution system needs, including those enumerated in subsection (a) of

section 92B; (viii) considering incentive mechanisms to align the interests of the electric companies, ratepayers, and developers; (ix) maximizing transparency, accessibility, and meaningful participation for stakeholders in the development and regulatory review of distributions system plans and associated investments.

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

SECTION 59. Said chapter 164, as so appearing, is hereby further amended by inserting after section 92D the following section:-

Section 92E. To support interconnection of distributed energy resources by diminishing the risk to interconnecting customers of multi-year interest carrying costs associated with interconnection deposits, effective immediately, the electric distribution companies shall accept a surety bond or letter of credit in lieu of cash, at the discretion of the interconnecting customer, for common system modification payments required under an interconnection service agreement to commence construction of required electric power system upgrades.

Bonds or letters of credit shall both be accepted in lieu of 100 per cent of the cost of interconnection included in an interconnection service agreement. Following the posting of a bond or letter of credit the electric distribution company shall invoice for cash payments in alignment with actual spending and costs incurred by the company, on a mutually agreed upon monthly, quarterly, or milestone timeline or following completion of construction.

SECTION 60. Section 94 of said chapter 164, as so appearing, is hereby amended by striking out the first paragraph, as so appearing, and inserting in place thereof the following:-

Section 94. (a) Electric companies and gas companies shall file with the department schedules, not less frequently than every 5 years, under a filing schedule as prescribed by the department and in such form as the department shall prescribe, showing all rates, prices and charges to be charged or collected within the commonwealth for the sale and distribution of gas or electricity, together with all forms of contracts to be used in connection with such schedules; provided, however, that the requirement to file a schedule with the department not less frequently than every 5 years shall not apply to a company or corporation as defined in section 1 of chapter 165. Rates, prices and charges in such a schedule may be changed by any such company by filing a schedule setting forth the changed rates, prices and charges; provided, however, that until the effective date of any such change no different rate, price or charge shall be charged, received or collected by the company filing such a schedule from those specified in the schedule then in effect; provided, further, that a company may: (i) continue to charge, receive and collect rates, prices and charges under a contract lawfully entered into before the schedule takes effect or until the department otherwise orders, after notice to the company, a public hearing and makes a determination that the public interest so requires; and (ii) sell and distribute gas or electricity under a special contract hereafter made at rates or prices differing from those contained in a schedule in effect; provided, further, that a copy of the contract, in each instance, shall be filed with the department, except that a contract of a company whose sole business in the commonwealth is the supply of electricity in bulk need not file, except as may be required by the department.

SECTION 61. Said section 94 of said chapter 164, as so appearing, is hereby further amended by inserting at the end thereof, the following:-

(b) The department of public utilities shall direct the gas and electric distribution companies to commence a coordinated initiative to perform a comprehensive customer bill-impact assessment using, as necessary, the assistance of external consultants to (1) develop an energy affordability standard, and (2) an electric and gas ratepayer impact measure test to evaluate existing and future energy programs on a customer bill-impact basis. The electric ratepayer impact measure test shall be consistent with established ratepayer impact measure best practices established by a national organization with expertise in energy program evaluation and shall exclude any costs or benefits that are not direct benefits or costs that may accrue to non-participating customers of the electric distribution company proposing such greenhouse gas reduction program, clean energy program or procurement, workforce development program or electrification program. In accordance with a timeline and process approved by the department, the electric and gas companies shall present a preliminary report to the department proposing a construct for defining energy affordability by economic strata or other denomination and identifying the customer bill impacts associated with the full portfolio of existing energy programs as well as existing distribution service functions. Upon receipt of the preliminary report, the department shall conduct a generic proceeding allowing broad participation by stakeholders for the purpose of evaluating the findings and conclusions of the preliminary report. Based on the input obtained through the generic proceeding and other directives from the department, as applicable, the distribution companies shall submit a final report to the department. Within ten days thereafter, the department shall submit the final report to the legislature accompanied by any further comments or findings by the department.

(c) In thereafter investigating the propriety of any proposed rate, price or charge for electric customers associated with any program or procurement associated with: (1) greenhouse gas reduction; (2) clean energy; (3) workforce development; or (4) electrification, the department

shall conduct an electric ratepayer impact measure test to determine whether the approval of a proposed rate, price or charge for such a program will result in a change to the electric per unit rate consistent with the affordability standard. The department shall further analyze the total bill impact resulting from any rate changes for non-participating customers associated with such program or procurement.

