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Advancing the Clean Energy Future
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November 20, 2026

Senator Michael J. Barrett
Chair, Joint Committee on Telecommunications, Utilities, and Energy
State House, Room 312B
24 Beacon Street
Boston, MA 02133

Representative Mark J. Cusack
Chair, Joint Committee on Telecommunications, Utilities, and Energy
Massachusetts House of Representatives
State House 24 Beacon St., Room 43
Boston, MA 02133

Acadia Center Response to October 16 Eversource Conference Committee Letter

Dear Chair Barrett, Chair Cusack, Members of the Conference Committee and Staff:

Thank you for your respective teams' extensive efforts this session and for the advancement of the energy affordability bills that now stand before you in Conference Committee. Acadia Center writes to respond to the October 16 letter from Eversource Energy to the Conference Committee outlining alleged concerns and critiques of the House and Senate versions of the bill. At this late stage in the two-year session, and after many months of substantive deliberation, debate, and bill development, it is imperative that the Legislature not be deterred by the selective and misleading arguments laid out in the Eversource letter and instead forge ahead with constructive negotiations, working toward a shared resolution of the many important provisions and policies contained in the bills.

Acadia Center has engaged closely with members of the Telecommunications, Utilities, and Energy (TUE) Committee and the Legislature throughout the present session's debates about the energy affordability bill. More generally, our organization has placed a particular emphasis on understanding and shining a light on the true underlying drivers of energy cost increases that have been borne by families and businesses: over the last two years, we have extensively analyzed and documented real energy cost drivers affecting Massachusetts and the Northeast. Unfortunately, Eversource's letter largely ignores or downplays the top drivers of energy cost increases that emerge clearly from an examination of the facts and data on the ground – the same drivers that the House and Senate bills both largely attempt to address. These drivers are the reason why, despite Eversource's framing, **supply, transmission, and distribution costs accounted for over 92% of overall bill increases for Eversource's residential customers between 2018 and 2026,** after adjusting for inflation[1] – with only 8% of growth coming

[1] Throughout this letter, Acadia Center references inflation-adjusted cost data. All inflation-adjusted data leverages the U.S. Bureau of Labor Statistics CPI Inflation Calculator, available online at https://www.bls.gov/data/inflation_calculator.htm.

from clean energy, energy efficiency, and low-income assistance. Moreover, Eversource's arguments blaming clean energy discount the very real cost reductions that the Commonwealth's investments in clean energy and energy efficiency have yielded for ratepayers – savings that aren't clearly delineated on bills.

The top overarching cost drivers ignored and downplayed by Eversource's letter include:

