

Governor's Energy Affordability Bill Summary [H.4144](#)

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On May 13, 2025, Governor Healey filed her long-discussed energy affordability bill also known as [An Act relative to energy affordability, independence and innovation](#). The bill is the result of unusually high energy bills that many residents received this winter, and to rising housing costs and cost of living across the Commonwealth. The Governor suggests that the bill could reduce ratepayer costs by more than \$10 billion over the next decade. However, the bill is not a money bill. The Administration will be filing an environmental bond bill in the coming weeks, which will likely include a number of additional environmental policy provisions as well as funding for new and existing programs.

What Comes Next

After the bill was filed, it was referred to the Joint Committee on Telecommunications, Utilities and Energy Committee where it will be heard at some point in the coming months. The Committee will then consider the bill – likely adding, redrafting, and amending certain sections before it is reported out by the Committee.

MAPC Priorities Included in the Bill

- **Competitive Electric Supplier Changes** (Sections 12 – 19 and 21): Puts additional constraints on competitive electrical suppliers to protect consumers from exploitative practices. Changes include:
 - o Improving DPU oversight
 - o Barring variable billing rates
 - o Eliminating automatic renewals
 - o Establishing new licensing requirements for door-to-door and telemarketing firms, among others
 - o Increasing information transparency about average rates and protecting low-income customers from being billed at rates higher than default utility supply

- **Utility Shut-Offs** (Section 31): Establishes a moratorium on utility shut offs when temperatures exceed 85 degrees for three days.

Additional Policies of Notes

Consumer & Rate Related Programs

- **Mass Save Changes** (Sections 2-4): Some notable changes are:
 - o Explicitly reframes Mass Save into an energy efficiency and building decarbonization program.
 - o Removes the gas utilities from being Mass Save program administrators while still collecting charges from gas customers.

- Switches Mass Save's Three-Year Plan from several different utility plans organized into one statewide plan into a statewide plan with pooled funding across customer classes and service territories.
 - Formally mandates prioritization for moderate income, renters, and small businesses.
 - Clarifies that implementation partners of the Mass Save program administrators (which could include Community First Partnership) are authorized to access customer program participation data and that such data is not subject to public records production, which could allow for improved data sharing and outreach for CFP partners.
 - Enables the use of securitization for cost recovery.
- **Rate Disclosure** (Section 8): Requires clearer disclosure, primarily from competitive suppliers and aggregators on actual average rates charged, renewables content, and low-income customers.
- **Municipal Light Plants** (Section 10): Includes language that Municipal Light Plants (MLPs) must develop Building Decarbonization and Energy Efficiency Plans that offer customers similar programs and benefits to those available to municipalities served by Investor-Owned Utilities.
- **Wage Requirements for Thermal Workers** (Section 11): Creates certain wage requirements for non-utility employees that are constructing utility infrastructure in the public right of way.
- **Alternative Renewable Energy Portfolio Standard** (Section 9 and 58): Repeals the Alternative renewable energy portfolio standard, established in 2009, that offers opportunities for certain entities to receive an incentive for installing eligible alternative energy systems, which are not necessarily renewable, but contribute to the Commonwealth's clean energy goals by increasing energy efficiency and reducing the need for conventional fossil fuel-based power generation. Section 58 requires DOER to ensure a smooth transition for qualified generation units prior to its repeal on January 1, 2028.
- **Public Website on Available Retail Electricity Supply Rates** (Section 21): Retail electrical suppliers must list all products available to residential customers on a state-run website and all customer enrollments must be processed via the website or through a related platform established by the department.
- **Electric-Sector Modernization Plans** (Section 29): Makes the utilities more accountable and transparent to the Grid Modernization Advisory Council (GMAC) and the public about Electric Sector Modernization Plans (ESMPs). It also requires that they file a climate

vulnerability and resilience plan, among other requirements. It also includes load management and virtual power plant plan provisions.

- **Net Metering** (Sections 33 – 39): Provides a number of changes to govern this existing statute including:
 - o Removes the transition charge from what a net metering credit may offset.
 - o It also establishes a new cross-cutting class of net metering facilities beginning in 2026.
 - o Cuts the compensation rate for larger net metered systems but exempts small residential/commercial systems (<25 kW) and public entities.
 - o Requires all net metered systems to also apply to the new version of SMART.
 - o It is unclear what the impact of this incentive reduction will be on the financial viability of future net metered projects, especially community solar projects.

