

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

INQUIRY BY THE DEPARTMENT OF PUBLIC UTILITIES ON ITS OWN MOTION INTO THE DESIGN AND IMPLEMENTATION OF TIME-VARYING RATES	:	
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	:	D.P.U. 26-62
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RETAIL ENERGY SUPPLY ASSOCIATION’S COMMENTS

The Retail Energy Supply Association (“RESA”)¹ hereby files comments in response to the Department of Public Utilities’ (“Department”) July 21, 2026 Notice of Inquiry and Request for Comments² in the above-captioned proceeding.

BACKGROUND

In 2014, the Department concluded that

implementing TVR is ***critical*** to achieving the grid modernization objectives, noting TVR’s potential to: (1) allow customers, assisted by new technologies (e.g., advanced meters, in-home displays, programmable thermostats, load control devices), to respond to the varying costs of electricity; (2) enable individual customers to save money by changing when they use electricity, based on price signals that reflect costs; (3) benefit all customers by reducing peak energy and capacity market costs; (4) increase system efficiencies and support the distribution system by reducing peak demand; and (5) provide appropriate incentives for consumers to install distributed resources such as solar photovoltaic generation, electricity storage, electric vehicles, and targeted energy efficiency and demand response.³

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

² Notice of Inquiry and Request for Comments (Jul. 21, 2026) (“Notice”).

³ Vote and Order Opening Inquiry (Jun. 30, 2026) (“Vote & Order”), at 3-4 (emphasis added).

On April 2, 2026, the Department of Energy Resources filed a petition recommending that the Department open an investigation regarding the implementation, design, customer experience, and integration of time-varying rates (“TVRs”).⁴ On June 30, 2026, the Department opened this proceeding to investigate TVR rate design, customer protections, and the electric distribution companies’ (“EDCs”) TVR implementation plans, and marketing, education, and outreach (“MEO”) plans for the TVR transition.⁵

To facilitate those efforts, the Department offered an opportunity for interested stakeholders to submit comments.⁶ RESA hereby submits its comments in response to the Notice.

COMMENTS

When it passed the Electric Restructuring Act, the Massachusetts legislature found, among other things, that “the introduction of competition in the electric generation market will encourage innovation, efficiency, and improved service”⁷ The General Court also declared that competitive electric markets “should open markets for new and improved technologies” and “provide electricity buyers and sellers with appropriate price signals.”⁸

Appropriately designed and implemented TVRs can successfully shape consumer behavior by having them respond to immediate price signals and receive appropriate credit for actions taken to reduce or avoid consumption in response to those signals.

⁴ Vote & Order, at 2.

⁵ *Id.* at 1-2.

⁶ *Id.* at 13-14; *see also* Notice, at 1-2 (inviting comments on topics identified in Vote & Order).

⁷ Acts of 1997 Chapter 164, § 1(f).

⁸ *Id.* at § 1(g).

Moreover, TVRs will provide substantial benefits not only to the customers adopting those solutions, but to all customers and to the transmission and distribution systems by reducing costs and increasing reliability. Thus, RESA urges the Department to implement TVRs as expeditiously as possible and take other actions necessary to facilitate the innovative product offerings envisioned by the Restructuring Act and unlock the full value of the significant investments made by ratepayers in modernizing the electric grid.⁹

I. CONSUMER PROTECTIONS FOR SUCCESSFUL DESIGN AND IMPLEMENTATION OF TVRS

In the Vote & Order, the Department requested that stakeholders identify consumer protections necessary for the successful design and implementation of TVRs.¹⁰ RESA supports consumer protections that ensure customers understand TVR offerings and are able to adequately evaluate available choices. To that end, the Department should ensure that educational materials include clear, plain-language explanations that use common terminology.

Customers should be provided sufficient information to make informed decisions, including how customers can shift usage, how pricing periods work, and how to understand their bills. Customers should also be able to easily opt-out of or opt-in to the default service TVR rate. In addition, customers should be informed that competitive suppliers and municipal aggregations may have different pricing options available that may be able to better satisfy a customer's particular needs.