Further, in thereafter investigating the propriety of any proposed rate, price or charge for gas customers associated with any program or procurement associated with: (1) greenhouse gas reduction; (2) clean energy; (3) workforce development; or (4) electrification, the department shall conduct a gas ratepayer impact measure test to determine whether the approval of a proposed rate, price or charge for such a program will result in a change to the gas per unit rate consistent with the affordability standard. The department shall further analyze the total bill impact resulting from any rate changes for non-participating customers associated with such program or procurement. Such a measure shall be consistent with established ratepayer impact measure best practices established by a national organization with expertise in energy program evaluation and shall exclude any costs or benefits that are not direct benefits or costs that may accrue to non-participating customer of the gas distribution company proposing such greenhouse gas reduction program, clean energy program or procurement, workforce development program or electrification program.

In proposing or revising any program, regulation or procurement associated with: (1) greenhouse gas reduction; (2) clean energy; (3) workforce development; or (4) electrification, funded either directly through electric or gas ratepayer charges or fees or through associated obligations on energy supplier that may reasonably be assumed to be paid by electric or gas customers, the department of energy resources, the department of environmental protection, the Massachusetts clean energy center and the department of public utilities shall conduct a ratepayer

impact measure test to determine the expected increase or decrease in electric or gas ratepayer rates. The department shall further analyze the total bill impact resulting from any rate changes for non-participating customers associated with such program, regulation or procurement. Such a measure shall be consistent with established ratepayer impact measure best practices established by a national organization with expertise in energy program evaluation and shall exclude any costs or benefits that do not directly result in a change to non-participating customers electric or gas rates or bills. To the extent any such program, regulation, or policy includes distinct sub-targets, goals or differential incentives, a ratepayer impact measure test shall be calculated for each such distinct sub-target, goal, or differential incentive. The final results of each such ratepayer impact measure test shall be released to the public, in conjunction with the publication or announcement of any program, regulation or procurement referenced in this paragraph.

SECTION 62. Section 94A of said chapter 164, as so appearing, is hereby amended as follows:-

by striking out, in line 2, the words “gas or electricity”, and by inserting in place thereof the following words:- “energy supply, including gas, electricity, transmission, transportation or a combination thereof,”

SECTION 63. Said section 94A is hereby further amended by adding in line 4, the words “for energy supply” after the words “unless such contract”

SECTION 64. Said section 94A is hereby further amended by striking out, in lines 5, 8, 10, 13 and 16, the words “gas or electricity”, and by inserting in place thereof the words “energy supply”

SECTION 65. Said chapter 164, as so appearing, is hereby amended by inserting after section 94I the following section:-

Section 94J: Each natural gas distribution company shall implement default budget billing for residential customers, calculated by dividing the twelve-month annual gas usage of each customer into twelve equal monthly amounts at then-current retail rates to be billed to the residential customer on the customer's monthly bill, unless a customer chooses to opt-out of the default budget billing. The bill for customers participating in default budget billing shall be reviewed in the twelfth month of billed level amounts and shall be reconciled to reflect the actual retail rates and usage applicable to each customer over the prior twelve-month budget billing period, with such reconciled amount charged or credited to the respective customer during a non-peak billing cycle for the customer, as determined by the gas company. Customers shall have the option of spreading the reconciliation amount over a twelve-month billing cycle. A gas company may normalize customer usage for weather fluctuations during the prospective annual billing cycle to calculate level monthly payments, or implement other such methods, to minimize the impact of year-end reconciliations on customers. The department shall evaluate and modify any ratemaking procedures, service-quality guidelines or other requirements, as appropriate, to ensure a gas distribution company is not disadvantaged financially by implementing default budget billing pursuant to this section. Customers with less than twelve months of historical usage at the respective service address or a past due balance, shall not be subject to default budget billing.

SECTION 66. Said chapter 164, as so appearing, is hereby amended by inserting after section 116C the following section:-

Section 116D. (a) As used in this section the following words shall, unless the context otherwise requires, have the following meaning:-

"Advanced metering infrastructure customer" or "customer", a customer of a distribution company whose electricity usage is measured using advanced metering infrastructure.

(b) (1) Each distribution company deploying advanced metering infrastructure in their territories to record customers' electricity usage information shall establish a program, which shall be called "Energy Bill Watch," to notify an advanced metering infrastructure customer of the customer's electricity usage as provided in paragraph (2) of this subsection.