- **Discounted Energy Rates, Geothermal, Microgrids, & the Future of Gas Workers** (Section 41): This section does a number of notable things including:
 - o Replaces previous language around discounted low/moderate income rates that was repealed earlier in the bill (Section 17 (c.164 §1F(4))
 - o Compared to the original language in c.164 §1F(4), the new language clearly incorporates gas discounts, does not allow for re-verification of eligibility more than once every two years, and provides additional clarifications and flexibility.
 - o Enables gas utilities to build geothermal systems serving individual customers.
 - o Establishes DPU supervision over networked geothermal construction and operation.
 - o Requires a just transition plan especially for gas workers in the climate compliance plan submissions as gas companies strive to hit net zero emissions.
 - o Establishes the flexible interconnection program and stakeholder engagement requirements for developing the program.
 - o Clarifies opportunities for public sector/critical facility microgrids and allows them to own and operate microgrids and connect across public right of ways.,

- **Landlord Energy Monitoring Requirements** (Section 43): Landlords installing central heat pumps may install approved energy monitoring systems to submeter tenants for their share of energy usage. If an energy monitoring system is installed by a landlord in a residential unit to monitor tenant energy, it must be tested for accuracy by an accredited association. Landlords must also certify to the local board of health that all units are in compliance with this section. It is unclear how this provision will protect tenants from cost burden increases if the landlord begins to directly submeter heating/cooling usage that was previously included in rent without making a rent adjustment.

- **Inclusive Utility Investment Program** (Section 52): Allows utilities to offer tariff-based financing programs for the construction of energy efficiency upgrades, high-efficiency electric

heat pumps, energy storage systems, demand response equipment, on-site solar energy generation equipment, and more, provided that customers realize immediate electricity savings. It also allows distribution companies to raise capital independently, and work with third-party lenders to secure the capital for participants as long as it passes on maximum savings to participants. It also requires distributors to consult with DOER, MassCEC, and the AGO on the creation of these programs.

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Electric Grid & Interconnections

- **Electric Grid Connection** (Section 51): Tasks EEA and EOED with convening a number of other stakeholders to develop long-term solutions to address delays in connecting new electric customers to the electric grid for the purposes of economic development and housing and develop recommendations to accelerate connections.
- **Flexible Interconnection Program Guidance** (Section 55): Requires DPU to issue guidance to electric distribution companies on developing the flexible interconnection program within 6 months.

New Clean Energy

- **Clean Energy Procurement Department** (Sections 5 and 6): Establishes a clean energy procurement division within the Department of Energy Resources and clarifies its procurement authority and responsibilities.
- **Municipal Participation in DOER Procurements** (Section 10): DOER's expanded procurement authority allows for coordination with municipalities, municipal light plants, municipal aggregation programs, and other governmental/non-governmental organizations, which could provide a new pathway for municipalities to access new local renewable energy resources.
- **Geothermal Loops Serving Individual Customers** (Section 13, 41, and 54): Beyond networked geothermal, gas utilities may sell geothermal energy to individual customers in the municipalities they serve if approved by DPU. DPU must also study whether gas companies can build, own, and operate geothermal heat loops for individual customers that reside in municipalities that are not currently served by a gas company. It will also investigate how these gas companies can use fees on the customers served to recover costs.
- **Financing Orders** (Section 20): Creates a special state financing entity that can guarantee rate reduction bonds issued by the utilities that will finance "transition" costs associated with

decarbonization. It would lower the cost of these investments somewhat by spreading out the timeframe for repayment (up to 30 years) and financing them through lower cost bonds.

- **Competitive Energy Procurement** (Section 32): Expands competitive energy procurement opportunities through c. 164 § 137 to building or transportation electrification, energy management services, distributed energy resources or renewable energy projects.
- **Nuclear Energy** (Section 45): Repeals 1982 law that requires any proposed new nuclear facility receive approval through a statewide ballot initiative. The press has suggested that this would only be to allow smaller reactors, not Pilgrim-sized plants.
- **Electric Vehicle & Electric Heat Affordability** (Section 50): Requires DPU to review each reconciliation charge for electricity and gas for relevance and appropriateness and to help with EV and electric heat adoption.
- **Microgrids** (Section 56): Requires DPU to examine existing barriers to the deployment of facility microgrids and provide potential solutions to these barriers and establishes additional requirements surrounding implementation.