COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

Time-Varying Rates	**D.P.U. 26-62**

COMMENTS OF THE

MASSACHUSETTS DEPARTMENT OF ENERGY RESOURCES

TABLE OF CONTENTS

I. INTRODUCTION 1
II. COMMENTS 2
A. Massachusetts ratepayers will benefit from time-of-use rates 2
1. Evidence from other jurisdictions and DOER analysis points to customer savings 2
2. Time-varying all three components of a customer's bill will maximize benefits and promote cost causation. 4
3. Establishing reasonable guardrails for the opt-out process will reinforce rate design integrity 5
B. DOER has adapted its Time-of-Use Rate Proposal to reflect technical conference discussion 7
1. Implement default TOU rates via a two-phase approach beginning with supply and transmission, followed by distribution 7
2. Direct the EDCs to include at least one customer education tool sixty days before implementation of a default opt-out TOU rate on April 1, 2028. 9
3. Direct the EDCs to coordinate with municipal aggregators and competitive suppliers 11
C. Other recommendations based on technical conference discussion 12
1. In lieu of a default super off-peak period, direct the EDCs to coordinate TOU rates with EV off-peak rebate programs 12
2. Consider opt-in Critical Peak Pricing, provided implementation does not delay the successful rollout of default opt-out TOU rates 14
3. Direct the EDCs to provide representative sample sets of anonymized AMI load profiles so that stakeholders can analyze bill impacts 16
III. CONCLUSION 18

I. INTRODUCTION

On October 21 and 22, 2026, the Department of Public Utilities (Department) held technical conference on the Department of Energy Resources (DOER) *Petition Requesting the Department of Public Utilities Open an Investigation into Time Varying Rates* (Petition).[1] Prior to the technical conference, the Department requested that by November 5, stakeholders submit copies of written presentation materials, comments, or other information within the scope of the technical conference agenda.[2]

DOER appreciates the thoughtful questions and robust dialogue concerning its Petition during the technical conference. In accordance with the Department's request, DOER hereby provides comments addressing issues discussed during the technical conference.[3]

In addition, DOER provides the following exhibits in response to requests made during the technical conference:

- **Exhibit A-1** is an excel workbook, containing Schedule 1 that calculates TOU rates based on design parameters that users can input (e.g., peak period hours, peak season months, whether to time vary specific rate components, etc.), Schedule 2, that estimates savings based on assumptions about TOU-induced load shifting that users may alter, and Schedule 3, that validates that the TOU rate is revenue-sufficient.
- **Exhibit A-2** is a "Read_Me" document that explains the three Schedule sheets and thirteen Working Paper sheets of Exh. A-1.

[1] *Petition of the Massachusetts Department of Energy Resources Requesting the Department of Public Utilities Open an Investigation into Time-Varying Rates*, D.P.U. 26-62, Petition (Apr. 8, 2026).
[2] D.P.U. 26-62, October Technical Conference Agenda (Oct. 6, 2026).
[3] Silence with respect to any issues or arguments raised in this proceeding should not be construed as acquiescence or consent by DOER.

- **Exhibit B** contains analysis and visualization of the distribution zone data provided by Eversource in Attachment D.P.U. 26-62-ES(b).
- **Exhibit C** contains responses to two questions on the source of ratemaking principles and assumptions used to calculate savings in DOER's technical conference presentation.

II. COMMENTS

A. Massachusetts ratepayers will benefit from time-of-use rates

1. Evidence from other jurisdictions and DOER analysis points to customer savings

Time-of-use (TOU) rates will likely produce bill savings for many customers immediately and empower customers to deepen bill savings by shifting energy usage to lower-cost periods, which in turn will produce short-and long-term system cost reductions that are shared by all ratepayers. Evidence from other jurisdictions demonstrates that a majority of customers enrolled on TOU rates can save money, oftentimes even before shifting load. Customers that have a flatter load profile will save money from TOU rates immediately, since the majority of their load will occur during lower-cost off-peak periods that make up 88% of all hours.[4] For example, before implementing default TOU rates, Long Island Power Authority estimated that 80% of its customers would pay the same or less under their TOU rate without changing behavior.[5] A Pacific Gas and

[4] DOER technical conference presentation at 11.
[5] Long Island Power Authority (LIPA), *2024 Proposed Budget* at 52 (approved Dec. 2023), https://www.lipower.org/wp-content/uploads/2023/11/2024-Budget-and-Metrics-combined.pdf.