(2) Under an "Energy Bill Watch" program established pursuant to subsection (a), a distribution company shall, at a minimum:

(i) notify an advanced metering infrastructure customer on the 10th day of each billing cycle via text message or, if the distribution company does not possess a customer's mobile telephone number, via electronic mail, of the cost in dollars of the customer's electricity usage for the billing cycle up to the time at which the notification is sent and the amount in kilowatt hours of the customer's electricity usage for the billing cycle up to the time at which the notification is sent;

(ii) notify a customer on the 20th day of each billing cycle via text message or, if the distribution company does not possess a customer's mobile telephone number, via electronic mail, of the cost in dollars of the customer's electricity usage for the billing cycle up to the time at which the notification is sent and the amount in kilowatt hours of the customer's electricity usage for the billing cycle up to the time at which the notification is sent;

(iii) provide a customer the option to set a threshold dollar value for the cost of electric service at which the distribution company will notify the customer via the customer's selection of text message or electronic mail that the customer has reached the threshold dollar value based on the customer's electricity usage for that billing cycle; and

(iv) provide a customer with the option to receive a separate notice each billing cycle that compares the customer's average daily electricity usage from that billing cycle with the

customer's average daily electricity usage from the previous billing cycle or from the same billing cycle in the previous calendar year.

(3) A distribution company shall:

(i) advertise the electric distribution company's "Energy Bill Watch" program through multiple methods, including, but not limited to, electronic mail; posts on social media platforms; bills to customers who possess smart meters;

(ii) notify all smart meter customers via text message when the electric distribution company's "Energy Bill Watch" program is available for customers and include in the notification the choice to opt out of the program. If the electric distribution company does not possess a smart meter customer's mobile telephone number, the electric distribution company shall send the notification via electronic mail;

(iii) automatically enroll all smart meter customers in the program; and

(iv) include in a customer's first notice guidance on how the customer can customize notifications or opt out of the "Energy Bill Watch" program.

(c)(1) A distribution company shall include, at a minimum, the following information in each bill issued to a customer:

(i) the dollar amount charged to the customer by the distribution company in the previous billing cycle;

(ii) the dollar amount charged to the customer by the distribution company in the current billing cycle; and

(iii) the difference between the amount charged in the previous billing cycle and the current billing cycle.

(2) A distribution company shall include, within each dollar amount required in each bill pursuant to subsection (a) of this section, any tariffs, fees, or taxes, including, but not limited to,

charges for the supply and distribution of electricity, third-party supplier services, and public policy programs.

SECTION 67. Section 138 of said chapter 164, as so appearing, is hereby amended by striking out the definition of “Class I net metering credit” and inserting in place thereof the following definition:-

“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.

SECTION 68. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of “Class II net metering credit” and inserting in place thereof the following definition:-

“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.

SECTION 69. Said section 138 of said chapter 164, as so appearing, is hereby further amended by striking out the definition of “Class III net metering credit” and inserting in place thereof the following definition:-

“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 70. 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 71. 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 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 72. 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 Facility", a Class I, Class II, or Class III net metering facility, or neighborhood net metering facility, that is authorized to interconnect to the distribution system by a distribution company on or after 90 days from the effective date of this bill, and that is not a cap exempt facility pursuant to subsection (i) of section 139; provided that a Class I, Class II, or Class III net metering facility, or neighborhood net metering facility that submitted an interconnection application to a distribution company before November 1, 2025 shall not be a Supply Rate Net Metering Facility.

"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 Massachusetts department of environmental protection pursuant to sections 3 and 6 of chapter 21N; and (v) the distribution company's basic service administrative cost factor.

SECTION 73. Subsection (f) of section 139 of said chapter 164, as so appearing, is hereby amended by striking out the third sentence.

SECTION 74. Subsection (i) of said section 139 of said chapter 164, as so appearing, is hereby amended by striking out, in lines 137 to 138, inclusive, and lines 145 to 147, inclusive, each time they appear, the words "that are not net metering facilities of a municipality or other governmental entity under subsection (f)".

SECTION 75. Said section 139 of said chapter 164, as so appearing, is hereby amended by adding the following subsection:-

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

SECTION 76. 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 single turbine-generator unit facility with either a nameplate or demonstrated operational capacity of 2 megawatts or less, using water

to generate electricity that is connected to a distribution company. Separate turbine-generator units sharing a common point of interconnection or parcel shall not be aggregated to determine facility capacity.

SECTION 77. Section 141 of said chapter 164, as so appearing, is hereby amended by striking out the last sentence.