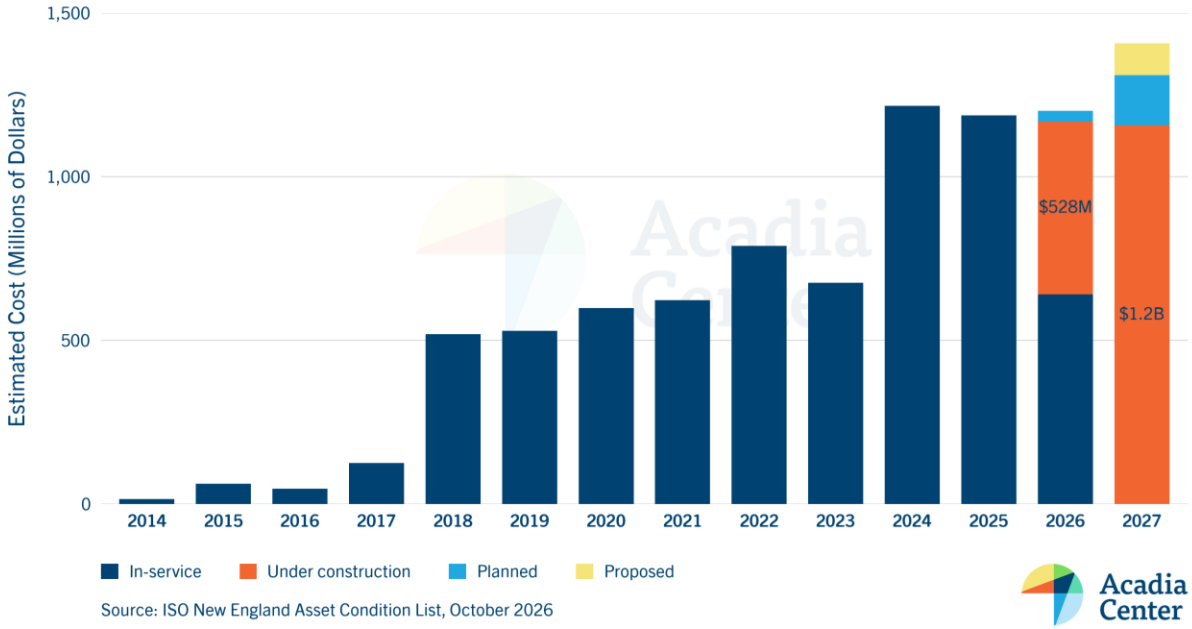
- Natural gas price increases and volatility, driving wholesale market and supply cost increases;
- Conventional spending on transmission and distribution infrastructure by investor-owned utilities: for Eversource customers, **monthly bill charges for distribution and transmission have jumped by 47% and 15% respectively after inflation adjustment between 2018 and 2026**, highlighting the central impact of electric utilities' core businesses at the state and regional level (see Figure 2 below);
- Major expenditures on storm recovery, tree damage, and refurbishment of aging electric infrastructure, including dramatically escalating billion-dollar spending on local "asset condition" transmission projects that until recently received little to no regulatory scrutiny (see Figure 1 below);
- Failure to adopt, deploy, and enable new low-cost technologies at scale to improve the utilization and cost-effectiveness of the grid, such as grid enhancing technologies and energy storage systems;
- Ballooning costs from the replacement of leak prone gas pipes under the Gas System Enhancement Program(GSEP), which have totaled $6.2 billion since 2014 (including approaching almost $1 billion in 2025 alone) – without clear added safety benefits, significant hazardous leak reductions or reduced GHG emissions;
- Legacy regulatory structures, utility business models, and financing approaches that have driven planning, investment decisions, and in some cases excessive shareholder profits (see Figure 4 below);
- Other systemic cost drivers that have locked New England ratepayers into a cycle of unaffordability, like inefficiency, inflexibility, insufficient interregional connections, the region's unique geographic characteristics (e.g., high population density and levels of forested lands), and more.

Unfortunately, the purported concern for ratepayer affordability cited by Eversource throughout the letter diverges sharply from the Company's own actions in recent years, particularly around the topic of transmission investment and rate of profit. In March of 2026, the Federal Energy Regulatory Commission (FERC) ruled that New England transmission utilities were overcharging ratepayers by $1.5 billion dollars and ordered the utilities to refund customers for these excessive profits paid by customers for more than a decade. Yet, rather than working to ensure that the 7.2 million New England electricity customers receive the $1.5 billion they're owed in a timely manner, Eversource and other transmission owners moved swiftly instead to delay payment of the refund and appealed the ruling. More egregiously, they also took the step of doubling down and actually asking for a higher future return on equity than the one that FERC reduced for being excessive (a new ruling now pending).

Eversource writes in the letter to the committee that, "[t]o ensure cost-effective development of the transmission network, these necessary additions would need to be planned methodically, …rather than approached on an *ad hoc*, unplanned, uncoordinated basis." Acadia Center agrees with the need for strategic transmission planning, but those same descriptors could very well describe the approach that Eversource has been willing to take on almost *$7 billion* in transmission asset condition projects they have planned, proposed, put under construction,

and placed in service since 2014 – corresponding with the period of substantial overcharge identified by FERC (see October 2026 Asset Condition List). To be clear, there is a vital need for new transmission, but it is strategically planned interregional transmission that can lower energy costs and improve access to affordable clean energy, not historically unscrutinized and unoptimized upgrades/refurbishment of local transmission.

Figure 1. New England Transmission Asset Condition Project (ACP) Costs, 2014 through 2027



Eversource is responsible for $6.2 billion of the $9 billion in region-wide costs shown above, not including additional projects expected to come into service after 2027.