Electric (PG&E) default TOU pilot of 150,000 customers resulted in 53% of low-income customers saving money while not reporting any behavior changes.[6]

The main benefit of TOU rates is empowering customers to manage their electric bills by shifting usage to lower-cost off-peak periods, allowing them to achieve greater savings. Evidence from other jurisdictions demonstrates that customers do respond to TOU price signals, even when they are defaulted onto the rate.[7] Although savings vary substantially across customers, TOU rates result in lower bills on average by reducing total costs.[8] Customers in Fort Collins, Colorado, saved an average of $1.38 per month under default TOU.[9] Sacramento Municipal District (SMUD) customers reduced bills by $3 per month, on average, during summer months.[10] Southern California Edison piloted a default TOU rate that saved customers an average of $0.67-0.75 per month.[11] PG&E's pilot resulted in 59% of non-low-income customers (and 90% of low-income customers) reducing bills, with an additional 9% (4% of low-income customers) achieving a bill impact within $5 of pre-TOU bills.[12]

Finally, when customers shift usage to off-peak periods, they produce short- and long-term system cost reductions that are shared by all ratepayers. While it is difficult to quantify the long-

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[6] Folks & Hathaway, *Assessing Equity in TOU: How Low-Income Customers Fare on Time-of-Use Rates*, Opinion Dynamics at 7–10 (2020), https://opiniondynamics.com/wp-content/uploads/2021/06/2020_ACEEE-Summer-Study_Assessing-Equity-How-Low-Income-Customers-Fare-on-TOU_Rates_Folks.pdf.

[7] Resources for the Future, *Different Prices for Different Slices: A Meta-Analysis of Time-Based Electricity Rates* (Feb. 2025) at 16.

[8] American Public Power Association, *Moving Ahead with Time of Use Rates* at 6-10 (July 2012) (Fort Collins Case Study)

[9] *Id.* at 12-13.

[10] *Id* at 23.

[11] Nexant, *Default Time-of-Use Pricing Pilot Final Evaluation* at 7 (Nov. 2019).

[12] Folks & Hathaway, *Assessing Equity in TOU: How Low-Income Customers Fare on Time-of-Use Rates*, Opinion Dynamics at 7–10 (2020), https://opiniondynamics.com/wp-content/uploads/2021/06/2020_ACEEE-Summer-Study_Assessing-Equity-How-Low-Income-Customers-Fare-on-TOU_Rates_Folks.pdf.

term system cost reductions, two DOER analyses highlight the short-term savings opportunities of TOU rates. Exhibit A-1 estimates a total of $22.4 million in short-term savings for residential customers in National Grid service territory, or approximately $45.5 million when extrapolated to residential customers served by investor-owned utilities in the Commonwealth.[13] Reductions in annual and monthly peak load can reduce the capacity and transmission costs allocated to residential customers by approximately $6.2 and $13.6 million, respectively.[14] Reducing consumption during hours with high electricity prices further yields approximately $2.5 million in energy savings, accounting for the fact that load will shift from the peak to the off-peak periods. The Technical Potential of Load Management Report, prepared by E3 for DOER, further found that deploying time-varying rates (TVR) at scale, particularly for residential customers, could help Massachusetts realize $60 million in potential annual savings by 2030, and as much as $2 billion per year by 2050.[15]

2. Time-varying all three components of a customer's bill will maximize benefits and promote cost causation.

As described in DOER's Petition and in numerous stakeholder comments, a TOU rate is most cost-reflective when it incorporates every bill component for which underlying costs vary based on when electricity is consumed, which includes supply, transmission, and distribution.[16] While stakeholder comments on DOER's Ratemaking Straw Proposal widely supported TOU rates

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[13] National Grid residential savings estimates are from DOER Exh. A-1, Table Sch. 2-1. Using National Grid's data, DOER estimated savings for all residential customers by dividing estimated National Grid savings by National Grid's share of total residential load across the three investor-owned utilities in the Commonwealth in 2025 (49.27%). Source: Massachusetts Customer Choice Data, *Electric Customer Choice Data* (for the period 2020-Q2 2026), https://www.mass.gov/info-details/electric-gas-customer-choice-data.

