



Commonwealth of Massachusetts
Executive Office of
Energy and Environmental Affairs

Energy Affordability: What Massachusetts Is Doing to Drive Down Costs

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FOCUS ON ENERGY AFFORDABILITY

- Took hard look at existing spending, programs, and policies to understand what is driving costs.
- Key findings:
 - Transmission and distribution infrastructure investments are biggest cost drivers – and are expected to continue growing
 - Energy supply costs are driven by natural gas prices – both magnitude of costs and volatility
 - Energy efficiency grew at slower pace than other parts of the bill; it can be provided more efficiently and paid for differently
- Filed the Energy Affordability, Independence and Innovation (EAI) Act, which establishes a holistic approach to rein in infrastructure spending, eliminate fees and charges, and leverage technology and policy innovation to:
 - Lower Bills
 - Stabilize Prices
 - Avoid Spending
 - Bring More Energy Online



Get Costs Off Bills | Saves \$6.9 Billion

- Phase out alternative portfolio standard bill charge
- Reduce net metering credit
- Pay for programs like Mass Save differently
- Reform existing rates and charges



Create Accountability | Saves \$2.5 Billion

- Provide more oversight of costly transmission projects
- Restrict costs that utilities can recover from ratepayers
- Authorize utility management audits
- Require utilities to comprehensively plan and minimize grid costs



Bring More Energy into Massachusetts | Saves \$200 Million

- Expand state energy procurement authority
- Provide flexibility to set supply rates
- Allow customers to connect faster to the grid
- Reduce barriers to small nuclear technologies



Empower Customers to Lower Bills | Saves \$900 Million

- Protect customers from predatory electricity marketing and pricing
- Reduce upfront costs to building geothermal
- Reform low- and moderate-income discount rates
- Establish new financing tools for customers to efficiently heat and cool buildings
- Make Mass Save more efficient and responsive



Power Innovation and Growth

- Create clean energy ready zones to accelerate development
- Share benefits of infrastructure investments with ratepayers and communities

LEVERAGING POLICY AND TECHNOLOGY INNOVATION TO DRIVE AFFORDABILITY AND PRICE STABILITY

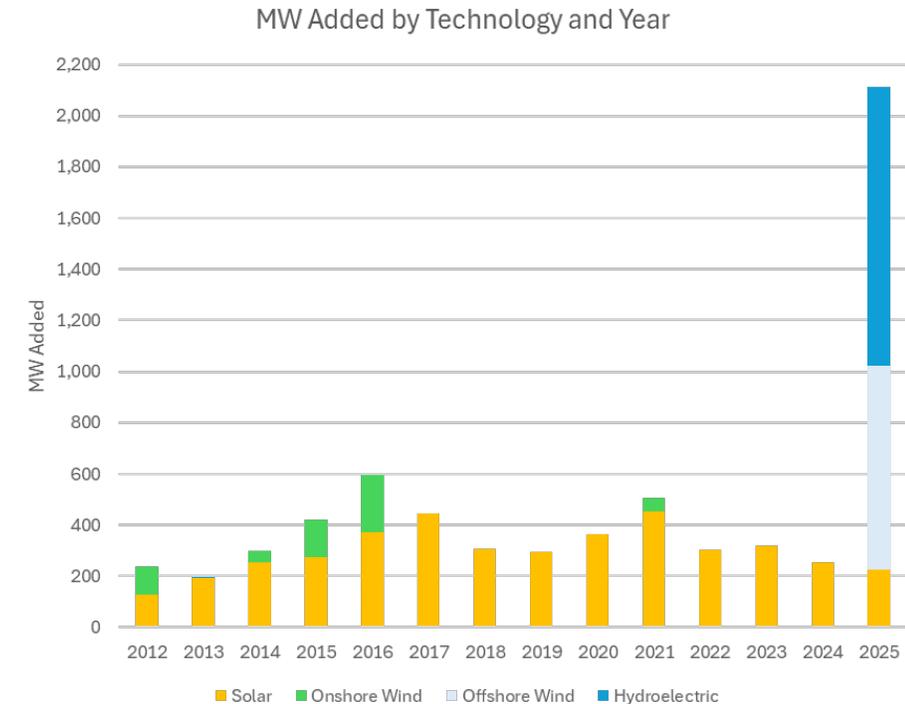


■ What we have done

- Permitting and siting reform to get more supply on-line faster and cheaper
- Heat pump rates to reduce heating costs
- Comprehensive review of rates and rate design to help stabilize and reduce bills
- Deployed of thousands of megawatts of new energy supply and demand response/ efficiency
- Reformed gas distribution system investment programs and policies to save billions on infrastructure costs

■ What EAI does.....

- Optimizes investments and avoids unnecessary spending by requiring comprehensive distribution system and load management planning and increasing accountability and oversight
- Revamps energy procurement process to eliminate fees paid to utilities and expands opportunities to procure the cheapest, cleanest, least volatile energy
- Leverages smart technologies and energy management systems to enable flexible interconnection to get energy resources and load connected faster and cheaper
- Enables innovative financing to reduce bills and provide direct benefits for customers and communities
- Establishes clean energy ready zones to enable “speed to power” for C&I customers
- Enables more efficient heating and cooling, including through new utility offerings to advance thermal energy systems, provide for on-bill financing, and create new opportunities for energy from digesters





Thank You

- <https://www.mass.gov/info-details/the-energy-affordability-independence-and-innovation-act>
 - [Getting Costs Off Bills](#)
 - [Bringing More Energy Into Massachusetts](#)
 - [Supporting the Customer](#)
 - [Powering Innovation and Smart Growth](#)
 - [Creating Accountability](#)