Responses to Select Claims Raised in the October 16 Letter

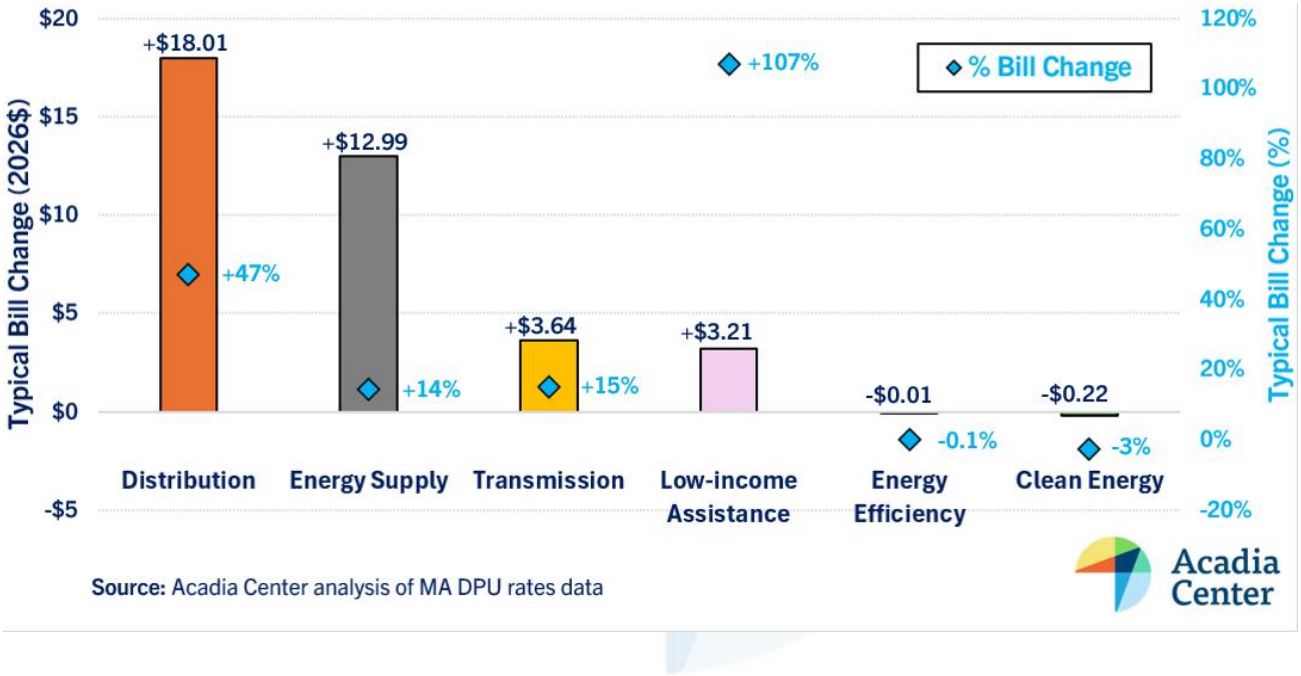
More generally, the letter includes enough misleading, cherry-picked, or unattributed references that it is difficult to address them all cohesively and succinctly. However, Acadia Center wishes to highlight and refute the following claims in Eversource's piece (claims highlighted in bullets):

- "The reality is that Eversource electric bills already collect more money from our customers for the Commonwealth's climate and clean energy incentive programs than for the customer's own electric service, with our rates collecting a base distribution revenue requirement of $1.34 billion, annually, as compared to the annual cost of clean energy programs topping $1.46 billion for Eversource electric ratepayers in 2026."

This statement is substantially misleading. For Eversource East customers, supply, transmission, and distribution make up 86% of the monthly customer bill (2026 average), while the clean energy and public benefits that they refer to (clean energy, energy efficiency, low-income assistance, etc.) make up just 14% of the bill. It is also misleading to equate base distribution revenues with 'customer's own electric service.' And more importantly, after adjusting for inflation, **supply, transmission, and distribution costs accounted for over 92% of the overall**

customer bill increase from 2018 to 2026 – with the remaining 8% growth coming from clean energy, energy efficiency, and low-income assistance. Monthly costs of energy efficiency and clean energy line items have in fact seen *reductions* over the period of 2018 to 2026 after accounting for inflation (see Figure 2 below). It is simply not borne out in the data that clean energy investments are responsible for a meaningful share of bill increases over the last several years – the exact opposite is in fact the case.

Figure 2. October 2018 vs. October 2026 Inflation-adjusted Typical Bill Change for Eversource East Customer (600 kWh/month) by Category: $ Amount and % Change[2]



- "As much as 60% of the residential utility bill is amplified by the clean energy policies of the Commonwealth, exacerbating the impacts of a volatile supply market with inadequate generation resources in peak periods."

