



Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Please accept the following comments from Vote Solar. We provide these comments in response to the Department of Public Utilities' ("DPU") Notice of Inquiry ("Notice") issued on January 4, 2024, in Docket D.P.U 24-15 – Notice of Inquiry by the Department of Public Utilities on its own Motion into Energy Burden with a Focus on Energy Affordability for Residential Ratepayers ("Docket").

Vote Solar is a nonprofit organization that works state by state to repower our communities with sunshine and build a thriving clean economy with affordable solar energy for all. We appreciate the Department's commitment to understanding and alleviating energy burdens for Massachusetts ratepayers and the opportunity to participate in those discussions through this proceeding. Energy burdens are disproportionately high for low-wealth, BIPOC, and frontline communities, compounding the racial wealth gap. It is critical that we address this, especially as we continue to deploy renewables to meet our clean energy goals and address the climate crisis. Thank you for the opportunity to provide comments on this important matter. We offer these comments in addition to the Joint Comments submitted by the Environmental and Consumer Advocates. Vote Solar is happy to follow up with Department staff about any of the recommendations included below.

Design of Residential Energy Affordability Programs

4. Discuss whether customers in arrears should be eligible for participation in energy affordability programs. If so, discuss how that debt should be treated.

Customers in arrears should be eligible for participation in energy affordability programs. When customers do not pay their utility bills, these unpaid amounts become classified as bad debt. In an effort to recover these outstanding amounts, utilities often impose fees and penalties, particularly through service disconnection and reconnection fees. This approach disproportionately harms those who are already facing financial hardship. These fees essentially boost revenue on the backs of individuals and communities that can least afford to pay, exacerbating existing inequalities. The crux of this issue lies in the fact that when a customer is unable to pay and is subsequently disconnected from the grid, the lost revenues are not absorbed by the utility alone. Instead, these costs are distributed across all ratepayers, a mechanism aimed at ensuring utilities remain financially whole. While this approach mitigates the financial impact on utilities, it creates a system where the burden is collectively shouldered by all customers, irrespective of their ability to pay.



A potential solution to this issue is forgiveness programs. In 2022, ratepayers in Rhode Island who were 90 days or more in arrears had their debt forgiven by their utility, Rhode Island Energy¹. The utility was approved to forgive over \$40 million in arrearages from low-income and protected residential class customers. Customers who had their service disconnected had it turned back on automatically by the utility. A forgiveness program strikes a balance by encouraging customers to contribute what they can afford to pay instead of relying on disconnect and reconnect fees to recoup lost revenues. By adopting a more lenient stance and forgiving a portion of outstanding bills, utilities can still recoup some revenue while providing relief to struggling customers. This approach aligns with the notion that obtaining partial payment is preferable to receiving nothing at all. Utilities will see repayment at lower cost, making this a much more cost-effective solution than spending resources to unsuccessfully seek full repayment plus fees, not to mention the costs of disconnecting and reconnecting customers in arrears. A forgiveness program is not only more cost-effective, it is also more humane – for low-income households, losing electricity through a disconnection means losing a lifeline if they rely on electricity for critical health and medical needs.

12. Discuss how the revenue shortfall associated with energy affordability programs should be recovered from other customers. Should it be allocated only among residential customers of the utility or across all customer classes? Should it be a statewide recovery factor (i.e., spread across all gas or electric utilities)? Are there other options?

Addressing the revenue shortfall associated with energy affordability programs demands a comprehensive and equitable approach, with a primary focus on avoiding service disruptions and disconnections for the well-being of customers, particularly in terms of health and safety. It is vital that utilities carefully assess all available measures before considering disconnections, recognizing the broader implications that service disconnections have on vulnerable customers.

The notion of a false dichotomy, framing the issue as a question of which customer class should bear the burden or shoulder the debt, is a narrative we must shift away from. In 2022, the New York Department of Public Service offered a model for doing so. This program provided utility bill relief for low-income customers affected by the COVID-19 pandemic, but can offer lessons beyond a crisis response². This program recognizes the persistent challenges faced by low-income customers and should serve as a blueprint for addressing financial hardship in a sustainable manner.