[14] Exh. A-1, Table Sch. 2-2.

[15] DOER, Peak Potential Report (Apr. 2026) at 37. https://www.mass.gov/doc/peak-potential-report/download

[16] *Petition* at 27, 39-40, and 42-43.

that reflect the time-varying costs of these three components,[17] an electric distribution company (EDC) representative at the technical conference disagreed that distribution costs vary with time.

Distribution infrastructure costs are driven in part by investments needed to meet local peak demand.[18] Although the costs of existing infrastructure are fixed, TOU rates can encourage more efficient use of that infrastructure by incentivizing customers to shift consumption to off-peak periods. This improves the cost-effectiveness of existing investments while avoiding or deferring the need for additional infrastructure to meet peak demand. DOER's proposed TOU rate would fully recover embedded distribution costs on a revenue-neutral basis while establishing higher on-peak prices that reflect long-run marginal distribution costs, which have previously been identified in Massachusetts through marginal cost of service (MCOS) studies.[19] This approach would encourage customers to shift consumption to periods when existing infrastructure has available capacity, potentially avoiding or deferring future infrastructure investments.

3. Establishing reasonable guardrails for the opt-out process will reinforce rate design integrity

DOER's Petition supports default enrollment with a penalty-free option to opt out to an alternative rate at any time. However, at the technical conference, stakeholders raised the need to prevent customers from opting-out of a TOU rate to a flat rate before the summer season (during

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[17] *See Petition*, Exh. B at 10 (Mar. 2026) ("Nine parties supported TOU rates inclusive of supply, distribution, and transmission, and no party argued otherwise."), https://www.mass.gov/doc/doers-stakeholder-engagement-and-process-report/download; *see also Petition*, Exh. E (Dec. 19, 2025) at 1 (Acadia Center), 9 (Green Energy Consumers Alliance), 12 (Joint Comments of CLF et al.), 28, 35 (Knittel & Argosino), 49 (NEEP), 55 (NRG), 64 (PowerOptions), 78, 90 (SEIA), 96 (The Energy Consortium).

[18] Regulatory Assistance Project (RAP), *Electric Cost Allocation for a New Era* at 158–159 (2020), https://www.raponline.org/wp-content/uploads/2023/09/rap-lazar-chernick-marcus-lebel-electric-cost-allocation-new-era-2020-january.pdf.

[19] DOER, *Electric Rates Task Force Targeted Conversation on Cost of Service Regulation* (Sept. 17, 2025) at 12. https://www.mass.gov/doc/topic-2-tools-of-cost-of-service-regulation-targeted-conversation/download.

which the TOU rate may have a higher on-peak price) and then opt back into a TOU rate the following fall (during which the TOU rate may have a lower on-peak price).

Other jurisdictions implementing default TOU rates tend to use one of three strategies to disincentivize that behavior: (1) requiring customers that opt-out of TOU and then re-enroll to remain on TOU for at least 12 months,[20] (2) restricting customers from changing any rate election more than once in a 12-month period with exemptions for new rates or customers whose conditions have changed so as to warrant a rate change,[21, 22] or (3) disallowing customers that opt-out of TOU rates to return for at least 12 months.[23]

DOER supports option (1) since the other two alternatives unnecessarily restrict a customer from enrollment. For example, a customer may opt-out of TOU rates at enrollment and then several months later hear from a friend or family member who saved money under TOU. Only Option 1 would allow that customer to re-enroll in TOU rates immediately. In addition, to protect customers with hardship, such as high energy burden under a TOU rate, DOER supports creating

