

HOUSE No. 2818

The Commonwealth of Massachusetts

PRESENTED BY:

Daniel Cahill

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to consumer choice.

PETITION OF:

NAME:

Daniel Cahill

DISTRICT/ADDRESS:

10th Essex

HOUSE No. 2818

By Mr. Cahill of Lynn, a petition (accompanied by bill, House, No. 2818) of Daniel Cahill relative to electric utility consumer choice . Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act relative to consumer choice.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 134 of Chapter 164 of the general laws is hereby amended by
2 inserting the following: “(c) The department of housing and community development shall
3 establish a load aggregation program to aggregate the electrical load of low-income electricity
4 consumers within the service territory boundaries of each and every distribution company within
5 the commonwealth provided, however, that such aggregation shall not include electrical load
6 served by an existing municipal lighting plant, nor shall such aggregation include electrical load
7 served by an existing competitive supplier. For purposes of this subsection, “low-income
8 electricity consumer” shall mean those customers eligible to be served pursuant to the
9 distribution company tariff applicable to residential low-income retail delivery service. For
10 purposes of this subsection, the department of housing and community development may group
11 low-income electricity consumers within a distribution company service territory to solicit bids,
12 broker, and contract for electric power and energy services for such customers and may enter

13 into agreements for services to facilitate the sale and purchase of electric energy and other
14 related services.

15 When acting in its capacity pursuant to this subsection, the department of housing and
16 community development shall not be considered a utility engaging in the wholesale purchase and
17 resale of electric power. Providing electric power or energy services to aggregated customers
18 pursuant to this subsection shall not be considered a wholesale utility transaction. The provision
19 of aggregated electric power and energy services as authorized by this subsection shall be
20 regulated by any applicable laws or regulations which govern aggregated electric power and
21 energy services in competitive markets.

22 In carrying out its obligations under this subsection, the department of housing and
23 community development shall, in consultation with the department of energy resources, pursuant
24 to section 6 of chapter 25A, develop a plan detailing the process and consequences of
25 aggregation. Such load aggregation plan established pursuant to this subsection shall provide for
26 universal access, reliability, and equitable treatment of all low-income customers and shall meet
27 any requirements established by law or the department concerning aggregated service. Said plan
28 shall be filed with the department, for its final review and approval, and shall include, without
29 limitation, an organizational structure of the program, its operations, and its funding; rate setting
30 and other costs to participants; the methods for entering and terminating agreements with other
31 entities; the rights and responsibilities of program participants; and termination of the program.
32 Prior to its decision, the department shall conduct a public hearing.

33 Participation by any low-income customer in a load aggregation program established
34 pursuant to this subsection shall be voluntary. Within 30 days of the date the aggregated entity is

35 fully operational, such ratepayers shall be transferred to the aggregated entity according to an
36 opt-out provision herein. Following approval of the aggregation plan and implementation of such
37 plan as provided above, such program shall allow any low-income electricity consumer to opt-
38 out and choose any supplier or provider such low-income electricity consumer wishes. Once
39 enrolled in the aggregated entity, any low-income electricity consumer choosing to opt-out
40 within 180 days shall do so without penalty and shall be entitled to receive basic service as if he
41 was originally enrolled therein. Nothing in this section shall be construed as restricting the ability
42 of a low-income electricity consumer to obtain or receive service from any authorized provider
43 thereof.

44 It shall be the duty of the aggregated entity to fully inform participating low-income
45 electricity consumers in advance of automatic enrollment that they are to be automatically
46 enrolled and that they have the right to opt-out of the aggregated entity without penalty. In
47 addition, such disclosure shall prominently state all charges to be made and shall include full
48 disclosure of the basic service rate, how to access it, and the fact that it is available to them
49 without penalty. The department of energy resources shall furnish, without charge, to any low-
50 income electricity consumer a list of all other supply options available to them in a meaningful
51 format that shall enable comparison of price and product.