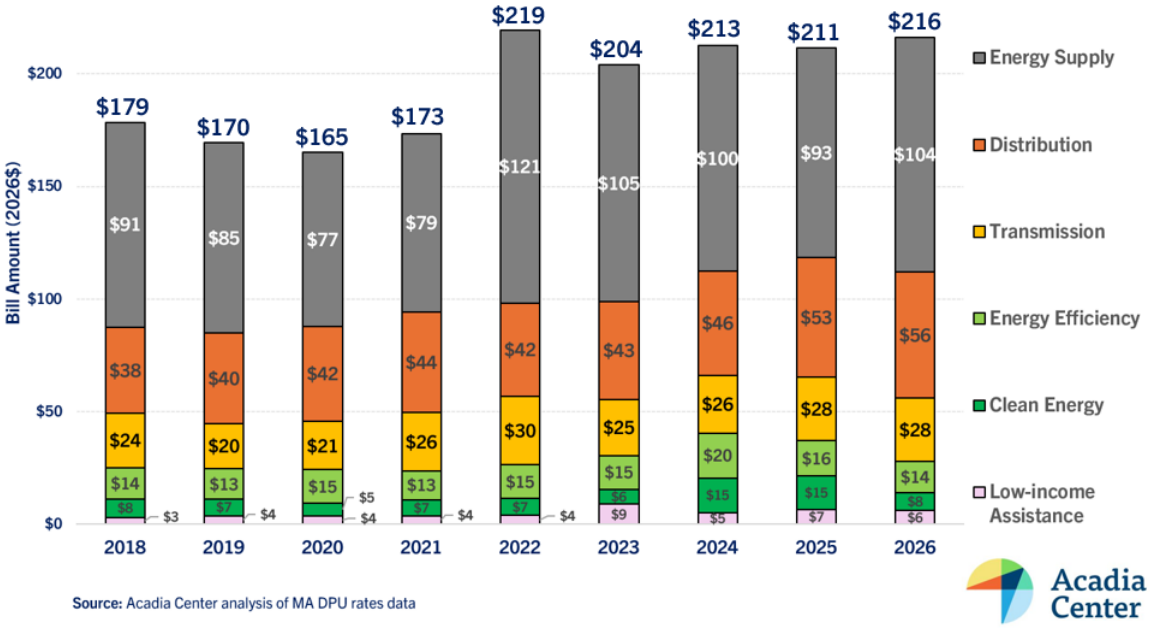
Again, supply, transmission, and distribution make up 86% of the Eversource customer bill (2026 monthly average), while the clean energy and public benefits that they refer to (clean energy, energy efficiency, low-income assistance, etc.) make up just 14%. Conspicuously absent from the Company's letter is any acknowledgement of the monetary benefits of clean energy and energy efficiency (e.g., by putting downward

[2] This analysis uses bill data from Eversource East's R-1 rate, which is the standard residential non-heating electric rate used by most customers. Graph generated by Acadia Center using MA DPU data on Eversource rates. Some minor rate components in the "other" category (Provisional System Plan Factor, Service Quality Credits, Transition Net) were excluded from the graphs in this document for clarity and because these charges are negative and de minis (for average customer in October 2026 they totaled -$0.61). Acadia Center bucketed individual rate components into categories. See Methodology section at bottom of this document for list of individual line items by category.

pressure on energy demand and costs), which are otherwise completely hidden in an analysis of costs alone. Contrary to Eversource's assertion, the Commonwealth's clean energy investments are mitigating, not exacerbating, the impacts of peak periods on supply costs – for example, Acadia Center analysis estimates that 6+ gigawatts (GW) of distributed solar saved New England ratepayers $130-149 million in wholesale electricity (energy) costs during the peak period week of June 28 through July 4, 2026, with energy market savings driven by distributed solar on July 2 alone totaling $39-54 million. Similarly, energy efficiency investments have yielded $16.1 billion in avoided ratepayer costs on electric and gas supply & infrastructure from an $8.4 billion investment between 2016 and 2024. Just last week, the Department of Public Utilities (DPU) ordered a consolidation and simplification of the many rate riders and reconciling mechanisms maintained by the utilities, stating plainly that "business as usual" must now shift to include the investments needed to meet the Commonwealth's climate laws and policies pursuant to statutory requirements of affordability, equity and greenhouse gas reductions.

More broadly, the letter fails to acknowledge that the status quo also comes with significant costs, like as much as $3 billion in annual fuel costs for gas power generation, and extensive pipeline replacements at the distribution level. The GSEP program's costs have risen to around $1 billion annually, yet are treated by Eversource as just the cost of doing business.

