

**HOUSE . . . . . No. 4045**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Erika Uytterhoeven*

*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 establishing an arrearage relief fund.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>2/19/2021</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>3/19/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>7/29/2021</i>

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By Ms. Uytterhoeven of Somerville, a petition (accompanied by bill, House, No. 4045) of Erika Uytterhoeven, Mike Connolly and Lindsay N. Sabadosa for legislation to provide universal arrearage relief to the ratepayers of the Commonwealth to address utility debts as a result of the COVID-19 pandemic emergency. Telecommunications, Utilities and Energy.

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**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
\_\_\_\_\_

An Act establishing an arrearage relief fund.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith universal arrearage relief to the ratepayers of the commonwealth to address mounting utility debt as a result of the COVID-19 pandemic emergency, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*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. Chapter 164 of the General Laws is hereby amended by adding the  
2 following section:-

3 Section 149. (a) As used in this section, the following words shall, unless the context  
4 clearly requires otherwise, have the following meanings:-

5 “Fee”, the greenhouse gas pollution fee established in subsection (c).

6 “Fossil fuel generated electricity”, electricity used in the commonwealth that is generated  
7 by oil, coal, natural gas, petroleum products or biomass.

8 “Fund”, the Utilities Arrearage Relief Trust Fund established in subsection (b).

9 “Low income”, a household income of not more than 80 per cent of the area median  
10 income, adjusted for household size, as periodically determined by the United States Department  
11 of Housing and Urban Development.

12 “Non-transportation fossil fuel”, oil, coal, natural gas, petroleum products and biomass  
13 for combustion of any purpose except transportation

14 (b) There shall be established and set up on the books of the commonwealth a separate  
15 fund to be known as the Utilities Arrearage Relief Trust Fund. There shall be credited to the fund  
16 all amounts collected pursuant to subsection (c) and any income derived from the investment of  
17 amounts credited to the fund. All amounts credited to the fund shall be held in trust and shall be  
18 available for expenditure, by the department for providing utilities arrearage relief, including  
19 utility costs, benefits and arrearages, pursuant to subsections (e) and (f). No monies in the fund  
20 shall be expended fund government operations of the commonwealth, except to pay for  
21 reasonable administrative costs as provided under this section.

22 After the payment of utility costs, benefits and arrearages pursuant to said subsections (e)  
23 and (f), any remaining monies in the fund shall be expended annually to low income residents of  
24 the commonwealth in the form of rebates until December 31, 2025. The department shall set the  
25 amount of the individual rebates to residents; provided, that each eligible resident shall receive  
26 an equal rebate. The department shall coordinate with the department of revenue, the executive  
27 office of health and human services, the executive office of housing and economic development  
28 and other agencies in making all reasonable efforts to identify the names and addresses of all  
29 eligible residents.

30 On January 1, 2026, after the payment of utility costs, benefits and arrearages pursuant to  
31 said subsections (e) and (f), any remaining monies in the fund shall be expended to fund  
32 renewable energy projects through the commonwealth's climate roadmap.

33 Any unexpended balance in the fund at the close of a fiscal year shall remain in the fund  
34 and shall be available for expenditure in the following fiscal year. Annually, not later than  
35 December 1, the department shall issue a report to the clerks of the senate and house of  
36 representatives and to the chairs of the senate and house committees on ways and means on the  
37 fund activities including, but not limited to, amounts credited to the fund, amounts expended  
38 from the fund, and any unexpended balance.

39 (c) There shall be a greenhouse gas pollution fee imposed on non-transportation fossil  
40 fuel. The fee shall be assessed pursuant to the following schedule:

41 (1) until December 31, 2025, \$60 per ton of carbon dioxide equivalent;

42 (2) for calendar year 2026, \$65 per ton of carbon dioxide equivalent;

43 (3) for calendar year 2027, \$70 per ton of carbon dioxide equivalent;

44 (4) for calendar year 2028, \$75 per ton of carbon dioxide equivalent;

45 (5) beginning calendar year 2029, \$80 per ton of carbon dioxide equivalent;

46 The fee shall be collected at the initial point of sale of the non-transportation fossil sale in  
47 the commonwealth. The fee collected pursuant to this section shall not be passed on as a direct  
48 cost to an end user of a fossil fuel. The department shall not approve an increase in rates on the  
49 basis of the fee collected pursuant to this section.

50 Using the best information and science reasonably available, the department shall, in  
51 consultation with the executive office of energy and environmental affairs and its divisions,  
52 departments, offices and bureaus, determine whether to identify any greenhouse gas-emitting  
53 substance or source intended for any purpose other than transportation, in addition to natural gas,  
54 petroleum, coal and their derivatives, as being a fossil fuel subject to the fee.

55 Emissions from farm animals and crops shall not be subject to the fee.

56 The fee shall not be imposed on any greenhouse gas-producing substance if the  
57 imposition is prohibited by federal law or regulation.

58 (d) (1) Each electric company, gas company, supplier and distribution company shall pay  
59 the fee on behalf of all of their electricity customers on the basis of each kilowatt-hour of  
60 electricity used by each distribution customer.

61 (2) The per-kilowatt-hour fee to be paid by the electric company and distribution  
62 company for retail electricity sold to electric customers in the commonwealth shall be based on  
63 the carbon intensity of the fuel mix that generated those kilowatt-hours of electricity, regardless  
64 of whether the generation sources are in-state or out-of-state.

65 The electric company and distribution company shall determine the carbon intensity of  
66 the fuel mix using the United States Energy Information Administration carbon dioxide  
67 emissions coefficients by fuel.