52 The department of housing and community development shall, within two years of
53 approval of its plan or such further time as the department may allow, provide written notice to
54 the department that its plan is implemented.

55 SECTION 2. Section 1D of Chapter 164 of the general laws is hereby amended by
56 striking the words “(1) single bill from the distribution company that shows such charges; or (2)

57 two bills: one from the non-utility supplier that shows energy-related charges, and one from the
58 distribution company that shows distribution-related charges;” and inserting in place thereof the
59 following: “(1) single bill from the distribution company that shows such charges; (2) single bill
60 from the non-utility supplier that shows such charges; or (3) two bills: one from the non-utility
61 supplier that shows energy-related charges, and one from the distribution company that shows
62 distribution-related charges. The department shall direct each distribution company to
63 implement such changes as are necessary to enable non-utility suppliers to begin issuing a single
64 bill as provided above no later than December 31, 2020. Costs incurred by a distribution
65 company to implement and maintain the three billing options as provided above may be
66 recovered by such distribution company in a base rate case following the incursion of such
67 costs.”

68 SECTION 3. Section 1D of Chapter 164 of the general laws is hereby further amended
69 by striking the words “Residential or small commercial customers: (a) initiating new utility
70 service; (b) reinstating service following a change of residence or business location; (c) making
71 an inquiry regarding their rates; or (d) seeking information regarding energy efficiency shall be
72 offered the option to learn about their ability to enroll with a participating non-utility competitive
73 supplier of energy. Customers expressing an interest in learning about their electric supply
74 options shall be informed of offers available by participating non-utility competitive suppliers.
75 The electric distribution company shall describe then available offers available through a method
76 approved by the department;” and inserting in place thereof the following: “Residential or small
77 commercial customers: (a) initiating new utility service; or (b) reinstating service following a
78 change of residence or business location shall be enrolled for electricity service with the supplier
79 of his choice among qualifying offers from competitive suppliers presented to the customer at the

80 time of enrollment. Such qualifying offers shall be designated by the department based on the
81 following criteria: (1) likely value to the customer over the course of the contract; (2) additional
82 benefits, other than price, provided to the customer during the term of the contract; and (3) the
83 managerial, operational and financial strength of the supplier making the offer. Basic service
84 shall not be considered a qualifying offer for purposes of this section, provided that customers
85 enrolled with a supplier pursuant to this section may switch to basic service or to service
86 provided by another supplier at any time during the term of the contract with the supplier with
87 whom the customer is initially enrolled without penalty. Any customer reinstating service
88 following a change of residence or business address who was being served by a competitive
89 supplier at his previous address shall continue to be served by such supplier provided that the
90 customer's contract with such supplier would otherwise have continued in force but for the
91 change in address. A residential customer terminating service with a competitive supplier solely
92 as a result of a change in residence shall not be assessed an early termination fee or penalty by
93 such competitive supplier.

94 SECTION 4. Subsection 1F(8)(a) of Chapter 164 of the general laws is hereby amended
95 by adding the following: "(x) A residential customer who affirmatively chooses a generation
96 company or its affiliate, subsidiary, or parent company, or a supplier or aggregator as provided in
97 this section shall have the right to have such affirmative choice executed by the customer's
98 distribution company by providing a valid government-issued or alternate form of identification,
99 both of which shall include a photograph, to a competitive supplier if the consent to the change
100 in supplier is provided by the residential customer at a location other than said customer's
101 service address. The competitive supplier shall attest to the distribution company that a valid
102 government-issued or alternate form of identification was provided along with the residential

103 customer's service address. A residential customer shall not be required to provide a distribution
104 company account number or point of delivery identification number where a valid government-
105 issued or alternate form of identification was provided, provided that consent to the change in
106 supplier is provided by the residential customer at a location other than the residential customer's
107 service address; (xi) the provisions of the preceding subsection (x) shall apply with equal force to
108 changes in the choice of supplier consented to by a residential natural gas customer.”