SECTION 78. Said chapter 164, as so appearing, is hereby amended by adding after section 143 the following section:-

Section 143A. (a) A portable solar generation device shall be exempt from: (i) the interconnection requirements described in this chapter; (ii) requirements to enter into an interconnection agreement; and (iii) the net metering program requirements under this chapter.

(b) An electric company may not require a customer using a portable solar generation device to: (i) obtain the electrical corporation's approval before installing or using the system; (ii) pay any fee or charge related to the system; or (iii) install any additional controls or equipment beyond what is integrated into the system. An electric company shall not be liable for any damage or injury caused by a portable solar generation device.

SECTION 79. Said chapter 164, as so appearing, is hereby amended by adding the following 6 sections:-

Section 152. (a) The department shall require that distribution companies and gas companies provide discounted rates for low-income. The cost of such discounts shall be included in the bills charged to all customers of a distribution company or gas company. Each distribution company and gas company shall guarantee payment to the generation supplier for all power sold to low-income customers at the discounted rates.

(b) Eligibility for the low-income discount rates provided for in this section shall be established in a manner approved 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 its 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 including, 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, veterans' benefits and similar benefits. In a program year in which maximum eligibility for the home energy assistance program, or its 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 required by this subparagraph. Following initial verification of eligibility for the low-income discount rate, eligibility may be reevaluated no less than every two years thereafter.

(c) Each distribution company and gas company shall conduct substantial outreach efforts to make the low-income discount available to eligible customers. Outreach may include establishing an automated program of matching customer accounts with 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; provided, however, that the distribution company or gas company, within 60 days of said presumptive enrollment, informs any such low-income customer of said presumptive enrollment and all rights and obligations of a customer under said program, including the right to withdraw from said program without penalty.

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

(e) Each distribution company and gas company shall produce information, in the form of a mailing, webpage or other approved method of distribution, to their consumers, to inform them of available rebates, discounts, credits and other cost-saving mechanisms that can help them lower their monthly utility bills and send out such information semi-annually, unless otherwise provided by this chapter.

(f) There shall be no charge to any residential customer for initiating or terminating low-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) Gas companies may develop programs to build, own, and operate geothermal heat loops for individual customers in their existing service territories. companies shall consider prioritizing commercial customers that currently receive all or a significant amount of their energy from natural gas-powered combined heat and power facilities.

(b) Gas companies shall file program proposals under this section with the department of public utilities no later than July 1, 2026, and the department shall complete its review of said proposals by January 31, 2027.

(c) A gas company shall recover all prudently incurred costs of offering a program approved by the department of public utilities pursuant to this section via tariffs designed to recover costs via rates charged to participating customers.

Section 154. The department shall have supervision of facilities operated by gas companies for the purpose of ensuring public safety pertaining to the construction and operation of utility-scale non-emitting thermal energy, including networked geothermal and deep geothermal energy and equipment used in manufacturing and transportation thereof. The department shall keep itself informed as to the methods, practices, and condition of all facilities and equipment associated with utility-scale non-emitting thermal energy, including networked geothermal and deep geothermal energy, and shall make such examinations and investigations as necessary, including the adequacy of operation, maintenance and capital improvements to ensure safe operation thereof. After holding technical conferences and receiving public input, the department may promulgate regulations to implement this section, upon determination that such regulations are necessary.

Section 155. Every gas company shall develop, and periodically amend, a comprehensive just transition plan, which must be included as part of any climate compliance plan submission directed by the department. In determining the reasonableness of a gas company's climate compliance plan, the department shall consider said company's just transition plan, as provided for in this section. Once initially filed, such just transition plan shall be amended every two years, beginning April 1, 2027, and provided as an update in subsequent climate compliance plan submissions.

Each company plan shall provide projections for any attrition among its in-house workforce and the utilization of outside contractors over both the two-year period and over the course of its transition to net zero emissions aligned with a company's climate compliance plan filings or its complete retirement of its gas pipeline, whichever is later.

All gas companies must additionally identify, as part of their plan, provisions, opportunities, and initiatives for training and employment opportunities to workers who may be

displaced by the gas company's compliance with the commonwealth's net zero emissions goals on the other forms of energy it distributes. This includes, but is not limited to, any agreement reached with labor organizations representing employees at its gas or alternative fuel operations or labor organizations representing employees of its outside contractors.

Section 156. (a) For the purposes of this section, flexible interconnection is 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 electric 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 electric company; and (iii) offer additional solutions over time as the distribution company deploys additional technologies.