⁹ Cf. Vote & Order, at 4 (“Subsequently, the EDCs, with the Department’s oversight and direction—and thanks to significant investments from ratepayers— have made substantial progress to lay the foundation for implementing TVR.”).

¹⁰ *Id.*

Bill transparency is another key element of ensuring customers understand the impact of their choices. By their nature, TVRs are more complex pricing structures than a single cents per kilowatt hour (“kWh”) price applied to all customer usage. However, current EDC billing formats do not offer options for the billing of supply products on any basis other than a single cents/kWh price. As a consequence, customers choosing competitive suppliers who prefer a single bill have limited options available to them. Furthermore, once default service TVRs are enabled, if the current rate ready billing structure is the only option available, customers who choose a competitive supplier and that prefer a single bill will only be able to adopt TVRs that mirror default service. Conversely, if the EDCs are required to adopt bill ready billing, customers will be able to choose from a variety of competitive supply offers, including TVRs with different billing structures, that best satisfy their needs.

II. IMPLEMENTABLE STRATEGIES FOR GUIDING CUSTOMER BEHAVIOR

The Department also requested that stakeholders “describe implementable strategies for guiding customer behavior to avoid creating a new system (or grid pocket) peak immediately following the end of a peak rate period.”¹¹ The key to guiding customer behavior is accurate price signals. Without accurate pricing signals, customers have little (if any) incentive to change their behavior. Conversely, accurate price signals give customers the tools necessary to make appropriate decisions regarding demand response and energy efficiency modifications to better manage their electricity consumption and costs.

¹¹ Vote & Order, at 13.

There are several ways in which the Department can provide the appropriate signals to guide customer behavior to mitigate against creating new peaks. First, the Department could require the EDCs to establish multi-period TVRs with graduated pricing that sets the lowest price for the period in which the Department wishes to encourage the highest reductions in usage. Second, the Department could require the EDCs to stagger peak times by customer segments either by establishing different windows for different rate classes and/or for customers within a given rate class. The Department could also require the EDCs to use demand charges as a financial incentive to spread out or stagger increased usage. Whatever option(s) the Department chooses to implement, it should require that the MEO plans educate consumers on not only when customers should reduce usage, but when shifting usage will be most beneficial to customers and the system.

III. ADDITIONAL CHANGES TO ENABLE CUSTOMER CHOICE

The Department also requested that stakeholders “identify any additional changes to AMI functionalities, billing systems, or other operational functions required by the EDCs to enable TVR supply rates for non-demand customers who receive supply from competitive suppliers or municipal aggregation providers.”¹² Any innovative solution that involves shaping consumer behavior by having them respond to immediate price signals and receive appropriate credit for actions taken to reduce or avoid consumption in response to those signals will depend on suppliers having real-time access to actual customer usage data.

¹² Vote & Order, at 13.

Supplier access to and load settlement based on the interval data available from advanced metering infrastructure (“AMI”) will revolutionize the ability of retail suppliers to offer and Massachusetts customers to adopt more innovative products. The ability of customers to choose the innovative solutions available from the competitive market will also facilitate the Commonwealth’s public policy goals by supporting further development of “energy efficiency, renewable energy resources, demand response, electricity storage, microgrids, and EVs.”¹³ Thus, RESA urges the Department to require the EDCs to provide: (a) electric suppliers with customer interval usage data collected by AMI in near real time; and (b) interval data for use in settlements in the ISO New England, Inc. (“ISO-NE”) markets. In addition, to allow smaller consumers to take advantage of these innovative product offerings, the Department should also adopt certain billing enhancements.

A. Timely And Accurate Access To Interval Data Is Necessary

Interval data represents the exact, actual usage of a particular customer recorded by a meter. As a consequence, it offers valuable insight into a customer’s energy-usage patterns. This information can then be used to design product offerings that meet individual customer needs. For instance, with interval data, competitive suppliers can offer customers price responsive demand (“PRD”) products that encourage load shifting, conservation, and energy efficiency, resulting in real cost savings for customers and the EDCs.

