



August 31, 2026

To be submitted electronically via: elizabeth.c.mcnamara@mass.gov and dpu.efiling@mass.gov

Elizabeth McNamara
Hearing Officer
Department of Public Utilities
1 South Station, 3rd Floor
Boston, MA 02111

Re: Docket No. 26-62, Request for Comments on Inquiry by the Department of Public Utilities on its own Motion into the Design and Implementation of Time-Varying Rates.

Dear Ms. McNamara,

On behalf of Northeast Energy Efficiency Partnerships (NEEP)¹, we are pleased to submit comments relative to [Docket No. 26-62](#), Request for Comments on Inquiry by the Department of Public Utilities on its own Motion into the Design and Implementation of Time-Varying Rates. NEEP is a non-profit whose mission is to accelerate regional collaboration to promote advanced energy efficiency and related solutions in homes, buildings, industry, and communities. NEEP recognizes rate design is a critical tool for addressing energy affordability at a time when many states are struggling to keep costs manageable for customers. Rate design is one of many tools to address affordability concerns by aligning customer and grid costs, encouraging customers to conserve energy and use it more efficiently, and protecting customers from unfair and unexpected costs.

We thank the Department of Public Utilities (DPU) for the opportunity to provide input on the design and implementation of Time-Varying Rates (TVRs). We commend Massachusetts for the public engagement and work of the Interagency Rates Working Group on energy affordability and rate strategies. The following comments are intended to provide technical assistance and resources relating to Time-Varying Rates design and implementation. NEEP has tools and resources available, as well as direct technical assistance.

The [Time-of-Use Rate Proposal](#) published April 2026 by the Massachusetts Department of Energy Resources (DOER) identifies why current volumetric rate design fails to address peak demand and cautions that, without changes in rate design, unmanaged load growth from electrification could unfairly increase customer bills. DOER proposes default opt-out time-of-use (TOU) rates across supply, transmission, and distribution service, with a four-hour peak period of 4-8pm. Massachusetts electric distribution companies (EDCs) plan to deploy advanced metering infrastructure (AMI) or “smart meters” to all customers by the end of 2027. With these considerations, NEEP outlines the following recommendations in response to the [DPU 26-62 Vote and Order Opening Inquiry, June 30, 2026](#).

¹ These comments are offered by NEEP staff and do not necessarily represent the view of the NEEP Board of Directors, sponsors or partners. NEEP is a 501 (c)(3) non-profit organization that does not lobby or litigate.



Implementing Customer Bill Protections Alongside Design and Implementation of TVRs in Massachusetts

Bill protections aim to keep customer bills from changing dramatically and allow customers to feel more comfortable switching to a new rate structure. As part of the TVR proposal, Massachusetts DOER recommends that DPU adopt bill protections like opt-out capabilities, shadow billing, and bill stabilization measures to help customers adapt to the new TOU rate. Massachusetts DOER also recommends that EDCs conduct additional bill research with available AMI to support more granular impact analyses beyond the research already completed by E3 to identify and understand vulnerable customers and their ability to shift load. Separately, the DPU has adopted a statewide tiered discount framework, to be implemented by all electric companies by November 2026, with discounts based on a target energy burden.

NEEP supports these recommendations. Below, we provide examples of bill protection measures that other states have used and studied to help the DPU navigate these options.

- *Shadow billing:* [Shadow billing](#) provides an informational bill alongside a customer's actual bill, showing what their bill would have been if they were using TOU rates. Utilities have used this to encourage enrollment in TOU rates and as an educational tool before transitioning customers to a TOU rate plan. [Groton Electric Light Department's](#) Time Varying Rates Pilot Program used this to show customers how they could lower their rates prior to enrolling in TOU rates.
- *Hold harmless Billing:* [Hold harmless billing](#) enrolls customers in both their standard two-part rate and an optional advanced rate, such as a TOU rate, and bills whichever of the two is lower for each month.
- *Price stabilization:* Utilities can offer price stabilization, also called price guarantee, to moderate- and low-income customers who switch to TOU rates. Price stabilization guarantees that customers will not pay more than a set amount during a specified initial period (such as one to two years). An [Opinion Dynamics study](#) of California's opt-out TOU rollout found that price stabilization for the first year of TOU rates was helpful in allowing customers to try the rate "risk free." This is in line with the [MA IRWG](#) suggestions for an initial one-year period of price stabilization for low-income customers.
- *One-time bill credit:* Another way to incentivize households to enroll in TOU rates and provide some financial security is through [a one-time bill credit](#). In a study in California, evaluators found that one-time bill credits were more popular among low-income participants than price stabilization.

Implementing these measures in an efficient and effective manner for customers will be a key strategy for transitioning to opt-out TOU rates. Ongoing research and evaluation will help ensure that these measures deliver the intended protection.

Implementing Protections for Vulnerable Customer Classes Alongside Design and Implementation of TVRs in Massachusetts

Researchers identify the following groups as more vulnerable to higher electric bills because of their use patterns: households with children under 5 years old, households with durable medical equipment (i.e.,



ventilators), and customers with irregular work schedules. Additionally, certain customers are particularly susceptible to financial and health hardship: customers who exhibit energy-limiting behavior that negatively impacts their health, customers with high energy burdens, fixed-income customers, customers with chronic late bill payment and/or chronic disconnection, and senior citizens. When considering demand elasticity among customer groups, we encourage the DPU to consider these vulnerable groups. For more details on these customer categories, see Attachment A.

