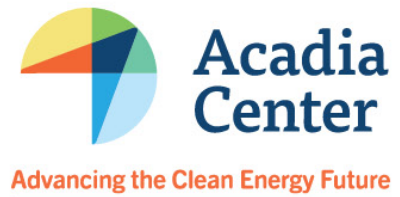


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ACADIA CENTER APPLAUDS Massachusetts House Lawmakers for Robust and Improved Energy Affordability Legislation, But Reinforces Grave Concerns about Devastating Proposed Cuts to Energy Efficiency Under Mass Save

BOSTON — On February 24, 2026, the House Committee on Ways and Means released legislation now being voted on today that would enact a series of common-sense and practical reforms to help deliver energy affordability and clean energy to the Commonwealth. Acadia Center applauds the work that the Committee has done and appreciates its willingness to incorporate feedback from stakeholders since the prior version of the bill [released last fall](#). Unfortunately, the legislation undermines its own aims in part by proposing devastating, billion-dollar cuts to the Commonwealth's energy efficiency program, Mass Save. Policymakers in the House, Senate, and Executive Branch must come together to reject and replace these draconian cuts with a set of solutions and reforms that keeps Mass Save on a sound, stable, and sustainable trajectory to deliver energy and bill savings to customers well into the future. With the energy efficiency cuts removed or substantially modified, the legislative package promises to help the Commonwealth take meaningful action on energy affordability and a cleaner, more dynamic grid.

"Energy affordability and clean energy are not at odds – fundamentally, the same solutions needed to address underlying drivers of energy costs are those that will make the grid cleaner, more flexible, and more efficient," **said Kyle Murray, Director of State Program Implementation and Massachusetts Program Director.** "The House has advanced a promising updated package of policy reforms that better recognizes this reality, but more work must be done to rectify the major remaining red-flag and remove arbitrary and counterproductive cuts to energy efficiency, which should remain the anchor of the Commonwealth's energy affordability strategy. Failing to do so will make this package a net-loser for families, who will be left paying dearly for more expensive conventional fuel and infrastructure."

Defending the Merits of Mass Save and Energy Efficiency

It is vital that the House and Senate work together to deliver a revised package that removes the proposed \$1 billion cut to the Commonwealth's nation-leading Mass Save energy efficiency programs. Yes, Mass Save can and should be improved and strengthened in a number of key ways. But, an arbitrary and hugely significant budget cut in the middle of a three-year planning cycle is not a sound and practical way to go about realizing any such improvements for customers and ratepayers. If the cuts were to go forward as proposed, the whole program would essentially grind to a halt, leading to massive job losses and threatening the program's ongoing operation even in future programming cycles.

The track-record of success and impact for Mass Save is clear, and the program must be safeguarded:

- Energy Efficiency is Affordable and Cost-Effective:** Massachusetts by statute has a responsibility to invest in all cost-effective energy efficiency. Cutting an arbitrary \$1 billion in program funding runs counter to that responsibility and will result in customers paying for more expensive (less cost-effective) conventional sources of energy and infrastructure. **Were the legislature to advance an additional \$1B in cuts to Mass Save, on top of the \$500M in previous program cuts, it would result in a devastating estimated loss of \$4.5B in total benefits and savings for ratepayers.** The Commonwealth has strong cost-effectiveness guardrails in place already, ensuring that even if/as program budgets grow, ratepayers can be confident that their energy bills will be lower, not higher, as a result of cost-effective efficiency investments.
- Mass Save Delivers A Strong Payback on Investment:** Under the current three-year plan, Mass Save is **poised to drive \$12.1 billion in lifetime benefits** in the form of direct bill savings, avoided fuel and infrastructure costs, price suppression effects in the wholesale market, jobs created, and beyond. This translates to a resoundingly positive return on investment for the Commonwealth, **earning \$2.91 in benefits for the economy for every \$1 in program budget spent.** Mass Save's portfolio will mean more than 8 million megawatt-hours (MWh) of electricity and 167 trillion British thermal units (BTU) of fuels that ratepayers will not have to pay for in the coming years.
- Shining a Light on Enormous Costs Avoided:** While they don't clearly show up as savings on customer bills, energy efficiency investments under Mass Save have prevented customers from having to pay many billions of dollars in more expensive fuel and infrastructure costs. **Without the energy efficiency programs in place, the Commonwealth's electric demand would be around 27.7% higher,** resulting in billions of additional costs for supply and infrastructure. Specifically, **Mass Save investments made between 2016 and 2024 meant that ratepayers avoided paying around \$16.1 billion in electric and gas supply and infrastructure costs alone.** The investment in efficiency during this period was around \$8.4 billion.