68 (3) The electric company and distribution company shall deduct from the fee an amount  
69 equal to the net amount the electricity supplier paid for the same year for regional greenhouse  
70 gas initiative allowances related to electricity sold in the commonwealth.

71 (4) The amount deducted pursuant to paragraph (3) may not exceed the total amount of  
72 the fee calculated pursuant to paragraph (1).

73 (5) A gas company shall pay the fee for all natural gas that the company distributes for  
74 combustion in the commonwealth. The fee shall be calculated by multiplying the number of  
75 cubic feet of natural gas used by each customer by the amount of carbon dioxide equivalents  
76 released by burning 1 cubic foot of natural gas, as that value is determined by the United States  
77 Energy Information Administration carbon dioxide emissions coefficients by fuel.

78 (6) Each electric company, distribution company or gas company shall reconcile annual  
79 fees paid at least once each year.

80 (7) The department shall, in consultation with the secretary of energy and environmental  
81 affairs, determine the amount of emissions, as carbon dioxide equivalents, from escaped or  
82 intentionally released methane due to the extraction, processing or transport of natural gas before  
83 the point of combustion in the state, and may add an additional fee to the fee for all natural gas or  
84 natural gas-based electricity.

85 (8) The fees collected pursuant to this section shall be deposited by the department into  
86 the fund accordance with this paragraph.

87 (9) Each company and supplier shall pay the fee no later than 30 days from the date of the  
88 notice of the fee amount from the department. Failure to pay the fee within 30 days may, at the  
89 discretion of the department, result in the imposition of an additional fine, the amount to be  
90 determined at the discretion of the department.

91 (e) The department shall use the fund to pay off 100 per cent of all arrearages incurred by  
92 ratepayers of distribution companies, electric companies, gas companies and suppliers between  
93 the period of March 1, 2020 to effective date of this section, to be paid over a period of 5 years  
94 from the effective date of this section.

95 To be eligible for receiving assistance from the fund, municipal lighting plants shall  
96 submit to the department arrearage information incurred between March 1, 2020 to the effective  
97 date of this section.

98 (f) The department shall use the fund to pay off 50 per cent of all residential electric and  
99 gas ratepayer bills from the effective date of this section until December 31, 2025. Distribution  
100 and gas companies shall deduct 50 per cent of the customer bill at the time of billing to  
101 residential ratepayers. The remaining 50 per cent of the bill shall be reimbursed by the  
102 department through the fund.

103 SECTION 2. The department of public utilities shall ensure that distribution and gas  
104 companies are enrolling ratepayers in their arrearage management plans, as outlined in their  
105 revised plans submitted in June 2020 to the department and detailed in department of public  
106 utilities docket number 20-58, through publicly accessible events and communication that follow  
107 the executive office of energy and environmental affairs 2017 environmental justice policy. If an  
108 investor owned utility fail to enroll 100 per cent of their arrearage management plan eligible  
109 ratepayers into the program by Dec 31, 2022, the department shall determine and impose an  
110 annual fine, until an investor owned utility achieves 100 per cent enrollment of arrearage  
111 management plan eligible ratepayers except ratepayers who choose to opt out of the arrearage  
112 management plan.

113           Each distribution company shall conduct substantial outreach efforts to make their  
114 arrearage management plans available to eligible customers and shall report to the department, at  
115 least annually, as to its outreach activities and results. Outreach may include establishing an  
116 automated program of identifying customer accounts with a qualifying amount of debt and to  
117 presumptively offer enrollment in an arrearage management plan to eligible customers so  
118 identified; provided, however, that the distribution company, within 60 days of said presumptive  
119 enrollment, informs any such customer of said presumptive enrollment and all rights and  
120 obligations of a customer under said program, including the right to withdraw from said program  
121 without penalty.

122           Each distribution company shall periodically notify all customers of the availability and  
123 method of enrolling in an arrearage management plan.

124           The department shall promulgate rules and regulations requiring utility companies  
125 organized pursuant to this chapter 164 of the General Laws to produce information, in the form  
126 of a mailing, or other approved method of distribution, to their consumers, to inform them of  
127 available arrearage management programs, and send out such information semi-annually, unless  
128 otherwise provided by this act.

129           All outreach and mailings related to arrearage management programs shall be made  
130 available in English, Spanish, Chinese, Haitian Creole, Italian, Portuguese, Vietnamese, Laotian,  
131 Khmer, Russian and any other language that is the primary language of at least 10,000 or 1/2 of 1  
132 per cent of the residents of the commonwealth.

133           SECTION 3. The department of public utilities shall establish a moratorium on all  
134 electric and gas rate increases, including those already approved by the department, for a period



135 of 2 years from the effective date of this act; provided, that nothing in this act shall be construed  
136 as changing the rate-setting procedure as set forth in chapters 25 and 164 of the General Laws  
137 and title 220 of the code of Massachusetts regulations.

138 SECTION 4. The department of public utilities shall, in consultation with the department  
139 of environmental protection and the department of energy resources, assess and collect the initial  
140 fees pursuant to section 1 required for the full funding and operation of the Utilities Arrearage  
141 Relief Trust Fund, established pursuant to section 149 of chapter 164 of the General Laws, not  
142 more than 90 days after the effective date of this act.

143 SECTION 5. The department of public utilities shall promulgate rules and regulations  
144 and shall perform such functions as necessary for the administration, implementation and  
145 enforcement of this act; provided, that the department shall promulgate rules and regulations for  
146 sections 2 and 3 within 90 days of the effective date of this act.