

SENATE No. 1938

The Commonwealth of Massachusetts

PRESENTED BY:

Cynthia Stone Creem

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 to establish rate options to reduce customer costs and lower peak demand.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | |
|--------------------------------|---------------------------------------|------------------|
| <i>Cynthia Stone Creem</i> | <i>First Middlesex and Norfolk</i> | |
| <i>William N. Brownsberger</i> | <i>Second Suffolk and Middlesex</i> | <i>1/28/2019</i> |
| <i>Jennifer E. Benson</i> | <i>37th Middlesex</i> | <i>1/29/2019</i> |
| <i>Jack Patrick Lewis</i> | <i>7th Middlesex</i> | <i>1/31/2019</i> |
| <i>Denise Provost</i> | <i>27th Middlesex</i> | <i>1/31/2019</i> |
| <i>James B. Eldridge</i> | <i>Middlesex and Worcester</i> | <i>2/1/2019</i> |
| <i>Marc R. Pacheco</i> | <i>First Plymouth and Bristol</i> | <i>2/1/2019</i> |
| <i>Rebecca L. Rausch</i> | <i>Norfolk, Bristol and Middlesex</i> | <i>2/1/2019</i> |

SENATE No. 1938

By Ms. Creem, a petition (accompanied by bill, Senate, No. 1938) of Cynthia Stone Creem, William N. Brownsberger, Jennifer E. Benson, Jack Patrick Lewis and other members of the General Court for legislation to establish rate options to reduce customer costs and lower peak demand. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

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

An Act to establish rate options to reduce customer costs and lower peak demand.

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 1B of Chapter 164 of the General Laws, as appearing in the 2016
2 Official Edition, is amended by inserting after subsection (f) the following subsection:-

3 (g)(1) On or before January 1, 2020, each distribution company shall offer to residential
4 and small commercial and industrial customers at least one option for a time of use rate,
5 including differentials for energy supply, transmission, and distribution, designed to reflect the
6 cost of providing electricity at different times of the day and year, but shall not include demand
7 charges. Peak time periods for each rate shall be no longer than 6 hours in length per day and, as
8 consistent with cost causation, price differentials must be sufficient to motivate customer
9 response. Each distribution company shall provide each customer, not less than once per year, a
10 summary of available rate options with a calculation of expected bill impacts under each.
11 Options for a time of use rate shall be posted prominently on the website of each distribution
12 company, including the ability to opt into such a rate online, and additional educational material.

13 Should a customer opt into a time of use rate, the distribution company shall install all necessary
14 equipment within 60 days of request. A customer may choose a different rate schedule after one
15 year.

16 (2) If the Department approves rates that include time-varying pricing on an opt-out
17 basis, the opt-in time of use rate structure may be discontinued, but each distribution company
18 must offer a time-varying rate to all residential and all small commercial and industrial
19 customers at all times. In considering an opt-out time-varying rate structure, the Department
20 must consider the impacts of such a structure on low-income and vulnerable consumers and take
21 appropriate mitigating actions, including the consideration of continuing low-income discount
22 and other selected categories of customers on non-time-varying rate structures, and allowing
23 these categories of customers to opt into time-varying rates.

24 (3) The Department is hereby authorized and directed to promulgate rules and regulations
25 necessary to carry out the provisions of this subsection, including, but not limited to, (i) the
26 procedure for procurement of time-varying default service offerings and (ii) separately
27 accounting for the reconciliation of expenses for time-varying default service procurement from
28 customers on time-varying default service.