Figure 1. Mass Save Program Benefits by Category and Year: 2016-2024

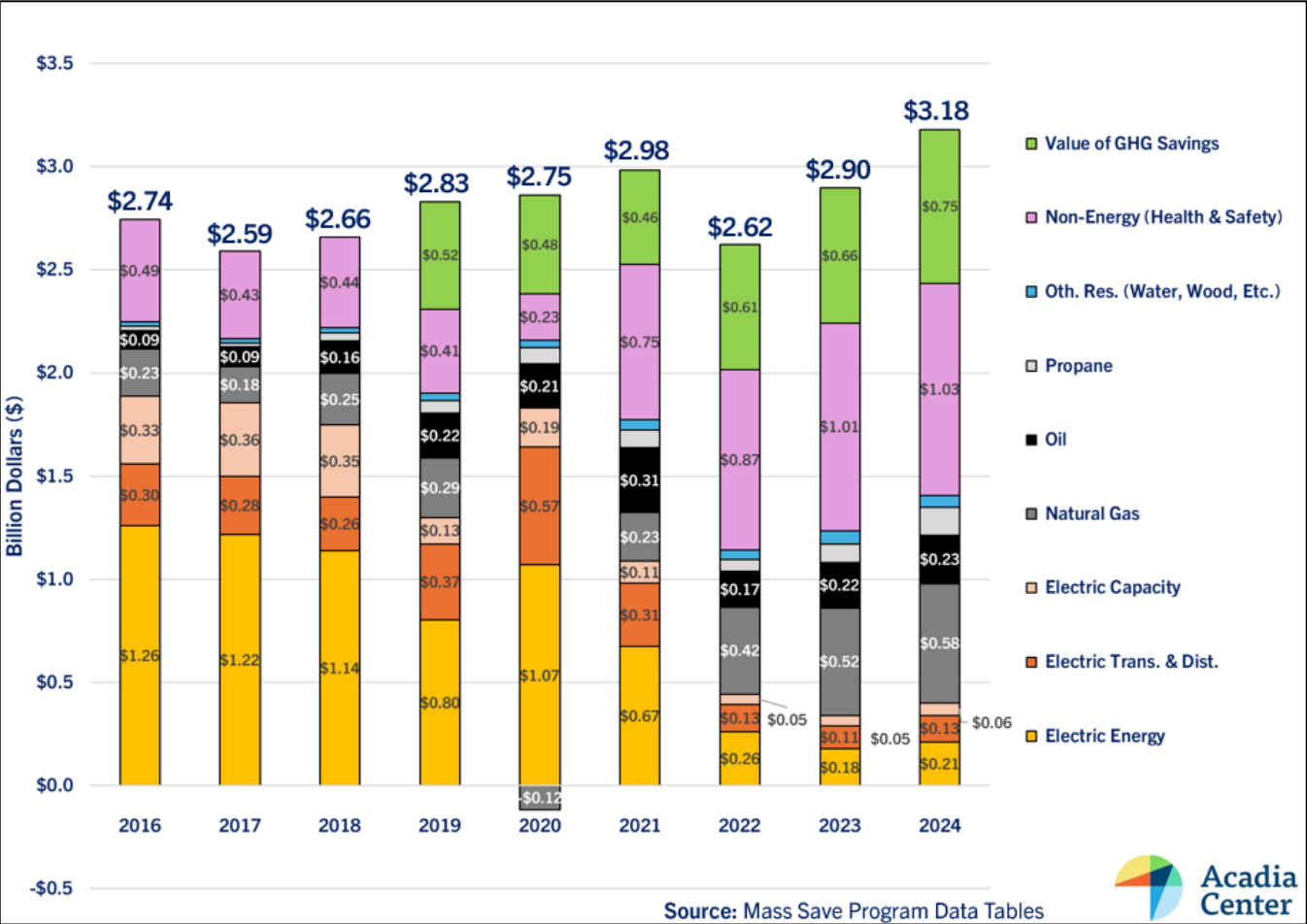
