

Sweeping Climate Bill Passes the Massachusetts Legislature: An Act promoting a clean energy grid, advancing equity and protecting ratepayers

Bill mobilizes innovative technologies, consolidates clean energy infrastructure permitting, expands EV network, and keeps costs down for residents

Passed by the legislature on 11/14/2024; signed by Governor Healey into law on 11/20/2024

<u>S.2967</u>, An Act Promoting a Clean Energy Grid, Advancing Equity, and Protecting Ratepayers, reforms the siting and permitting of clean energy facilities. It vastly expands the electric vehicle (EV) charging network, incentivizes innovative technologies such as battery storage and advanced metering, includes measures to protect residents from high energy costs, and equips state agencies with the mandate to fight climate change.

Major components of the legislation include:

Expediting siting and permitting. The bill consolidates reviews of clean energy siting and permitting, which will speed the pace of planning, constructing, and bringing clean energy infrastructure online to support clean energy technologies such as solar, wind, and storage to create an electrified future and reduce emissions.

Large projects that require state, regional, and local permits will be consolidated into a single permit that requires action within 15 months. Small projects with multiple local permits will also be consolidated into a single permit and require action within 12 months. Each process is modeled on the work of a commission established by the Healey-Driscoll Administration that received extensive feedback from a diverse group of stakeholders.

Expedited permitting is paired with enhanced community review via new offices created by the bill, including the Office of Environmental Justice and Equity, the Office of Public Participation at the Energy Facilities Siting Board, and the Division of Siting and Permitting at the Department of Energy Resources. Each office will be charged with engaging with and providing resources to communities and applicants to ensure a thorough, equitable and community-centered review.

To help protect residents from bearing the cost of building new infrastructure, when possible, the state will require the Energy Facilities Siting Board to first consider maximizing the efficiency of current infrastructure through the use of innovative

technologies such as advanced transmission technologies or grid-enhancing technologies before approving new construction. An online clean energy infrastructure dashboard will also be created to promote transparency and public accountability in real time.

Protecting residents from high costs. By pairing lower rates for low- and middle-income consumers with cost-saving infrastructure changes, the legislation protects Massachusetts residents from paying more for electricity.

The bill incentivizes gas companies to pursue the expansion of climate- and cost-friendly networked heat pump systems and geothermal heating, modeled on successful pilots already underway in Framingham and Lowell. It does this by directing the Department of Public Utilities (DPU) to consider greenhouse gas impacts when it weighs a petition by a gas company to expand its territory, reigning in a mandate that historically offered preferential treatment to natural gas infrastructure over other methods of heating. The legislation also saves residents money by considering climate-friendly alternatives to leak-prone pipes instead of automatically replacing them with new natural gas pipes.

To ensure gas workers are protected as reforms to gas distribution system are undertaken, the bill establishes a special legislative commission to study the impacts of the energy transition and decarbonization on the current fossil fuel workforce. The bill further directs utility providers to offer lower rates to eligible low-income and moderate-income utility consumers.

Building out electric vehicle infrastructure. Expanding electric vehicle (EV) use and making it easier to charge a vehicle is crucial to reducing emissions, so this legislation expands the availability of charging stations. Along with making pole-mounted charger installation easier on streets and in parking lots, the bill centralizes statewide coordination of charger installation via the <u>Electric Vehicle Infrastructure Coordinating Council (EVICC)</u>. The EVICC will also be responsible for identifying sites for a statewide network of fast charging hubs along Massachusetts highways and major roadways, as well as forecasting EV charging demand and determining its impact on the electric distribution grid over the next ten years. It further removes EV charger installation restrictions for residents who own parcels within condominiums, homeowner associations, and historic districts, and authorizes condo boards to install EV chargers on community parcels.

The legislation extends the MOR-EV program through 2027, giving residents more opportunities to qualify for a \$3,500 to \$6,000 rebate for the purchase of qualifying new or used electric vehicles. It also makes it easier for cities and towns to procure electric school vehicles—including electric school buses—and EV charging equipment for municipalities. The bill also seeks to dispel misinformation about electric vehicle and electric battery storage safety risks by requiring state guidance on the public health, safety, and environmental impacts of these technologies.

Offshore Wind. To support the growing offshore wind industry that will provide clean power and new jobs, the legislation allows future offshore wind contracts to be set for terms of 15 to 30 years instead of the previous 20 year maximum. It also directs the Massachusetts Department of Energy Resources (DOER) to review the effectiveness of existing solicitations in contributing to state emissions requirements and to ensuring high labor standards in clean energy, including offshore wind, clean energy generation, and storage procurements.

It further requires DOER, in consultation with DPU and the <u>Massachusetts Clean Energy Center (MassCEC)</u>, to issue guidance on long-term power purchase agreements (PPAs) between offshore wind developers and municipalities, including approved aggregation plans. The bill also expands existing tax credits for offshore wind facility employers, who now only need 50 full-time employees to be eligible for tax credits and refundable credits for capital investment.

Advanced Metering Infrastructure. As demand on the electrical grid increases with the adoption of electric vehicles and heat pumps, advanced metering infrastructure (AMI)—including smart meters, communications networks and data management systems—will enable efficient grid management and improved resiliency.

This legislation supports the rollout of these crucial technologies by requiring the utilities deploying them to create a centralized data repository to provide access to detailed AMI customer data, subject to customer approval. It also authorizes DPU to provide cost recovery for necessary expenses incurred by utilities in AMI implementation. It further maintains consumer protections by establishing an opt-out option for electric customers.

These changes will help companies and individuals use their devices more efficiently and provide real-time data to the grid, allowing for greater flexibility. The legislation also allows customers to install EV chargers or heat pumps without triggering the need for expensive electrical upgrades by authorizing the installation of meter socket adapters to effectively manage increased load.

Solar Energy. This bill establishes new policies to facilitate the deployment of solar energy through updates to historic district laws, providing policy recommendations through a solar canopy working group, and requiring DPU to explore expanding access to net crediting. It also expands affordability and access for low-income customers in the Solar Massachusetts Renewable Target (SMART) program and authorizes the transfer of SMART solar credits to customers in any electric utility territory.

Decarbonizing buildings. Because buildings across the state continue to be a major source of greenhouse gas emissions, this legislation advances efforts to decarbonize them. It authorizes condo association boards to install energy efficiency devices and EV chargers in common areas and increases the efficiency of heat pumps by allowing installers to use the most up-to-date refrigerants.

Supporting lean technology and innovation. To ensure that the next generation of technology is built in Massachusetts, the legislation will expand support to the state's innovators. The legislation does this by expanding the purview of MassCEC to include carbon removal, embodied carbon reduction, and nuclear power. MassCEC is also directed to promote carbon removal and embodied carbon activities, and study opportunities for future carbon removal.

Leading by example. The legislation directs the state to analyze its own climate impacts and how state infrastructure can be more climate friendly. It directs the Division of Capital Asset Management and Maintenance (DCAMM) to evaluate the climate impacts of state buildings and seek options for emissions reductions, and directs Massport to prioritize reducing emissions while pursuing commerce and growth. It also expands the mission of the Board of Building Regulations and Standards to include reducing emissions and embodied carbon.