

SUMMARY OF NO. 25-47

The proposed law would require gas distribution companies to obtain a ratepayer's affirmative, written election before charging for any program, surcharge, tariff, or cost recovery mechanism not directly related to the physical delivery of gas.

The proposed law would define "infrastructure-based delivery charges" as charges directly and exclusively related to the operation, maintenance, depreciation, or authorized return on investment of physically constructed, in-service infrastructure necessary to deliver gas, including distribution facilities, metering equipment, substations, certain transition charges under state law, and transmission charges approved by the Federal Energy Regulatory Commission. "Non-delivery-related charges" would mean any charge not meeting that definition, including but not limited to those for energy efficiency, demand-side management, rebate or incentive programs, public education, or climate adaptation initiatives.

The proposed law would prohibit the Department of Public Utilities from authorizing recovery for costs associated with net metering, renewable energy incentives, clean energy programs, tariff structures supporting such programs, or funding for renewable energy project development from ratepayers who have not affirmatively opted in to those costs. It would require

affirmative, written election for participation in these programs or funding mechanisms.

The proposed law would limit non-delivery-related charges for ratepayers who have not opted in to no more than five percent of the total monthly bill. Charges subject to the cap would include customer charges; charges for energy efficiency programs, net metering credits, clean energy incentives, or demand-side management; deployment programs; and surcharges or riders recovering programmatic costs not related to infrastructure-based delivery.

The proposed law would require ratepayer consent for recovery of costs for net metering credits, renewable energy incentives, clean energy programs, demand-side management, and related tariffs from ratepayers. It would eliminate requirements for charges for certain energy efficiency programs and make them voluntary. Prior written consent would be required for specific utility surcharges, including local distribution adjustment clauses, distribution adjustment charges, environmental remediation, pension or benefit recovery, and infrastructure enhancement plans. Existing requirements that the Department approve fully reconciling cost recovery mechanisms for certain programs would be eliminated.

The proposed law would establish that, for any ratepayer who has not affirmatively opted in, total non-delivery-related

charges may not exceed five percent of that ratepayer's total monthly bill. Charges subject to this limit would include customer charges, charges for clean energy or energy efficiency programs, and other programmatic costs not directly related to delivery infrastructure.

Utility bills would be required to present delivery charges in a separate group from all other charges, with each delivery charge showing its statutory or regulatory basis, the administering agency or program, the amount for the current billing period, and the cumulative total paid year-to-date.

The Department would adopt regulations to verify consent and prevent unauthorized or bundled enrollment.

The proposed law states that, if any of its parts were declared invalid, the other parts would stay in effect.