

FOR IMMEDIATE RELEASE
Proposed legislation would have
net-effect of dismantling
Massachusetts' climate leadership
and nation-leading energy efficiency programs

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New House legislative package would fail to meaningfully address affordability by ignoring true largest energy cost drivers, while undermining its own efforts to make progress on emissions reductions. Bill's passage threatens to exacerbate current affordability crisis and increase ratepayer exposure to fossil fuel volatility and infrastructure expenses, hamstringing the cheapest- and quickest-to-deploy clean energy resources.

Massachusetts lawmakers must come together to resoundingly reject this bill and chart an updated path forward toward goals for climate, affordability, and economic development.

BOSTON – Today, the House members of the Joint Committee on Telecommunications, Utilities, and Energy are in the process of releasing a bill that would drastically undermine the Commonwealth's climate goals and would undermine its own efforts to address the energy affordability issues facing households and businesses. This legislation proposes to cut additional funding from Mass Save, makes climate targets merely advisory, and eliminates the newly-created moderate-income discount rate, among other misguided provisions – on the heels of striking recent electoral victories for clean energy-led affordability in other states around the country. Acadia Center calls on House and Senate lawmakers and the Healey-Driscoll Administration to resoundingly reject the package of proposals and work to fashion a reasonable path forward preserving existing legal mandates and deploying new and enhanced policy solutions to keep Massachusetts a leader on energy affordability and climate progress.

“Proposing to weaken Massachusetts' climate targets and cut back on money-saving energy efficiency programs is precisely the wrong approach for the moment. Rational, science-backed climate and clean energy targets have made Massachusetts a leader in the nation and spurred enormous investment and job creation in the Commonwealth – helping grow the local economy even as emissions decline,” **said Kyle Murray, Massachusetts Program Director and Director of State Implementation at Acadia Center.** “Yes, the state must contend with and adapt to new roadblocks posed by the federal Administration, but if there are concerns about Massachusetts achieving its climate targets, policymakers should redouble efforts to pursue cost-effective pathways to their attainment, not water down the underlying goals. Simply put, weakening targets is essentially granting the state permission to fail, and failure is not acceptable – certainly not five years before a deadline. Acadia Center calls on

the Legislature and the Healey-Driscoll Administration to work collaboratively to preserve existing targets and deploy new and enhanced policies, like Mass Save, to keep Massachusetts on the strongest path for affordability, emissions, and economic growth.”

At a time when infrastructure costs and overreliance on volatile fossil fuels are driving electric and gas ratepayer bills ever higher, clean energy programs like Mass Save remain an essential tool to effectively keeping those costs lower. Sadly, with the most recent \$500 million cut from Mass Save in January 2025, Massachusetts has already chosen to lose out on \$1.49 billion in lifetime benefits, 20 trillion British thermal units (TBTus) of energy savings, and 1.8 million metric tons (MMT) of carbon dioxide equivalent (CO₂e) emissions, based on Acadia Center analysis. The House proposal would now propose to almost double those harmful impacts with a further \$330M cut in program budgets, threatening \$2+ billion in total lost savings, and would further harm the program by imposing unprecedented and arbitrary caps on future three-year program budgets – completely doing away with the long-standing decision to procure energy efficiency as the cost effective resource that it is and can be for the grid. This misguided approach to cost-cutting will immediately backfire, with the consequences of driving up total energy system costs by forcing ratepayers to purchase more costly supply and pay more for transmission and distribution of energy. Yes, Mass Save can be strengthened and program cost recovery can be improved to diversify funding sources, but the program’s [successful track-record](#) is undeniable: from 2012-2023, Massachusetts residents received \$34 billion in benefits from Mass Save, corresponding to \$3.51 in lifetime benefits for every \$1 invested in energy efficiency. The program has saved 18 million megawatt-hours (MWhs) of annual electricity consumption, which is more than three times the annual output of the one gigawatt of generation from the retired Brayton Point Coal plant, formerly the largest coal generating plant in New England. This means that even ratepayers who have not participated in the program have seen [massive savings](#).