By providing these innovative programs on a competitive basis, retail suppliers will be able to reduce the amount of ratepayer dollars needed to fund these types of

¹³ D.P.U. 12-76-B (Jun. 12, 2014) (“12-76-B”), at 9.

programs and to offer additional programs that supplement those funded by ratepayers. However, competitive suppliers can only provide these high value offerings when they have access to timely and accurate customer interval data.

Providing suppliers with timely access to interval data also ensures that the EDCs are not given a competitive advantage by having access to customer information needed to help customers find solutions that meet their individual needs that is unavailable to the competitive suppliers serving those customers. Moreover, ensuring competitive suppliers have timely and accurate access to interval data benefits customers because the EDCs only have limited approved product and service offerings available that they can offer to customers. Conversely, competitive suppliers have the ability to design and offer products and services that meet individual customer needs. Thus, the Department should require the EDCs to provide competitive suppliers with customer interval usage data in near real time.

B. The Current EDC Load Settlement Process Makes It Nearly Impossible To Encourage Adoption Of Time-Differentiated Or Behavior-Based Energy Products

Load settlement based on actual customer interval data is necessary for ISO-NE to accurately bill suppliers and critical to competitive suppliers' ability to offer products that provide the maximum benefit to participating customers and to all Massachusetts ratepayers. Current load-profile settlement prevents suppliers from determining an individual customer's actual contribution to the supplier's overall load or costs, which prevents suppliers from determining what time-differentiated or behavior-based product would reduce that customer's load or costs in any given hour. If suppliers' load is settled based on actual interval data, suppliers can offer products that send customers appropriate

price signals to incentivize desired behaviors, including usage reductions during peak periods.

Currently, the EDCs report supplier load to ISO-NE based upon load profiles.¹⁴ A load profile is based on estimates and calculations of either an individual customer or class of customers¹⁵ that allocates a customer's or class of customers' total usage during a billing cycle to the individual hours in that cycle. Using a load profile is comparable to having an activity tracker estimate a user's steps in a given hour based on how many steps the user walked in an entire day, rather than recording the actual steps taken in each hour. Even worse, assigning a load profile to a particular customer based on the profile of the entire class of customers is comparable to an activity tracker determining an individual user's steps based on the average number of steps of all users even though other users may walk far fewer or far more steps. As a consequence, with only load profile information, suppliers cannot determine an individual customer's actual contribution to the supplier's overall load or costs. Without this information, suppliers cannot determine what type of time-differentiated or behavior-based energy product would reduce a particular customer's load or costs in any given hour.

¹⁴ See Unitil Supplier Terms, § 9.D(1) ("The Company shall identify or develop a load profile for each customer class or each Customer for use in each day's daily determination of hourly load."); National Grid Supplier Terms, § 9D(1) ("The Company shall identify or develop a load profile for each customer class or each Customer for use in each day's daily determination of hourly load."); Eversource East Supplier Terms, § 9D(1) ("The Company shall identify or develop a load profile for each Customer class or each Customer for use in each day's daily determination of hourly load."); Eversource East Supplier Terms, § 9D(1) ("The Company shall identify or develop a load profile for each customer class or each Customer for use in each day's daily determination of hourly load.").

¹⁵ See M.D.P.U. 314 (Fitchburg Gas and Electric Light Company Terms and Conditions for Competitive Suppliers) ("Unitil Supplier Terms"), § 9; M.D.P.U. No. 1420 (Massachusetts Electric Company/Nantucket Electric Company Terms and Conditions for Competitive Suppliers) ("National Grid Supplier Terms"), § 9; M.D.P.U. No. 4A (NSTAR Electric Company d/b/a Eversource Energy Eastern Massachusetts Terms and Conditions – Competitive Suppliers and Competitive REA Suppliers) ("Eversource East Supplier Terms"), § 9; M.D.P.U. No. 5A (NSTAR Electric Company d/b/a Eversource Energy Western Massachusetts Terms and Conditions – Competitive Suppliers) ("Eversource West Supplier Terms"), § 9.