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[20] Southern California Edison, *Time-of-Use Rate Plans* (last accessed Nov. 3, 2026), https://www.sce.com/save-money/rates-financing/residential-rate-plans/time-of-use-plans; Xcel Energy, *Flat Rate Plan (R-00) Pricing* (last accessed Nov. 3, 2026), https://co.my.xcelenergy.com/s/billing-payment/residential-rates/residential-opt-out-pricing

[21] Sacramento Municipal District, *Application of Rates and Rate Options, Rule and Regulation 12*. https://www.smud.org/-/media/Documents/Rate-Information/Rates/Rule-2-12.ashx; Pacific Gas and Electric Company, *Electric Rule No. 12, Rates and Optional Rates* at 2, https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_12.pdf. San Diego Gas and Electric, ERULE12, Rates and Optional Rates at 1. https://tariffsprd.sdge.com/sdge/tariffs/?utilId=SDGE&bookId=ELEC&sectId=ELEC-RULES

[22] Each of the EDCs have a similar provision in effect for distribution service. M.D.P.U. No. 437 at 3; M.D.P.U. No. 1570 at 3; M.D.P.U. No. 3D at 3.

[23] PSEG Long Island, *Time-of-Day ("TOD") Rates Terms and Conditions* (last visited Nov. 4, 2026), https://www.psegliny.com/timeofday/terms; Michigan Department of Licensing and Regulatory Affairs, Consumer Standards and Billing Practices for Electric and Natural Gas Service, R 460.149 Rule 49(6) (amended 2017).

exemptions to rate-switching guardrails for customers whose conditions have changed and warrant a rate change.

B. DOER has adapted its Time-of-Use Rate Proposal to reflect technical conference discussion

1. Implement default TOU rates via a two-phase approach beginning with supply and transmission, followed by distribution

DOER's Petition recommended a three-phased approach to TOU implementation that time varies transmission rates first in May 2028,[24] followed by basic service rates in August 2028,[25] and finally by distribution rates at the conclusion of the EDCs' base distribution rate cases.[26] Stakeholders expressed concern that implementing time-varied basic service rates in August, a month with high electric consumption, could result in unexpectedly high bills and customer frustration. Stakeholders also noted that a phased approach that initially varies only transmission rates will lead to a price signal that is diluted, possibly causing customer frustration over an inability to meaningfully reduce their bills.

DOER agrees with these stakeholder concerns and notes that there is an inherent tension between providing an initial price signal that is too high versus one that is too diluted and does not provide meaningful bill impacts – either outcome can cause customer frustration. To address these concerns, the Department should direct the EDCs to implement time-varied transmission and basic service rates simultaneously, effective April 1, 2028, followed by time-varied distribution rates at the conclusion of each EDC's next base distribution rate case.[27] This change would preserve the

[24] *Petition*, Exh. A at 39.
[25] *Id.* at 34.
[26] *Id.* at 42.
[27] At least one stakeholder notes that technically, a revenue-neutral TOU distribution rate could be implemented through a compliance filing outside a base rate case. Philip Hanser Post-Technical Conference Comments at 3. However, DOER recommends a marginal cost of service (MCOS) study to set TOU distribution rates. *Petition*, Exh. A at 42-44. DOER supports faster

goal of deploying TOU rates as soon as possible after the deployment of advanced metering infrastructure (AMI), provide a single, meaningful price signal representing more than half of a customer's bill,[28] and simultaneously avoid implementation during the highest use months.

To implement transmission TOU rates, the Department should direct the EDCs to file time-varied transmission rates at least two months before April 1, 2028. As confirmed by National Grid at the technical conference, the EDCs can adjust transmission rates at any point of the year via an interim filing. Therefore, the EDCs do not need to implement transmission TOU rates on the same timeline as the annual reconciliation filings, [29] which the EDCs typically file two months before annual transmission rates take effect (currently in January for Eversource and Unitil and March for National Grid).[30]

To implement basic service TOU rates, the Department should direct the EDCs to file proposed tariff revisions as soon as practicable following a Department order to administratively set TOU supply rates by April 1, 2028. Under the basic service procurement schedule established in D.P.U. 23-50-A, the EDCs will issue requests for proposal for contracts that include 50% of basic service load for April 2028 in the first half of 2027, which does not allow sufficient time to update the basic service procurement process to explicitly procure time-varied products.[31] The

implementation of TOU distribution rates, provided they are based on and informed by a MCOS study and are implemented in a manner that balances rate gradualism.