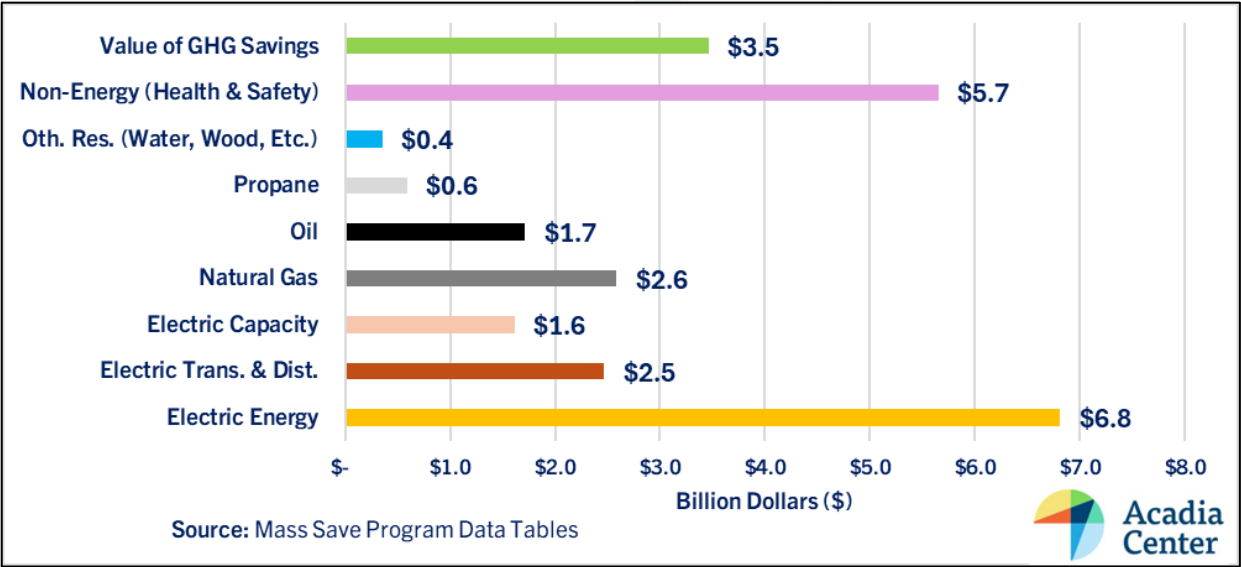
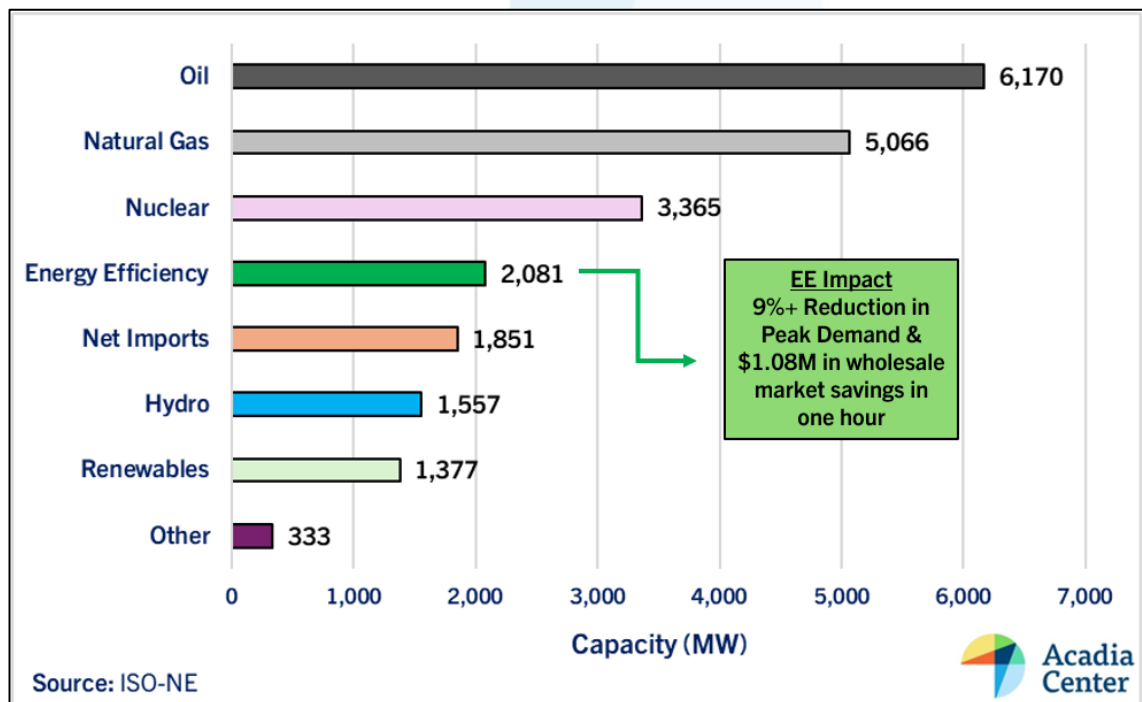