As an example: Customer A and Customer B may use the same amount of energy in a day. However, Customer A may use most of its energy during off-peak hours, and Customer B may use most of its energy during on-peak hours. If ISO-NE bills the supplier based on the load profiles of these customers or, even worse, the load profile of the entire customer class, the supplier cannot see the differences in when each customer uses its energy throughout the day. Thus, the supplier will not have the information necessary to know that Customer A and Customer B should be offered different products. As a consequence, the supplier could offer a product that fails to incentivize Customer B to reduce its usage during peak hours. In stark contrast, if the supplier's load was settled based on actual, interval data for each of these customers, the supplier could offer different products that send each customer the appropriate price signal to incentivize desired behaviors (e.g., encouraging Customer B to reduce its usage during peak periods in order to meaningfully reduce the capacity and transmission costs associated with serving that customer).

In sum, load settlement based on actual customer interval data is necessary for ISO-NE to accurately bill suppliers for the total hourly consumption of the suppliers' customers. Moreover, this information is critical to the ability of retail suppliers to offer time-differentiated or behavior-based energy products to those customers that will benefit the customers adopting the solutions as well as all Massachusetts ratepayers. Thus, the Department should require the EDCs to provide interval data for use in settlements in the ISO-NE markets.

C. Bill Enhancements Are Necessary To Support Adoption Of TVRs

Currently, when customers are billed by an EDC, they are provided one piece of information about the product in which they are enrolled – the price per kilowatt hour.¹⁶ In order for customers to see the impact of their decisions to adopt TVRs and other innovative product offerings, billing enhancements are also needed.

Currently, the EDCs only offer rate-ready billing to suppliers. “Rate-ready billing of TVR entails that suppliers provide to an EDC a set of TVR periods and prices that correspond to the agreed-upon **standard** parameters that allow an EDC to calculate a bill for a customer enrolled in that TVR rate.”¹⁷ These limitations do not support the billing of more complex pricing options (e.g., critical peak pricing, peak-time rebates).¹⁸

Although the dual billing option does not suffer from these same limitations, residential and many smaller commercial customers strongly prefer to receive one bill for their electric service. As a result, if rate-ready billing remains the only option, those customers will not be able to take advantage of more innovative pricing and product offerings that will help reduce individual customer and overall system costs.

Ideally, Supplier Consolidated Billing (“SCB”), by which retail suppliers bill their customers for commodity supply and other services, and also collect the distribution charges for the EDCs, would provide the optimal means for advancing customer adoption of products that reduce costs. Absent SCB, bill-ready billing, at a minimum, provides a solution that will enhance the range of pricing and product offerings that are available to

¹⁶ See, e.g., Eversource Sample Electric Bill, <https://www.eversource.com/business/account-billing/manage-bill/about-your-bill/understanding-your-bill/sample-electric-bill/wma> (last visited Aug. 29, 2026).

¹⁷ Dockets 21-80/81/82, AMI Stakeholder Group Final Report (Aug. 1, 2024) (“AMI Final Report”), at 10 n.6 (internal quotations omitted) (emphasis added).

¹⁸ *Id.* at 11.

customers, especially customers that prefer to receive a single bill. “[B]ill-ready billing entails the sending of customer interval usage data to the supplier, which would compute the bill line items and send them back to the EDC for inclusion on the customer bill.”¹⁹

Each of the EDCs have indicated their willingness to make the necessary system enhancements to accommodate bill-ready billing.²⁰ Because bill-ready billing will ensure that customers that choose more complex pricing and product offerings can see the impact and value of those decisions, RESA urges the Department to require the EDCs to complete the necessary system enhancements to offer bill-ready billing as expeditiously as possible.

IV. KEY ELEMENTS OF THE EDCS’ IMPLEMENTATION AND MEO PLANS

The Department also requested comment on key elements that should be included in the EDCs’ implementation and MEO plans.²¹ The EDCs’ implementation plans should be competitively neutral and ensure that they do not impede the ability of customers to choose from a wide range of TVRs and other products available from competitive suppliers and municipal aggregations. Those plans should include, at minimum, AMI deployment status, customer information system and meter data management system readiness, interval data load settlement, and billing enhancements.