[28] *Petition*, Exh. A. at 8.

[29] *cf. NSTAR Electric Company, d/b/a Eversource Energy*, D.P.U. 25-55 at 23 (July 29, 2025) (directing company to adjust base distribution and transmission charges for the heat pump rate outside of annual PBR rate adjustment and reconciliation filings).

[30] *See*, *e.g.*, D.P.U. 25-158 (Eversource Energy), D.P.U. 25-168 (Unitil), and D.P.U. 26-02 (National Grid).

[31] DOER's Time-of-Use Rate Proposal describes, for example, an alternative approach whereby the EDCs solicit supplier bids based on the Department-approved peak period. As noted during the technical conference, such an approach may increase opportunities for suppliers to offer contracts that pass supply savings on to customers. *Petition*, Exh. A at 32-33.

EDCs can, instead, administratively set TOU basic service rates, where they allocate supply costs to peak and off-peak periods without altering the underlying basic service contracts. DOER supports an investigation into updating the basic service procurement process;[32] however, such an investigation should not delay the EDCs filing proposals for administratively set TOU rates effective April 1, 2028.

At the technical conference, the Department requested examples of other jurisdictions that have phased in different bill components of their TOU rates over time. PG&E initially time varied the supply component of their customers' bills as part of their residential default TOU pilot and then expanded the time-varying rate structure to include distribution.[33] Similarly, Duquesne Light initially offered an opt-in Electric Vehicle (EV) TOU rate that time-varied supply in 2021 and then introduced a distribution TOU rider as part of a pilot offering in 2025.[34] These examples demonstrate that generally, phasing in different bill components is technically and administratively feasible.

2. Direct the EDCs to include at least one customer education tool sixty days before implementation of a default opt-out TOU rate on April 1, 2028.

The EDC timelines for TVR implementation presented at technical conference were not clear enough, technically speaking, to determine whether the EDCs could implement a default opt-out TOU rate that includes customer bill protections, such as bill stabilization, and education tools,

[32] D.P.U. 25-200, DOER Initial Comm. at 19-20 (Apr. 2026).
[33] PG&E, *Advice Letter 5653-E* at 2-3 (Jan. 6, 2020), https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5653-E.pdf.
[34] Duquesne Light Co., *Tariff No. 25: Tariff History* (last visited Nov. 4, 2026), https://www.duquesnelight.com/service-reliability/service-map/rates/tariff-resources/tariff-history.

such as rate comparison tools or shadow billing, by April 1, 2028.[35] It is imperative to provide at least one customer education tool to customers at least 60 days before TVR implementation to reduce opt-out rates and increase customer comfort with TOU rates.[36] It is equally important that the EDCs implement TOU concurrently with AMI deployment and have enough time to engage customers in advance of implementation through Marketing, Education, and Outreach (MEO) efforts, which is why DOER's proposed implementation timeline allows for approximately twelve months of MEO by the EDCs, assuming a Department decision on TVR by April 1, 2027.

The EDC presentations provided valuable context but did not provide sufficient detail regarding implementation timelines. For example, shadow billing under National Grid's timeline requires three months to design, but there is no explanation for whether this can occur concurrently with other rate design elements.[37] Rather, these presentations communicated a menu of options for the Department to choose from in directing TOU implementation. Upcoming Department guidance, therefore, should provide sufficient certainty to the EDCs to efficiently implement TOU rates, and direct them to implement a default opt-out TOU rate with at least one customer education tool sixty days before implementation on April 1, 2028. The Department should also require that the EDCs provide more specific timelines for each component of implementation (e.g., transmission, rate comparison tool, shadow billing, etc.) following the straw proposal to facilitate an efficient implementation.