Figure 2. Cumulative Mass Save Program Benefits by Category: 2016-2024



- EE Doesn't Need T&D:** Unlike power and gas that customers purchase from traditional sources, energy efficiency occurs at the point of demand, resulting in MWh and MMBtu saved that do not need to be delivered via transmission and distribution (T&D), whose infrastructure costs – poles, wires, and pipes – have been increasing dramatically in recent years. A typical Massachusetts residential electric customer pays on the order of \$0.15 per kWh on transmission and distribution right now. Every kWh generated by a traditional power plant must flow through T&D to get to end-use customers, therefore incurring/requiring those substantial delivery costs. **Energy efficiency, by contrast, is relatively much cheaper than conventional fuel and infrastructure payments, with [recent analysis](#) finding a median cost of only \$21 per MWh nationally.** While Massachusetts has somewhat higher program costs due to two decades of prior investment in the lowest-hanging savings, Mass Save is still acquiring savings at a cost competitive with electric supply rates, before factoring in delivery costs that traditional supply must incur and which energy efficiency avoids.
- Million-Dollar-per-Hour Savings:** Mass Save is the anchor of the region's strong energy efficiency portfolio, which has been bearing fruit for the regional grid during periods of severe weather stress. At 1pm on January 25, the grid hit a seasonal peak of 20,157 MW. That and the following day, day-ahead market prices exceeded \$520/MWh around 6pm in the evening. Based on the region's latest capacity auction, energy efficiency was passively reducing demand by 2,081 MW at this time. **With a \$520/MWh cost at the January 26 peak, energy efficiency was generating over \$1.08 million in wholesale market savings during that hour alone.** When factoring in efficiency's contributions, almost half the capacity keeping New England's lights on was zero- to low-emissions, even on the peak of this winter's most difficult day.

Figure 3. Capacity Serving ISO-NE During Winter Peak by Resource Type: January 26th 5:52 PM



- **The Savings Numbers Don't Add Up:** The legislation states that the mid-term modification to the budget of Mass Save shall focus on marketing, advertising, and administrative budgets. However, there simply is not anywhere near \$1 billion going to those areas. For the entire 2025-2027 plan term, the planned spend on marketing and advertising amounts to \$195,156,662. For program planning and administration, it is \$245,851,611. This totals \$441,008,273, well-short of the purported \$1,000,000,000. However, it is important to note that, given the timing of this legislation, the impacts from will largely be felt in the final year of the current plan, 2027. The total planned spend on marketing, advertising, and program administration during this period is just \$148,063,135. The vast majority of spending for the program during this period would go toward incentives for ratepayers. What this \$1 billion reduction would therefore mean is deep cuts to energy efficiency incentives and slashed customer access, effectively shutting down many parts of the program and harming one of our best tools to deliver affordable energy bills and achieve our climate goals.

Other Bright-Spots Abound

Besides the energy efficiency cuts outlined above and a few more minor provisions of concern (listed further below), the legislative package does contain a number of important, valuable, and – in some cases – cutting-edge policies that stand to meaningfully advance the Commonwealth's agenda for energy affordability and clean energy.

- **Renewable Energy and Energy Storage**
 - Expanded clean energy procurement authority
 - Statewide energy storage incentive program
 - Offshore wind pre-development
 - Adding Virtual Power Plants (VPP) to Electric Sector Modernization Plans (ESMP), via load management and VPP plan
- **Expediting Permitting, Siting, and Interconnection**
 - Surplus interconnection and flexible interconnection programs
 - Smart solar permitting platform
 - Balcony solar
 - Transmission lines on state highway Rights-of-Way (ROW)
 - Vehicle-to-Grid (V2G) interconnection
- **Thermal energy networks (TEN) and buildings**
 - TEN labor standards
 - Authorizes gas companies to develop geothermal for single customers
 - Just transition plans

- **Bill Transparency, Cost Scrutiny, and Consumer Protections**
 - Competitive electric supply reforms
 - Asset condition project permitting at DPU for large local transmission upgrades
 - Utility management audits
 - Low- and Moderate-Income (LMI) discount rates
 - Customer bill assessment dashboard
 - Solar consumer protections
 - Basic service procurement terms
 - Default budget billing for residential gas customers

Other provisions of concern or with key outstanding questions include:

- **Net metering** – arbitrary reduction in compensation for certain projects, with no opportunity for locational or temporal value/compensation
- **Renewable Natural Gas (RNG) contracts** – onsite use or technical infeasibility should be a requirement before use of gas distribution pipes
- **Mass Save Program Review by Office of Inspector General (OIG)** – potentially redundant and unnecessary given recency of Auditor’s report
- **Mass Save income eligibility review** – returns more red tape that will add friction for moderate income participants

Once more, Acadia Center applauds the House for legislation that would deliver many innovative energy affordability ideas to the Commonwealth. The organization looks forward to working with the House and Senate to remove the proposed cuts to Mass Save and support delivering cost-effective energy efficiency to ratepayers.