Figure 3. October 2018 vs. October 2026 Inflation-adjusted Typical Bill for Eversource East Customer (600 kWh/month) by Category[3]

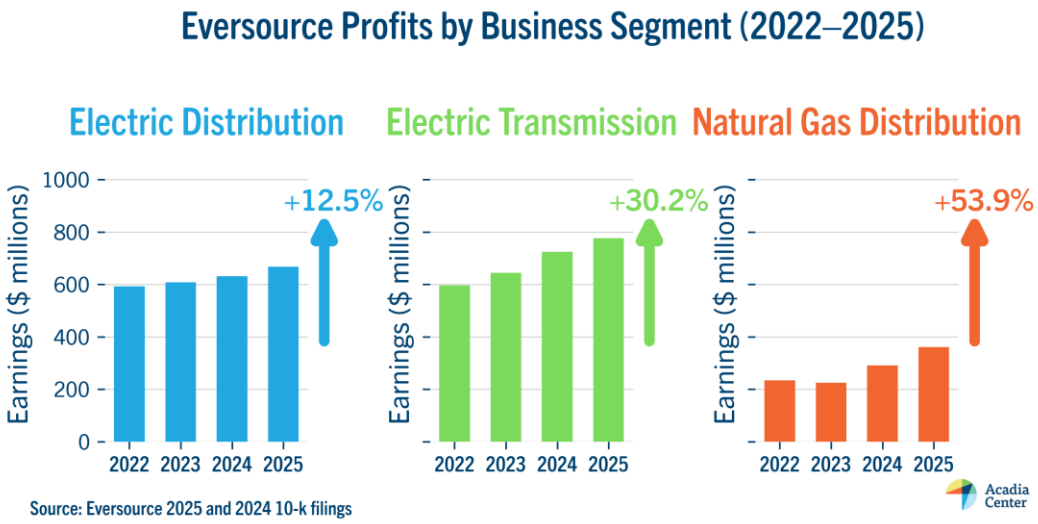


[3] This analysis uses bill data from Eversource's R-1 rate, which is the standard residential non-heating electric rate used by most customers. Graph generated by Acadia Center using MA DPU data on Eversource rates.

- "Consequently, the reality is that utility earnings are not the cause of high customer bills, representing only about 10% of the customer's total bill."

Few stakeholders would assert that return on equity (ROE) is the *only* cause of high customer bills, but it is objectively *a* significant cause, and utilities in the region have reported increased earnings in recent years across business segments. Additionally, left entirely undiscussed in the letter is the fact that an ROE higher than the cost of capital grows the incentive to build more conventional infrastructure, which then shows up in rates for 25-70 years and earns the utility a profit the entire time. This is not at all accounted for in the claim that profit is only 10% of the bill. In addition, according to third-party analysis of actual versus approved utility earnings, Eversource East (NSTAR) has consistently over-earned relative to its approved ROE in recent years. For example, in 2024 (the most recent year of data), NSTAR realized an ROE of 12.7% versus the approved rate of 9.8%.[4]

Figure 4. Eversource Energy Profits by Business Segment, 2022-2025 (Region-Wide)



- "To achieve this lofty goal of 20+ GW by 2040, upwards of 1.5+ GW of generation must come online every year, on average, accompanied by the construction of new transmission lines that will be needed to interconnect and transmit these new resources reliably, creating a very costly workaround to less expensive supply options, such as a transitional natural gas option designed for the winter peak."

This claim makes significant assumptions about natural gas costs (across power plants, pipelines, and fuel costs) and provides no supporting data. The Company provides no discussion of what "a transitional natural gas option designed for the winter peak" is or means, particularly in an environment where natural gas equipment is also growing dramatically in price and pipeline constraints are not a matter of policy, but of economics —generators prefer to buy natural gas in the spot market and will not sign long-term supply contracts, rendering new interstate pipelines un-bankable. This critique also contradicts one of the main energy cost drivers Eversource points to in

[4] Data from RMI's Utility Transition Hub™, Finances Data: Debt Equity Returns.

the letter's summary, the need to "address energy supply shortages in peak periods" – failing perhaps to consider that the significant new generation, storage, and transmission additions sought under the bills would be designed intentionally to add reliable peak-coincident energy supply. Finally, deploying 20+ GW of resources by 2040 is not unrealistic or out of step with the detailed modeling and planning the Commonwealth has undertaken to chart the course toward its long-term goals for clean energy, climate, reliability, and affordability: total installed capacity in the region has been modeled to increase to 145 GW by 2050, nearly 3.4 times higher than currently installed capacity. The amount of added capacity sought under the pending legislation is needed to meet rising demand affordably, reliably, and cleanly.