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[35] Eversource technical conference presentation at 2-3 (Oct. 2026); National Grid's technical sessions presentation at 2, 4, 6 (Oct. 2026); Unitil technical conference presentation (Oct. 2026) at 7 (noting that it will provide a more detailed timeline by the end of 2026).

[36] At the technical conference, Eversource noted that it may utilize rate comparison tool printouts as a bill insert. DOER supports this strategy and notes that it is nearly identical to shadow billing.

[37] National Grid Technical Conference Presentation at 6 (Oct. 22, 2026).

3. Direct the EDCs to coordinate with municipal aggregators and competitive suppliers

DOER recognizes that over 70 percent of residential customers are enrolled on municipal aggregation or competitive supply rates,[38] and therefore recommends the Department create a pathway to ensure that all customers have the option to benefit from time-varied supply rates. For customers on a TOU rate receiving supply from municipal aggregations or competitive suppliers, the price signal from TOU rates will be diluted if they remain on a flat supply rate, even if the TOU rate includes both distribution and transmission.

Competitive suppliers and municipal aggregations in Massachusetts have expressed interest in offering TOU supply rates,[39] which requires resolving complex questions related to the provision of load settlement data and billing system modifications. To ensure that competitive suppliers and municipal aggregations are able to expeditiously offer TOU supply rates, DOER recommends that the Department resolve its pending load settlement investigation in D.P.U. 26-44 prior to the EDCs submitting final MEO plans and direct the EDCs to coordinate with municipal aggregators and competitive suppliers in developing their MEO plans.

At the technical conference, the Department requested examples of other jurisdictions with competitive suppliers that have implemented default TOU rates. California serves as an example where default TOU rates were mandated for investor-owned utilities (IOUs) but remained optional for community choice aggregators (CCAs), California's corollary to Massachusetts' municipal aggregations. In its July 2019 decision, the California Public Utilities Commission (CPUC) confirmed that CCAs have the authority to decide whether to offer TOU supply rates and whether

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[38] DOER, *Electric & Gas Customer Choice Data* (average of July 2025 through June 2026 data for residential and income-eligible customers), https://www.mass.gov/info-details/electric-gas-customer-choice-data.

[39] Retail Energy Supply Association (RESA) Comments at 6-9; Cape Light Compact (CLC) Comments at 3.

to default customers into those rates.[40] Though offering TOU is voluntary, all CCAs operating in IOU territories in California offer residential TOU today.[41] In its August 2020 report, PG&E noted that 11 of the 12 CCAs operating in its territory chose to offer TOU as a default option,[42] with the remaining CCA offering TOU on an opt-in basis.[43] Their engagement is essential to ensuring that cost-reflective TOU rates reach the most residential customers in Massachusetts.

C. Other recommendations based on technical conference discussion

1. In lieu of a default super off-peak period, direct the EDCs to coordinate TOU rates with EV off-peak rebate programs

Multiple stakeholders at the technical conference promoted adding a super off-peak period, which DOER does not currently support because established utility programs can serve the same function, such as EV off-peak rebate programs. In addition, while a super off-peak period could encourage load shifting, reduce potential for rebound peaks, and incentivize electrification, [44] DOER is concerned that implementing a default super off-peak period will unnecessarily add complexity to the TOU rollout.

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[40] California Public Utilities Commission, Decision D.19-07-004 at 139-147, 152-154 (July 19, 2019), https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M309/K843/309843509.PDF.

[41] Pacific Gas and Electric Company, *Community Choice Aggregation (CCA)* (last accessed Nov. 4, 2026), https://www.pge.com/en/account/alternate-energy-providers/community-choice-aggregation.html; Southern California Edison, Community Choice Aggregation (last accessed Nov. 4 2026), https://www.sce.com/customer-service-center/community-choice-aggregation; SDGE, "CCA and SDG&E Rate Comparisons", https://www.sdge.com/customer-choice/community-choice-aggregation/joint-rate-comparison.