This program, preventing potential service terminations for hundreds of thousands of customers, exemplifies a balanced approach where utility shareholders contribute a portion, and the rest is distributed among all ratepayers through a modest surcharge (e.g., 50 cents on a \$100 bill). The New York Public Service Commission found that the financial cost of implementing the bill

¹ <https://ecori.org/ri-energy-to-forgive-43-5m-in-ratepayers-debt/>

²

<https://dps.ny.gov/electric-and-gas-bill-relief-program#:~:text=Under%20the%20program%2C%20a%20credit,receiver%20assistance%20totaling%20%24672%20million>



relief program was significantly less than the estimated cost of allowing widespread service terminations, emphasizing the economic prudence of proactive intervention. This innovative funding mechanism ensures that the financial responsibility is shared collectively, moving away from the false dichotomy of burden-shifting between customer classes. By implementing a small surcharge, the impact on individual ratepayers is reasonable, promoting a sense of shared responsibility and community support.

The New York model serves as a compelling example of a sustainable and inclusive approach that transcends crisis response, demonstrating that shared contributions from utility shareholders and ratepayers through a modest surcharge can effectively address financial hardships while fostering a sense of collective responsibility. This approach aligns with the principle that the cost of doing nothing far outweighs the investment in sustaining energy affordability programs.

15. Discuss the role of energy efficiency programs, consumption reduction, investment in residential loan programs for photovoltaic and battery installations, and targeted educational programs in addressing energy affordability.

We cannot allow our decarbonization goals to unfairly burden low-income households, and rather this work should be used to relieve energy burdens. As Massachusetts continues to lead the nation on solar deployment, it is essential that solar-enabling policies are designed and implemented to alleviate unfair energy burdens. Our work to green the grid must go hand-in-hand with energy equity. At its best, solar is used in connection with other solutions including efficiency, storage, and demand response so that it may truly be a tool for economic and social justice. With deployment costs at historic lows, federal support through Local Solar For All and other programs, and a state with ample advocates and experts eager to advise the Department, there is no reason for a ramp-up of clean energy to add to energy burdens – especially for low-income households.

It is crucial to acknowledge that individuals grappling with the burden of high energy bills often find themselves compelled to make impossible choices about their energy consumption, sometimes to the detriment of their health or medical requirements. The adoption of modernized technologies may not occur uniformly among all customers, and this variability must be taken into consideration when developing complex rate structures.

Massachusetts also boasts the most effective low-income energy efficiency program across the country. These programs offer no-cost services to low-income customers, including comprehensive deep energy retrofits – a critical service when working with low-wealth populations whose housing needs go beyond quick fixes. We must adopt a more holistic approach to address the housing needs of low-wealth populations. There are various programs that operate independently and impose separate requirements on individuals or housing complexes, creating unnecessary barriers. To streamline access, minimize administrative barriers, and create uniformity between state programs, there should be a single touch point for these diverse programs. The customer perspective should take precedence, and the administrative



backend should prioritize simplicity, regardless of the coordination efforts required. The goal should be to simplify processes for customers and enhance overall program efficiency.

Program Administration

1. Discuss the challenges and best practices for income verification for energy affordability programs, including the use of automatic enrollment or self-certification. In particular, discuss how to verify incomes above 200 percent of the FPL or 60 percent of the SMI.

As discussed in our joint comments with the Environmental and Consumer Advocates, enrollment numbers in the current discount rate and other energy affordability programs are drastically lower than the total number of eligible ratepayers. We strongly recommend adopting policies for automatic qualification and self-certification for affordability programs. Doing so will help ensure that ratepayers across the Commonwealth are able to participate in programs they are entitled to join to lower their energy burdens.

If a household is already participating in income-eligible assistance programs at the local, state, or federal level, we recommend they automatically qualify for state energy affordability programs without any additional paperwork. This can be done through a simple checking of a box attesting to participation in one of these programs (online, in a mailer, or by telephone) or by the submission of documentation demonstrating participation. In either case, the practice will build trust with ratepayers, ease the administrative burden, and increase eligible enrollment. The Department should also consider automatic qualification for households in certain census tracts.