A Single Four-Hour Peak Window is Appropriate for TOU Rates

DOER's proposal recommends a single four-hour peak window across supply, transmission, and distribution rates with a method to adjust the rates and incorporate feedback over time. NEEP supports the proposed single four-hour peak window, as it is generally considered to be an effective and realistic approach. The use of a single peak period across all bill components will facilitate customer understanding of the new rate and make it easier to communicate when customers should shift their load. Another key factor in design will be the price ratio between peak and off-peak periods. Proper price signals will be important to incentivize customer enrollment, lower volumetric rates so customers save money and establish peak pricing that is not too punitive (generally, [a ratio of 5:1 is recommended](#) to encourage peak reduction).

NEEP supports DOER's proposed methods of adjusting the rate and incorporating feedback and lessons learned over time. Adjustments to the timing of peak hours and the definition of peak seasons will ensure that the rate continues to charge customers prices based on the true cost of service as the electric system evolves (e.g., as the grid shifts from summer to winter peaking or usage patterns change). Also, the degree to which this new rate would allow for flexibility (e.g., adjusting to new circumstances and implementing lessons learned) will further boost the rate's long-term effectiveness. These updates should cause minimal interruption for customers with predictable, gradual changes to avoid confusion for customers.

Deploying CPP or PTR Can Lower Transmission Costs

Critical Peak Pricing (CPP) and Peak Time Rebates (PTRs) both provide opportunities to further shift load during annual peak periods. These rate designs are beneficial in reducing demand for supply, as well as transmission and distribution (T&D). Specifically for T&D, CPP and PTR can defer infrastructure costs and lower constraints on the grid at the local level. In addition to CPP, NEEP encourages the DPU to consider PTRs. PTRs provide a carrot for customers to reduce electricity use during peak events. CPPs, on the other hand, increase rates during peak events and could increase bills for customers who do not shift usage away from these peak periods. [Studies have shown that layering](#) CPP or PTR on top of TOU rates can increase peak demand beyond what TOU rates would achieve alone. No matter whether the state chooses CPP or PTR Rebates, the state should coordinate peak periods and pricing with existing TOU rates and keep the program as straightforward as possible for customers to understand.



Considerations for Coordinating with Suppliers on TOU Rates

Regardless of the type of TVR, supplier coordination will be another key element that merits special consideration. To ensure successful implementation of these rates, it is important for regulators to start customer engagement early and use lessons from states that have implemented or attempted to implement supply rates with municipal aggregators and competitive suppliers. California has managed coordination between regulated utilities and competitive electricity providers (CEPs) (see [Decision 19-07-004](#) and [Decision 18-12-004](#)). The joint strategy involved timelines for CEPs to decide whether they would offer supply TOU rates in line with the utilities' TOU framework and coordination between the utilities and CEPs to minimize potential customer confusion.

Conclusion

Overall, NEEP supports the use of customer bill protections as a necessary consumer protection measure and the proposed single four-hour peak window. When deciding whether to use CPP for distribution and transmission, NEEP recommends considering PTR because it can be rolled out to all customers without negative impacts. It is also important to highlight that, while TOU rates can help customers shift their usage, rates and programs should continue to encourage genuine energy savings through conservation and efficiency programs. In addition to these comments, NEEP is available to provide direct technical assistance as Massachusetts continues this docket.

A handwritten signature in black ink that reads 'Erin Cosgrove'.

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**Attachments:****Attachment A: Vulnerable customer category details**

Customer Category	Description
Customers who exhibit energy-limiting behavior	Energy-limiting behavior includes actions where the customer self-imposes constraints on their energy use, even when it may be harmful to their health, to avoid high costs. This behavior can be identified via energy usage data, with advanced metering data helping to identify more granular trends.
Customers with high energy burdens	These customers pay a large percentage of their income toward their energy bills. The Department of Energy starts highlighting energy burden levels at 4% of income.
Fixed-income customers	Customers living on fixed income , like Social Security, have a harder time reacting to changes in monthly costs.
Households with children under 5 years old	Added costs associated with child rearing financially constrain families . Child-related scheduling demands also create time constraints on families. Families also have a larger amount of laundry and dishes. Because of these factors, households may have a more challenging time prioritizing load-shifting behaviors.
Households with durable medical equipment	Individuals who use durable medical equipment , such as a ventilator, need the equipment to run based on their health needs, which creates a non-shiftable load.
Customers with chronic late bill payment and/or chronic disconnection	Rate payers who are already struggling to pay their flat rate bill may be particularly harmed by the variability associated with Time-of-Use rates.
Customers with irregular work schedules	Customers with irregular work schedules may be affected differently, either helped or harmed, by TOU rates depending on their work schedule, use patterns, and TOU rate structure.
Senior citizens	Seniors are more likely to fit into some of the other categories listed above, such as fixed-income customers or customers who require durable medical equipment.