(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 at least three 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; (iii) develop consensus language among that group, to the extent possible; and (iv) include in their filing a summary of all alternative proposals provided by stakeholders and an explanation of why the distribution

company did not choose to adopt such proposals. Each distribution company shall include a list of the stakeholders that provided feedback in its filing.

Section 157. (a) For the purposes of this section, the following words shall have the following meanings unless the context clearly requires otherwise:

“Bidirectional electric vehicle” means an electric vehicle that is capable of both receiving and discharging electricity.

“Electric vehicle supply equipment” or “EVSE” means a device or system designed and used specifically to transfer electrical energy between an electric vehicle and the electric grid.

“V2G AC” refers to a bidirectional electric vehicle that discharges AC power from the vehicle by converting DC energy from the battery to AC power via an onboard inverter.

“V2G DC” refers to a bidirectional electric vehicle that discharges DC power from the vehicle which is then converted to AC power via an offboard inverter.

“Vehicle-to-grid system” or “V2G system” is a combination of hardware and software in or around the EVSE and bidirectional electric vehicle that forms a distributed energy

resource system (DER) as defined in Title XXII, Chapter 164, Section 1, for the purposes of communication with and programmed flow of energy into an out of the vehicle battery in support of electrical loads or systems offboard the electric vehicle, including the electric grid.

“V2G system interconnection” means a process by which a distribution company allows a V2G system to interconnect to the electric distribution grid for the purpose of operating in parallel with the grid.

(b) Each distribution company shall offer a comprehensive process for the interconnection of a V2G system at residential buildings. Such a process shall:

(i) provide a pathway for interconnection for V2G systems supporting V2G AC and V2G DC electric vehicles;

(ii) utilize standards promulgated by Nationally Recognized Testing Laboratories including but not limited to UL 1741 CRD for Grid Support DER Systems and UL 1741 SC;

(iii) be as consistent as practicable across all distribution company service territories;

(iv) not require an interconnection application or interconnection agreement for bidirectional electric vehicles and associated EVSE that that are not configured to operate in parallel with the grid; and

(v) utilize best practices from comprehensive V2G system interconnection processes adopted by other states and utilities, as practicable.

(c) Within two months of the effective date of this act, the department of public utilities shall issue guidance to the distribution companies as needed regarding the development of the V2G system interconnection process.

(d) Within six months of the effective date of this act, the distribution companies shall file proposed tariff provisions or tariff revisions and any other documents necessary to implement the required V2G system interconnection process with the department.

(e) Prior to making the filing under subsection (d), the distribution companies shall:

(i) Convene a vehicle-to-grid industry stakeholder working group facilitated by one individual from such industry and one individual from a distribution company. The working group must include, in total:

(a) two representatives from each electric distribution company;

(b) one or more representatives from both the department of energy resources and the office of the attorney general; and

(c) six representatives from the vehicle-to-grid industry or organizations representing such industry.

The working group shall meet at least twice per month starting one month after the effective date of this act.

(ii) Present draft versions of the documents to be included in the filing required under subsection (d) to the working group within four months of the effective date of this act, accept written and oral comments, allow stakeholders to propose modifications, and develop consensus language, to the extent possible. The distribution companies shall include such comments and any alternative proposals supported by working group members as a supplement to the filing required under subsection (d) and an explanation of why the distribution company did not choose to adopt such proposals.

(f) Upon receipt of the filing required under subsection (d), the department shall conduct a proceeding to investigate the V2G system interconnection proposal and approve, deny, or modify such proposal within 1 year of the effective date of this act. A V2G system proposal filed pursuant to subsection (d) shall be deemed approved if the department does not issue an order on or before such date.

SECTION 80. Chapter 503 of the acts of 1982 is hereby repealed.

SECTION 81. Section 83B of chapter 169 of the acts of 2008, as inserted by section 12 of chapter 188 of the acts of 2016, as most recently amended by section 60 of chapter 179 of the acts of 2022, is hereby further amended by striking out the definition of "Firm energy delivery" and inserting in place thereof the following definition:-

"Firm energy delivery," dispatchable non-emitting energy provided in a long-term contract with guaranteed continuous availability at rated power for one or more discrete multi-day periods of extreme heat and cold weather, low non-dispatchable power production, or other grid contingencies, as designated by the department of energy resources, to ensure electric reliability and security in a zero-carbon electric system; provided, however, that "firm energy

delivery" may include, but shall not be limited to, energy from multiple non-emitting energy generation resources, surplus interconnection service and energy storage systems managed in a coordinated manner, in addition to other market services.