In addition to the items noted above,²² the MEO plans should not be solely focused on the TVRs available from the EDCs. Instead, the MEO plans should provide

¹⁹ AMI Final Report, at 10 n.6 (internal quotations omitted).

²⁰ *Id.* at 11 (“Eversource intends to accommodate bill-ready billing for non-standard TVR options beginning approximately when TVR options are enabled for suppliers; National Grid and Unitil are in the process of evaluating the cost and feasibility of bill-ready billing.”).

²¹ Vote & Order, at 13.

²² See Section I *supra*.

information about TVRs generally and ensure that consumers are aware that competitive suppliers and municipal aggregations may have different product offerings available that may better suit a particular customer's needs.

To ensure the EDCs' implementation and MEO plans take into account the interests of all stakeholders, the Department should offer an opportunity for comment on those plans. In addition, RESA urges the Department to take a comprehensive approach and coordinate its efforts in its various related proceedings to appropriately sequence the timing of its decisions and maximize efficiencies in implementation.

V. INFORMATION AND ANALYSIS

The Department further asked stakeholders to provide information and analysis regarding several items, including "the appropriateness of a single four-hour peak window from 4:00 p.m. to 8:00 p.m. for each day" and demand elasticity across customers groups.²³ RESA does not have empirical information or analysis to offer regarding the proposed four-hour peak window. However, whatever rate design limitations the Department adopts should only be applied to EDC-administered TVR offerings. A uniform default-service peak period may be appropriate for an EDC-administered TVR framework, but applying that same window to competitive suppliers would limit product innovation and customer choice in contravention of the Restructuring Act. Competitive suppliers and municipal aggregations should be free to design product offerings that work best for their customers, including non-TVR products and TVR products based on different or additional peak periods, pricing periods, seasonality, and product structures.

²³ Vote & Order, at 13, 10-11.

Studies show that potential differences in demand among customer groups have very little impact on the demand reductions achieved and savings realized. For example, a pilot program conducted in Maryland specifically recruited a sample of low-to-moderate income customers in order to evaluate the proportional benefits.²⁴ The peak load reductions achieved through the pilot's TVR were "not statistically different" than reductions achieved by customers outside the low-to-moderate income sample.²⁵ Similarly, an Illinois whitepaper found ComEd customers would have benefited nearly universally from real-time pricing during 2016 with "no significant differences between low-income and other customers."²⁶

CONCLUSION

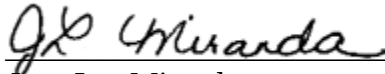
RESA appreciates the opportunity to offer these comments and looks forward to the providing further input as the proceeding progresses.

²⁴ The Brattle Group "PC44 Time of Use Pilots: Year One Evaluation" (Sep 15, 2020), https://www.brattle.com/wp-content/uploads/2021/05/19973_pc44_time_of_use_pilots_-_year_one_evaluation.pdf (last visited Aug. 29, 2026), at 5 ("The Maryland Public Service Commission was particularly interested in assessing the impacts of TOU rates on low-to-moderate income ('LMI') customers in addition to average residential customers. Accordingly, the pilot designs involved separate treatment groups for LMI customers to ensure that the JUs recruited a sufficient number of LMI customers to enable estimation of statistically significant impacts for that category of customers.").

²⁵ *Id.* at 41.

²⁶ "The Costs and Benefits of Real-Time Pricing" (Nov. 14, 2017), https://citizensutilityboard.org/wp-content/uploads/2017/11/20171114_FinalRealTimePricingWhitepaper.pdf (last visited Aug. 29, 2026), at 3.

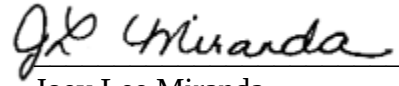
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Certificate of Service

I certify that I have this day served the foregoing document in the above-captioned proceeding in accordance with the requirements of 220 C.M.R. § 1.05.

A handwritten signature in black ink, appearing to read "Joey Lee Miranda", written over a horizontal line.

Joey Lee Miranda

Dated: August 31, 2026