

**ACT FOR UTILITY TRANSITION TO USING RENEWABLE ENERGY (FUTURE)**  
**H.2849/S.1940**  
**Road Map to the FUTURE Act for Empowering Municipalities**

The FUTURE Act focuses on the problems with the distribution of natural gas in the Commonwealth. It addresses the crumbling infrastructure and immediate safety concerns in the wake of the September 2018 disaster in the Merrimack Valley. At the same time, it creates a path to the future by permitting gas companies to distribute renewable thermal energy to heat and cool our homes and provide hot water. Together, these measures will reduce greenhouse gas emissions and our Commonwealth's dependence on fossil fuels as well as allow us to achieve our goal of a safer, healthier, livable climate for all.

The FUTURE Act includes:

- Stronger oversight of gas companies by the Department of Public Utilities (DPU) to expedite fixing gas leaks;
- Clear rules to strengthen gas safety standards for workers and the public;
- Increased coordination and transparency among the DPU, gas companies, and municipalities in the repair and replacement of leak-prone pipes;
- Funding, financial incentives, and renewable energy credits to encourage gas companies to distribute thermal renewable energy instead of gas, avoiding future stranded assets;
- Flexibility for municipalities to choose alternatives, such as district energy;
- Requiring the DPU to accommodate the mandates of the Global Warming Solutions Act (GWSA);
- Requiring the DPU to consider equitable access to energy efficiency and renewable energy as well as the public's health and safety in its decisions as it regulates gas and electric utilities; and
- Establishing a Governor's Commission to make legislative and policy recommendations to ensure a safe, just, and expeditious transition to renewable energy by the year 2050.

**Provisions in the FUTURE Act for Empowering Municipalities**

A vast network of gas pipes runs under the streets and neighborhoods of cities and towns throughout the Commonwealth – consisting 21,663 miles of gas mains and 1,336,690 service lines to ratepayers, as reported by gas companies in 2017. With some 18,000 leaks, these pipes are leaking methane, polluting the air, killing street trees, endangering our neighborhoods, and costing us money – as ratepayers pay for the leaked gas. To repair or replace these pipes, gas companies have to dig up those streets, disrupting traffic, inconveniencing residents, and costing municipalities for road repair and lost street trees.

The FUTURE Act improves coordination between the gas companies and the municipalities and gives more authority and flexibility to municipalities in their choice of energy sources. It also gives municipalities an effective voice in DPU proceedings and permits them to pursue remedies with the DPU instead of the courts for damages incurred during gas company roadwork.

### **The FUTURE Act requires:**

- Street repair requirements. When opening up a street to repair or replace gas infrastructure, gas companies required to: (1) survey the project area for the presence of leaks, (2) set a leak repair and replacement schedule, and (3) provide the municipality with the location, history, and grade of the leak, as well as the age, pressure, size and material of the pipe and the schedule for the replacement of any leak-prone infrastructure.
- Reports to municipalities. Gas companies required to provide the municipality when the work is completed with a report from a certified gas inspector: (1) that the new infrastructure is free from defects, (2) that the shutoff valves and gate boxes are accessible and working, and (3) that the work was completed according to state and federal regulations.
- Plans to municipalities. DPU required to send infrastructure plans submitted by a gas company to each municipality affected by the plans.
- Municipal aggregation. DPU required to issue regulations authorizing expansion of municipal aggregation for district energy where it will reduce greenhouse gases and consumer cost.

### **The FUTURE Act permits:**

- Participation in DPU hearings. Municipalities permitted to participate fully in DPU adjudicatory proceedings related to its service territory, as may a member of the legislature whose district is in that service area or 10 or more ratepayers from that service area.
- Claims for property damage. Municipalities permitted to submit to the DPU a claim for property damage, including trees killed by gas leaks or by gas pipe repair or replacement, as verified by a certified arborist.
- Claims for breach of franchise. Municipalities permitted to file a complaint with the DPU against an electric or gas company for breach of franchise or of DPU regulations, with DPU required to hold a public hearing and to publish its opinion.

### **The FUTURE Act authorizes:**

- Local energy services. Municipalities, state agencies, or gas or electric ratepayers authorized to procure local or district energy services and to establish an energy microgrid, using a public right of way for energy generation or resiliency.
- Utility franchises. Municipalities, every 10 years, authorized to condition the establishment or renewal of an exclusive gas or electric franchise upon compliance with the municipality's regulations, including the underground placement of distribution lines and facilities.
- Fees for utility franchise. Municipalities authorized to include in the franchise agreement a requirement for the electric or gas company to pay fees to raise revenue or to defray any increase in municipal costs resulting from the company's operations, as well as a requirement to provide the municipality with information about the gas or electric infrastructure and operations. Fees may be based upon gross operating revenues or upon gross earnings revenues and may not be recovered in a proceeding under section 94 of chapter 164. (Such franchise agreements are common in Colorado, Minnesota, Washington, Florida, and elsewhere, giving municipalities the ability to negotiate better terms on rates, renewable energy, and other issues.)