SECTION 82. Said section 83B of said chapter 169, as so amended, is hereby further amended by inserting after the definition of "Offshore wind generation" the following definition:-

"Surplus interconnection service", a form of interconnection service that allows a generation facility to use any unused capability, as such term is defined in Schedule 22 to the ISO-New England Tariff , established in an interconnection agreement for an existing generating facility that has achieved commercial operation such that if surplus interconnection service is utilized, the total amount of interconnection service at the same point of interconnection, as such term is defined in Schedule 22 to the ISO-NE Tariff , would remain the same; provided however, that the department shall amend the definition of "surplus interconnection service", and any terms therein, so that it conforms to subsequently adopted modifications to the references Schedule of the ISO-New England Tariff.

SECTION 83. Subsection (b) of section 83C of said chapter 169, as inserted by section 12 of chapter 188 of the acts of 2016, as most recently amended by section 61 of chapter 179 of the acts of 2022, is hereby further amended by striking out, the first time it appears, the figure "2027" and inserting in place thereof the following figure:- 2029

SECTION 84. Subsection (c) of section 83C of said chapter 169, as inserted by section 12 of chapter 188 of the acts of 2016, as most recently amended by section 61 of chapter 179 of the acts of 2022, is hereby further amended by inserting after the word "costs", the following words:-, including surplus interconnection service.

SECTION 85. Said subsection of said section 83C, as so amended, is hereby further amended by inserting after the word “delivery”, the following words:- , including surplus interconnection service.

SECTION 86. Subsection (e)(1) of said of section 83C, as so amended, is hereby further amended by inserting after the word “costs”, the second time it appears, the following words:- , including surplus interconnection service costs.

SECTION 87. Said subsection of said section 83C, as so amended, is hereby further amended by inserting after the word “possible”, the following words:- , including the use of surplus interconnection service,.

SECTION 88. Subsection (c) of section 83E of said chapter 169, as inserted by section 98 of chapter 239 of the acts of 2024, is hereby amended by inserting after the word “locations”, the following words:- and the efficient utilization of existing transmission infrastructure by the use of surplus interconnection service.

SECTION 89. Sections 34 and 112 of chapter 8 of the Acts of 2021 are hereby repealed.

SECTION 90. (a) Within 60 days of the effective date of this act, the department of public utilities shall issue guidance to the distribution companies as needed regarding the development of the flexible interconnection program required by section 156 of General Laws, as inserted by section 79.

(b) Within 180 days of the effective date of this act, the distribution companies shall file proposed model tariff provisions or tariff revisions and any other documents necessary to implement the required flexible interconnection program with the department.

(c) Prior to making the filing under subsection (b), the distribution companies shall:

(1) Convene a distributed energy resource industry stakeholder working group facilitated by 1 individual from such industry and 1 individual from a distribution company. The working group must include, in total: (i) 2 representatives from each electric distribution company; (ii) 1 or more representatives from both the department of energy resources and the office of the attorney general; and (iii) 6 representatives from the distributed energy resource industry, of which at least 1 representative will be from an organization representing hydropower generation in the commonwealth. The working group shall meet at least twice per month starting 30 days after the effective date of this act.

(2) Present draft versions of the documents to be included in the filing required under subsection (b) to the working group within 120 days of the effective date of this act, 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 the filing required under subsection (b) and an explanation of why the distribution company did not choose to adopt such proposals.

(3) Present draft versions of the documents to be included in the filing required under subsection (b) to the stakeholder group established in section 79, within 120 days of the effective date of this act, accept written and oral comments and allow stakeholders to propose modifications. The distribution companies shall include such comments and proposed modifications with the filing required under subsection (b).

(d) Upon receipt of the filing required under subsection (b), the department shall conduct a proceeding to investigate the flexible interconnection program proposal and approve, deny, or modify such proposal within one year of the effective date of this act. A flexible interconnection

program proposal filed pursuant to subsection (b) shall be deemed approved if the department does not issue an order on or before such date.

SECTION 91. Each electric company shall submit a supplement to the electric-sector modernization plan approved by the department not later than one year after the effective date of this Act. The supplement shall include the changes to subsections (c) and (d) of section 92B of chapter 164 of the General Laws made pursuant to Section 57. An electric company shall consult with the Grid Modernization Advisory Council established in section 92C of said chapter 164 of the General Laws no later than 120 days before the electric company files the supplement with the department; and provided further that the Grid Modernization Advisory Council shall return the supplement to the company with recommendations not later than 70 days before the company files the plan with the department.