Though details are still emerging, early reports indicate that the proposed legislation would:

- Make 2030 Mass Save greenhouse gas target merely advisory;
- Cut another \$330 million from the 2025-2027 Mass Save plan budget;
- Subject future three-year Mass Save plans to an unprecedented and arbitrary budget cap, completely dismissing the notion of energy efficiency as a cost-effective resource to be procured;
- Remove the social cost of greenhouse gas emissions from Mass Save’s cost-effectiveness test;
- Add rebates for natural gas heating systems back into the program;
- Remove demand management, beneficial electrification, and decarbonization from the program;
- Eliminate the newly created moderate-income discount rate;
- Appear to attempt to reverse the Supreme Judicial Court on *ENGIE Gas & LNG v. Department of Public Utilities and Conservation Law Foundation v. Department of Public Utilities*, which prohibits the Department of Public Utilities from authorizing electric distribution companies to enter into electric ratepayer-backed gas pipeline contracts;
- Decrease the yearly increase in the Renewable Portfolio Standard (RPS) from 3% to 1% until 2033; and
- Require the Department of Public Utilities (DPU) to direct the utilities to coordinate an initiative to perform a customer bill-impact analysis assessment on costs from any programs associated with greenhouse gas reductions, clean energy, solar, workforce development, or electrification.

It does not appear, however, that the bill would meaningfully address many of the largest real underlying energy cost drivers affecting Massachusetts households and businesses, and in fact would leave customers worse off through greater exposure to their pressures. These energy cost drivers include:

- Gas volatility and fossil fuel costs – impacts on electric and gas as well as transportation budgets
- Gas infrastructure spending – ballooning expenditures on leak prone gas pipe replacements
- Electric transmission costs – skyrocketing Asset Condition Project (ACP) spending, putting upward pressure on highest transmission costs in the nation
- Utility profits from traditional regulation and financing
- Failure to invest sufficiently in cost-reducing technologies like Grid-Enhancing Technologies (GETs), energy storage, and demand response/Virtual Power Plants; and beyond

There is a large and growing body of evidence supporting the strong continued rationale for keeping Massachusetts' climate targets on the books and augmenting the set of policy and program levers at the state's disposal, rather than throwing in the towel five years ahead of a deadline. This evidence includes:

- **Total costs of the transition are relatively small and manageable:** In analysis undertaken for the Massachusetts Decarbonization Roadmap and Clean Energy and Climate Plans (CECP), findings showed that the total cost increase of a representative mitigation pathway in 2050 (\$1.5 billion annual spending) compared to a non-decarbonized reference case in 2050 was actually less than the expected increase in statewide energy costs resulting from population and economic growth (\$2.4 billion annual spending).
- **Clean energy done right will save households money:** The 2025/2030 CECP found that “The increased adoption of electrified transportation and heating systems means that the average Massachusetts household will spend less money on energy every year. Average overall household energy expenditures, which include transportation-related fuel costs (included as “energy” cost in this analysis), are projected to decline 8% by 2030 relative to 2019 levels, for an average household savings of \$400 per year.”
- **Investing in clean energy grows Massachusetts GDP and creates local jobs:** Pathways that invest in local energy resources, including renewable electricity generation and energy efficiency, create more jobs and demonstrate greater economic benefits by keeping money local compared to pathways more reliant on imported energy. For example, the “All Options” pathway from the Massachusetts 2050 Decarbonization Roadmap Study Economic and Health Impacts Report (which emphasized deep electrification and broad renewable electricity buildout) had 17% higher economic “output” (the broadest measure of economic activity) in Massachusetts per dollar invested than the “Pipeline Gas” pathway (which relied heavily on imported alternative fuels).
- **The global energy transition continues to accelerate, countering U.S. headwinds:** Massachusetts' 2030 climate targets were enacted in law in 2021, four full years ago. Since then, despite turbulent tailwinds and headwinds at the federal level, the pace of global technology improvement and development has accelerated markedly. Technologies continue to improve in their performance: solar cells are more efficient, battery cells are achieving greater energy densities, and heat pumps are notching even higher coefficients of performance (COP). And costs continue to decline as well: for example, the average price of a lithium-ion battery pack fell 20 percent last year to \$115 per kilowatt-hour — the biggest drop since 2017, [according to](#) clean energy research firm BloombergNEF. This is part of an even larger drop from \$155 to \$115/kWh between 2021 and 2024, and further cost declines have materialized since then as well. These are cost reductions that Massachusetts can now take advantage of to reap greater savings and benefits than originally forecast four years ago.

Although recent negative developments at the federal level must be acknowledged, it is still eminently possible for the Commonwealth to adapt to them and forge a modified path forward that keeps climate targets within reach while preserving affordability.

