Energy Affordability, Independence & Innovation Act - Powering Innovation and Growth

Healey-Driscoll Administration

The Healey-Driscoll Administration is working to expand development opportunities and incubate innovative industries and energy solutions. Having a ready, robust, and affordable energy system is critical to making this happen. The Bill includes provisions to mitigate the cost impacts to residents of proactively building out the grid, ensures grid reliability, and leverages new technologies and approaches that can help meet our growing energy needs affordably and sustainably.

Sustainable Economic and Energy-Ready Zones

Inadequate electric and other utility infrastructure is a barrier to growth in Massachusetts, including for economic development and housing. Desirable sites often lack the necessary electric capacity, which can take time to address. Developers and businesses cite the delay and cost of utility infrastructure build-out as factors influencing their investment decisions.

The **Energy Affordability, Independence & Innovation Act** creates processes to proactively identify and build utility infrastructure to facilitate economic development and housing, further integrating economic development needs into ongoing grid planning efforts. It would allow the Department of Public Utilities (DPU) to authorize **anticipatory utility investment and associated tariffs**. A key aspect is protecting ratepayers from associated costs and aligning investments with clean energy mandates.

Non-Utility Distribution, Transmission, and Thermal Investment Program

The growing cost of distribution and transmission investments needed to meet increasing electric demand driven by housing, economic development, and electrification is expected to drive rate increases. The pace required for new grid infrastructure development will require significant capital investment needs.

The Bill introduces a tool being used in California and previously proposed by National Grid in New England to provide benefits of these capital investments back to ratepayers and communities. It permits **non-utility, non-profit entities** to collaborate with utilities and co-invest in various types of utility infrastructure projects. These non-profit entities would be required to return a significant portion of the revenues they earn from investing in these projects to benefit ratepayers by funding programs that provide direct financial benefits to ratepayers or to local communities hosting the infrastructure. Using this model, Citizens Energy is currently partnering with California utilities on transmission projects and returning hundreds of millions of dollars in benefit back to customers.

As an example, a specific deal between PG&E and Citizens Energy is projected to provide $450 million in benefits to PG&E customers at no added cost to ratepayers via support to low-income programs.