SECTION 92. (a) Notwithstanding chapter 21N of the General Laws or any other general or special law to the contrary, when issuing a statement as to whether the commonwealth has complied with the 2030 statewide greenhouse gas emissions limits, in the instance that the state has not met said limits, the secretary of energy and environmental affairs shall include a formal assessment regarding the primary cause for non-compliance. If said cause is attributed to the actions or inactions of the federal government, then the interim statewide greenhouse gas emissions limits and sublimits established for 2030 pursuant to said chapter 21N of the General Laws shall be advisory in nature and unenforceable by or against the commonwealth or any other person.

(b) Notwithstanding chapter 21N of the General Laws or any other general or special law to the contrary, failure of the commonwealth to achieve the interim statewide greenhouse gas emissions limits or sublimits established for 2030 pursuant to said chapter 21N of the General Laws, as determined pursuant to subsection (a), or failure of the commonwealth, including but

not limited to its departments, agencies, authorities, commissions, political subdivisions, and their officers, employees, or agents, to promulgate regulations or adopt policy in pursuit of said greenhouse gas emissions limits and sublimits shall not (i) give rise to any cause of action by any person against the commonwealth, (ii) entitle any person to declaratory relief under sections 1 and 2 of chapter 231A of the General Laws, or (iii) entitle any person to relief in the nature of mandamus under section 5 of chapter 249 of the General Laws.

SECTION 93. Notwithstanding any special law to the contrary, where the commonwealth or any political subdivision thereof proffers land within its control by lease or ownership and sub-leases or conveys such land to an end user, developer, or operator public lands for the construction, operation, or maintenance of a thermal energy network, heat loop and related renewable energy generation, distribution, and transmission infrastructure project work, those leases or conveyances shall be conditioned upon the lessee or awardee's agreement to enter into fully executed labor peace agreements with any bona fide labor organization that seeks to represent the lessee or awardee's employees working on the project, as permitted by federal law.

Likewise, any funding, including grants and loans made by the commonwealth, including but not limited to those made through the Massachusetts clean energy technology center under chapter 23J, to support the construction, operation, or maintenance of a thermal energy network or heat loop within the commonwealth shall be conditioned upon the recipient's agreement to enter into a fully executed labor peace agreement with any bona fide labor organization that seeks to represent the recipient's employees working on the project as their exclusive bargaining representative, as permitted by federal law.

SECTION 94. Notwithstanding any general or special law, rule or regulation to the contrary, any new building construction or major renovation project within a municipality that has been approved to participate in the municipal fossil fuel-free demonstration program

pursuant to 225 C.M.R 24.00, shall not be eligible to receive incentives that promote the construction of all electric residential homes from programs developed pursuant to paragraph 2 of section 21 of chapter 25 of the general laws.

SECTION 95. (a) Notwithstanding any general or special law, rule or regulation to the contrary, program administrators of the approved energy efficiency plan, authorized under chapter 25, shall require household income verification for all eligible customers and renters in designated equity communities, as designated pursuant to the 2025-2027 three-year plan and any future three-year plan, to qualify for comprehensive low- and moderate-income rebates and incentives.

(b) To qualify for comprehensive low- and moderate-income rebates and incentives under subsection (a), a landlord 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 96. (a) Notwithstanding any general or special law, rule or regulation to the contrary, high voltage transmission line installations on highways with full control of access shall be permitted and may be constructed, placed, or maintained across any public right of way or along any highway, freeway, federally aided state highway, controlled access highway, interstate highway, or roadway, except as deemed necessary by the secretary of transportation to protect public safety or ensure the proper function of the highway. The utility owner shall in each case submit an application to the energy facilities siting board and department of transportation that demonstrates: (i) the accommodation will not adversely affect the safety, durability, construction, traffic operations, maintenance, or service life of the highway, (ii) the accommodation will not unduly interfere with or impair the present use or future expansion of the highway; (iii) access

for constructing and servicing utility facility will not adversely affect safety and traffic operations or damage any highway facility; (iv) consideration is given to planned future expansion of the highway; and (vi) consideration is given to ensuring the accommodation meets the criteria pursuant to subsection (b).