Relying on automatic qualification and/or self-certification will (a) ensure that ratepayers who are eligible for assistance are receiving it; (b) build trust with ratepayers; (c) ease the burden on ratepayers who may already be facing a crisis of resources; (d) reduce the risk of fraud that comes with providing sensitive information multiple times; (e) free up Department time and resources otherwise spent on lengthy verification processes; and (f) stop the humiliating practice of requiring low-income ratepayers to prove they are poor over and over again.

2. Discuss the best practices to increase enrollment across energy affordability programs, such as the expanded use of utility advanced metering infrastructure data, marketing and outreach, and increased eligibility requirements.

To enhance enrollment in energy affordability programs, particularly targeting frontline, BIPOC, and low-wealth communities, it is crucial to address challenges associated with income-eligible utility discount rates. Limited funding poses a significant obstacle, making it difficult to reach all eligible households within the service territory. Sufficient funding, potentially through a reconciling charge on non-participating customers, is essential for overcoming budget constraints and ensuring accessibility. Additionally, eligibility criteria complexity can lead to exclusions, emphasizing the importance of adopting less restrictive criteria for broader inclusivity.



Simplifying eligibility criteria can also mitigate exclusionary barriers, as complex and restrictive requirements often deter potential participants. Implementing less restrictive criteria, such as tying eligibility to participation in other income-eligible programs, can significantly reduce administrative burdens for applicants. Additionally, addressing the bureaucratic hurdles associated with extensive paperwork and lengthy processing times is vital. Streamlining application processes and minimizing administrative burdens can encourage greater participation among eligible individuals.

Another key focus area is enhancing outreach and education efforts to inform eligible customers about program availability and application procedures. Effective communication strategies tailored to diverse communities can help bridge the gap between program offerings and potential beneficiaries. These strategies can include translating program materials into languages spoken by the target communities and ensuring accuracy and cultural sensitivity in translations; employing community liaisons who belong to the target communities, as these individuals can serve as trusted messengers and help build rapport, understanding, and credibility; collaborating with local community organizations and leaders to tap into existing networks; and establishing feedback mechanisms that allow community members to provide input and ask questions. The Department can also work with utilities to help them establish formal partnerships with trusted community organizations to bolster enrollment in affordability programs, such as the partnership between Xcel Energy and Energy Outreach Colorado³. Such partnerships, when done effectively and in true collaboration with community groups, can significantly increase enrollment in affordability programs. There is a wealth of well-researched best practices outlined in the AGO's recent report "Overly Impacted and Rarely Heard,"⁴ and we urge the Department to apply them here.

Conclusion

Vote Solar is also proud to submit joint comments to the Department on this matter together with the Environmental and Consumer Advocates. We urge the Department to take those comments seriously and stand ready to participate in further discussions on this topic. As Massachusetts undertakes historic investments in our grid, we must ensure that we are leveraging this opportunity to affect real change for ratepayers. As reflected in the public survey referenced and summarized in the group comments, unaffordable energy burdens force Bay Staters to make impossible decisions between their utility bills and essential costs of living.

We urge the Department to treat this proceeding as a first step in its consideration of energy burden. Energy burden should become a standard evaluation metric in future DPU proceedings, and utility companies should be required to track and report energy burden among their LMI

³ <https://www.energyoutreach.org/programs-for-individuals/>

⁴

mass.gov/overly-impacted-and-rarely-heard-incorporating-community-voices-into-massachusetts-energy-regulatory-processes



customers. Lowering disproportionately high energy burdens in low-income households should be central to discussions on rate design, solar deployment, and energy efficiency projects.

As the Department considers how to address high and inequitable energy burdens across the Commonwealth, we urge you to closely consider the lived experience of those most impacted by this issue.

Respectfully submitted,

Lindsay Griffin
Regulatory Director, Northeast
lgriffin@votesolar.org

Elena Weissmann
Regional Director, Northeast
elena@votesolar.org