- Regarding the Regional Greenhouse Gas Initiative (RGGI) and the Massachusetts-specific Electricity Generator Emissions Limits, Eversource states that "ISO-NE estimates that these programs increased energy supply costs by around 1.75 cents per kWh in 2025."

The source for this information from ISO New England was not provided in the letter, and Acadia Center was not able to reproduce the 1.75 cents figure referenced for 2025. Instead, the likely most relevant ISO New England 2025 Annual Markets Report for this figure lists the costs as 0.9 cents per kWh in 2025.[5] A more recent quarterly markets report estimates that RGGI compliance costs in summer 2026 added $18.70/MWh to the production cost of an average natural gas combined-cycle unit, but this is not equivalent to increasing all supply costs by this magnitude on an annualized basis. Furthermore, it is possible that Eversource is mistakenly referring to *its own* prior analysis of RGGI auction results *from June 2026*, as submitted to the Department of Energy Resources (DOER) in August of 2026 (but without citation or supporting methodology),[6] and misattributing that analysis to ISO-NE and 2025 in the letter to the Conference Committee.

Additionally, the claims about the impact of these emissions programs are misleading because they only outline costs and do not take account of the main purpose of programs like RGGI, which is to reinvest proceeds to actually bring costs down for ratepayers through energy efficiency and other clean energy investments. For Massachusetts, projected total lifetime savings of 2025 RGGI program investments are $661 million, more than three times the amount of the state's share of proceeds (costs) from that year. The evidence is clear: when states invest the revenue they receive from RGGI, ratepayers come out ahead – thanks to a 4-to-1 return on investment via lifetime energy bill savings and total investments in RGGI since 2008.

Conclusion

In summary, Acadia Center respectfully disagrees and takes issue with numerous unsubstantiated assertions made by Eversource in the October 16 letter to the Committee. The Company may well intend to provide relevant information to the Committee, but that information can only be useful and actionable for policymakers if it gives

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[5] ISO New England 2025 Annual Markets Report, page 17 – available online at: https://www.iso-ne.com/static-assets/documents/100035/2025-annual-markets-report.pdf.

[6] The letter to DOER is available online here: https://www.mass.gov/doc/eversource-rggi-regulations-public-comments-2026/download.

a full picture of the reality facing ratepayers in the Commonwealth, lest decisions be distorted by an incomplete accounting of the facts and factors at play.

Please do not hesitate to contact us with any questions or requests. Acadia Center again thanks the leadership and staff of the committee for the hard work put in so far this session, and we look forward to continuing to engage with members of the Legislature and Executive branches to arrive at a package of proposals that will drive improved energy affordability, security, and reliability while enhancing the Commonwealth's ability to achieve its clean energy and climate goals.

Sincerely,

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Methodology: Categorization of Individual Rate Components

In order to present data on Eversource electric rate components by category (e.g. distribution, clean energy, etc.) in the graphs above, Acadia Center assigned each individual rate component into categories as detailed in the Table 1 below.

Table 1. Categorization of Individual Eversource Electric Rate Components into Categories

Category	Rate Component
Clean Energy	Distributed Solar Charge
Clean Energy	Electric Vehicle Program Charge
Clean Energy	Long Term Renewable Contract Adjustment
Clean Energy	Net Metering Recovery Surcharge
Clean Energy	Renewable Energy System Benefit Charge
Distribution	Advanced Metering Infrastructure Factor
Distribution	Attorney General Consulting Expense
Distribution	Base Distribution Rate
Distribution	Basic (formerly "Default") Service Adjustment Factor
Distribution	Disgorgement Market Settlement (2013)
Distribution	Electric Sector Modernization Plan
Distribution	Electronic Payment Recovery Factor
Distribution	Exogenous Events Credit Factor
Distribution	Grid Modernization Factor
Distribution	Pension/PBOP Adjustment Factor
Distribution	Revenue Decoupling Mechanism
Distribution	Smart Grid Distribution Adjustment Factor
Distribution	Solar Cost Adjustment Factor
Distribution	Solar Expansion Cost Recovery Factor
Distribution	Storm Fund Recovery Adjustment Factor
Distribution	Tax Act Credit Factor
Distribution	Vegetation Management Factor
Energy Efficiency	EE Reconciling Factor
Energy Efficiency	EE System Benefit Charge
Low-Income Assistance	Residential Assistance Adjustment Factor
Other	Provisional System Plan Factor
Other	Service Quality Credits
Other	Transition (Net)
Supply	Basic Service
Transmission	Transmission (Net)