When a permittable route along a highway corridor has been identified by the department of transportation and the utility owner or developer, a constructability, access and maintenance report shall be prepared by the utility owner or developer. The department of transportation shall engage in consultation with the utility owner or developer in the creation of the report and shall include the terms and conditions for building the co-location project. Included within the report shall be an agreed upon timeframe for which there will not be any request by the department of transportation for relocation of the transmission line. If the department of transportation needs a transmission line in its right-of-way relocated, it shall give the utility a 10-year advance notice. The report must be approved by both parties prior to the department of transportation issuing a permit for use of the highway right-of-way.

In all cases of new longitudinal utility accommodations, whether for highways or non-highways, the utility owner shall obtain a highway access permit and install the utility facility in accordance with the approved permit.

If the energy facilities siting board denies a high voltage electric line co-location request, the reasons for the denial must be submitted for to the department of transportation, the department of public utilities, and made publicly available, within 90 days of the denial.

(b) In the siting of new electric transmission facilities, including high-voltage transmission lines, it is the policy of this state that the following corridors shall be considered in the following order of priority: (i) Existing utility corridors,

(ii) highway (interstate, freeway and state highways) and railroad corridors; and (iii) new corridors.

Permitting on priority corridors shall be done to the greatest extent feasible that is consistent with but limited to the following criteria: (i) economic and engineering considerations, (ii) reliability of the electric system, (iii) public safety, (iv) and the protection of the environment.

SECTION 97. Paragraph (4) of subsection (d) of section 21 of chapter 25 of the General Laws, as inserted by Section 9 of this Act, shall take effect upon its passage and apply to energy efficiency plans beginning with the 2028 to 2030 plan.

SECTION 98. By July 1, 2026, electric distribution companies, municipal aggregators and natural gas companies with energy efficiency investment plans approved by the department of public utilities pursuant to section 21 of chapter 25 of the General Laws, as so appearing, shall prospectively reduce budget spending in the 2025-2027 energy efficiency plan in the following manner: (i) the remaining 2025-2027 residential sector energy efficiency and electrification program budgets shall be reduced by $180,000,000 in the aggregate to better align the 2025-2027 statewide residential sector budget with the 2024 residential sector statewide budgets approved in the final order issued by the department in the 2022-2024 plan dockets on January 31, 2022. Such revised 2025-2027 term budgets shall maintain funding for low-income incentives committed to customers as of December 31, 2025; the remaining 2025-2027 three-year budget plan for marketing and advertising shall be reduced by not less than 50 per cent or $97,500, 000, whichever is greater, excluding the approved marketing and advertising budgets allocated to: (a) community first partnerships; (b) language access; (c) the statewide contact center; (d) workforce development; and (e) the maintenance of websites to support the Mass Save program and Mass Save data; and (iii) the remaining 2025-2027 three-year budget plan for administrative costs shall be reduced by not less than $50 million.

SECTION 99. Sections 1 to 2B, inclusive, 9 to 10A, inclusive, 11, 13, and 22 of chapter 142A of the General Laws, as amended by this Act, shall apply to residential solar electric system agreements entered into on or after 180 days after the enactment of this Act.

SECTION 100. Paragraph (1) of subsection (b) of section 23 of chapter 25A of the General Laws, as inserted by Section 21 of this Act, shall take effect no later than 1 year after the enactment of this Act.

SECTION 101. A permit granting authority that implements an alternative automated solar permitting platform pursuant to paragraph (1) of subsection (c) of section 23 of chapter 25A of the General Laws, as inserted by Section 21 of this Act, shall notify the department of energy resources of its intention to do so within 1 year of the enactment of this Act, and shall enable access to the alternative platform within 18 months of the enactment of this Act.

SECTION 102. A permit granting authority that allows submission of residential solar permit applications through the state automated platform pursuant to paragraph (1) of subsection (b) of section 23 of chapter 25A of the General Laws, as inserted by Section 21 of this Act, shall revise its permitting fee schedule to reflect the reduction in resources expended to permit residential solar energy systems within 2 years of the effective date of this Act.

SECTION 103. The department of public utilities shall direct the gas and electric distribution companies to commence the coordinated initiative pursuant to subsection (b) of Section 94 of chapter 164 of the General Laws, as inserted by Section 61 of this act, not later than 60 days after the effective date of this act.

SECTION 104. Section 65 of this Act shall take effect on November 1, 2026.

SECTION 105. Within 90 days of this Act's enactment, each electric distribution company in the Commonwealth deploying advanced metering infrastructure in their territories to

record customers' electricity usage information shall establish an "Energy Bill Watch" program pursuant to the new section 116C of chapter 164 of the General Laws, as inserted by Section 66 of this Act.