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RE: Legislation on Energy Affordability and Utility Reform

Dear Chair Barrett, Chair Cusack, and Members of the Conference Committee:

I want to thank you, House and Senate leadership, and all members for your work to make energy bills in Massachusetts more affordable. I appreciate you convening to begin deliberations to reconcile H.5175 and S.3166 and the recognition that households and businesses urgently need relief. I encourage you to take swift action to deliver a bill for our residents that enables us to further rein in utility spending and profits and get more energy built quickly.

Rising utility costs are affecting economic growth, job creation, and the ability of our residents to achieve the quality of life they want and deserve. The federal government is increasing energy costs across the country with its efforts to stymie clean, affordable resources like offshore wind and its poorly conceived war in Iran. We recently saw the consequences firsthand. Electricity supply costs have increased as conflict in the Middle East and concerns about the Strait of Hormuz have driven up natural gas and oil prices. Given New England's heavy reliance on natural gas and oil to generate electricity and heat buildings, higher global gas and oil prices translate into higher energy costs for consumers.

That is why we need to do everything we can to bring more local sources of energy online quickly—including solar, wind, nuclear, and geothermal. We also need more flexibility in when and how we buy electricity. Today, we are unable to respond to market conditions. That needs to change.

The bill I introduced, and the legislation passed by both chambers, includes provisions to modernize procurement policies, accelerate the development of new energy resources, and lower the cost of purchasing electricity—helping reduce what Massachusetts families and businesses ultimately pay on their electric bills.

But rising electric and gas bills are also being driven by decisions of utility executives to exponentially increase spending and squeeze out more-and-more profit.

I want to be clear: I deeply appreciate the men and women who keep our utility systems running every day and recognize the need for continued investment to support growing demand and maintain safety. But something else is happening that is not about workers, reliability, safety, or customers.

Since I filed legislation in May of 2025, utility profits continue to grow and so do the payouts to shareholders. Management continues to celebrate massive amounts of new investment and earnings on calls with Wall Street. And, with every rate case they file with the Department of Public Utilities, they propose more spending and higher profits.

Utilities are out of step with the financial realities facing their customers.

This has to stop.

Over the past several years, Massachusetts gas and electric utilities have asked for billions in rate increases, seeking profits as high as 10.75%. I opposed those increases and profit levels because I believed they went too far and the DPU agreed. Since 2024, the DPU has ratcheted down allowed utility profits to their lowest level in more than a decade. But they are still too high. Recently, I joined other New England governors calling on utilities to return more than $1.5 billion owed to customers from excessive transmission profits collected over the past decade. The utilities need to stop waging legal battles and give this money back to customers. They should also withdraw their petition to federal regulators for even larger profits going forward.

These are just some examples of utilities continuing to operate under a "business-as-usual" mentality. If they will not adjust to the reality everyone else is living in, then we must do more.

I greatly appreciate that the House and Senate have included many provisions to rein in utility spending, reduce outsized profits, and make the utilities further justify investments. I urge the Conference Committee to include the following provisions in a final package, which are in one or both bills and generally aligned with the legislation I filed in May 2025:

- *Reform how utilities buy electricity supply* to ensure they get the best deals and limit how often they can change what they charge customers.

- *Expand the Department of Energy Resources' energy procurement authority and eliminate the remuneration payments to utilities* to get rid of hundreds of millions in extra fees, support more clean energy deployment, and get the best deals for ratepayers.

- *Require comprehensive system, integrated energy, grid utilization, and load management planning* to avoid unnecessary infrastructure spending, maximize the use of the existing grid, and stop utility gold plating.

- *Enable large customers to affordably deploy geothermal systems, access clean energy, and connect to the grid faster* to lower costs for all customers, increase energy independence, drive innovation, and create good paying, union jobs.

- *Make it easier for companies other than utilities to offer products and services that get more out of the grid and lower electric demand* to reduce the amount of energy we buy and avoid costly infrastructure spending.

- *Phase out and/or reduce the costs of clean energy programs* (e.g., the Alternative Portfolio Standard, and Net Energy Metering and the Renewable Energy Portfolio Standard, respectively) to eliminate charges and lower bills.

- *Reform the residential competitive supply market* to stop predatory marketing, price gouging, and increase enforcement authority for regulators to pursue bad actors.

- *Hold utilities accountable through spending prohibitions, management audits, and review of transmission investments* to make sure they are working in the ratepayer interest, not investors or management.

- *Eliminate the utility profit adder for participating in a regional transmission organization* to save ratepayers money and align with other New England states.

- *Repeal the ballot initiative requirement for new nuclear* to enable additional reliable, affordable, and clean energy supplies and create good paying, union jobs.

- *Enable innovative financing mechanisms to provide low-cost financing options* to customers for clean energy and energy efficiency to reduce program costs, to return a portion of utility profits to ratepayers instead of shareholders, and to reduce the carrying charges for some utility spending.

- *Authorize community microgrids and prevent utility shutoffs* to enhance community resilience and public safety during extreme weather.

- *Modernize interconnection, solar access, and oversight* to cut unnecessary bureaucracy by streamlining permitting and inspections, making use of existing easements along transportation corridors, authorizing plug-in and portable solar, strengthening consumer protections, providing payment flexibility, and establishing a common application for distributed generation facilities.

- *Prioritize ratepayer benefits and energy savings in Mass Save* to make it more responsive, affordable and accessible to customers, hold program administrators accountable for staying within budget, and reduce the need for costly new infrastructure and energy supplies.

- *Reform customer discount rates* to ensure equity in how costs are recovered and reduce bill volatility for all customers.

- *Promote price transparency* to ensure ratepayers know what they are paying for and can make informed decisions.

- *Ensure data centers fully pay for their energy and water costs and act responsibly* to protect ratepayers, communities, and the environment and ensure that, if they get public incentives, they provide tangible benefits to residents, workers, and local businesses.

Collectively, these provisions provide the legislative authorities and statutory changes needed to lower bills for all customers by further holding utilities accountable, getting energy built and online faster, giving households and businesses greater control of their energy costs, protecting consumers, and creating jobs.

I thank you and your colleagues in the Legislature for the work you have done thus far, and I urge the Conference Committee to advance a bill that reflects these priorities to deliver meaningful relief.

Thank you,

M Healey

Maura Healey

Governor

CC:

The Honorable Karen Spilka, Senate President
The Honorable Ronald Mariano, Speaker of the House