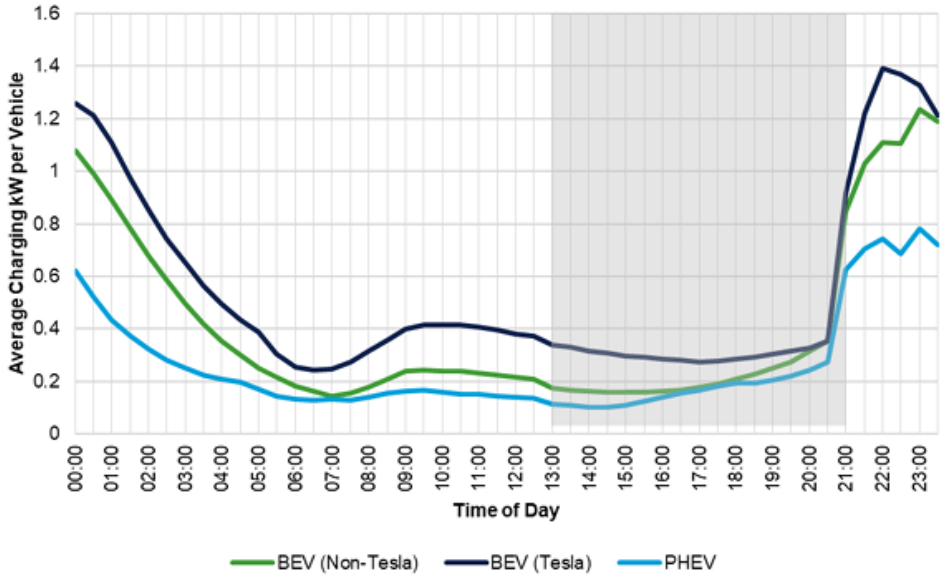
[42] PG&E, *Company Quarterly Report on Progress of Residential Rate Reform (PRRR) Residential Rates OIR* (R.12-06-013)" at 32 (August 3, 2020).https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M344/K801/344801955.PDF

[43] Pioneer Community Energy, *Time-of-Use Rates Explained* (last accessed Nov. 5, 2026) https://pioneercommunityenergy.org/time-of-use/.

[44] D.P.U. 26-62, Environmental Defense Fund (EDF) Technical Conference Presentation at 3; *see*, *e.g.*, First Energy Corp, "Time-of-Use Frequently Asked Questions" (last accessed November 2, 2026) https://www.firstenergycorp.com/help/pa-time-of-use-pricing/TOU-FAQs.html *and* SDGE (last accessed November 2, 2026) https://www.sdge.com/super-off-peak-residential.

Stakeholders are right to point out the risk of a rebound peak, and existing EV managed charging programs can evolve to place a larger emphasis on active managed charging to resolve rebound peaks.[45] National Grid's current off-peak rebate program has an on-peak period of 1 p.m. – 9 p.m.,[46] and analysis of National Grid's off-peak rebate program charging data shows a strong rebound peak at 9 p.m., particularly for battery electric vehicles (Figure 1). EV rebound peaks have the potential to introduce new, larger demand peaks that can exceed local capacity constraints and ultimately lead to the need for distribution system upgrades.[47]

Figure 1. Average weekday load profile by vehicle type[48]



The EDCs must deploy TOU rates with existing utility programs in mind, including National Grid and Eversource's off-peak rebate programs, and are evolving these programs to

[45] DOER, *Peak Potential: Reducing energy costs and empowering consumers with load management and virtual power plants* at 41 (2026) (Peak Potential Report).
[46] D.P.U. 25-189, Exh. NG-EVPP-1 at 85.
[47] Megan R. Bailey et al., *Electric Vehicles and the Energy Transition: Unintended Consequences of a Common Retail Rate Design* (Nat'l Bureau of Econ. Rsch., Working Paper No. 32886, Aug. 2024), https://doi.org/10.3386/w32886.
[48] D.P.U. 26-68, Exh. NG-MMJG-1 at 69.

address rebound peaks. In D.P.U. 25-188 and D.P.U. 25-189, Eversource and National Grid proposed an on-peak period of 2 p.m. – 10 p.m.,[49] which shifts the off-peak period further into the evening. In addition, National Grid proposed to consider two rebound peak mitigation strategies: (1) employing a "multi-TOU" style design, where multiple TOU periods are used to reintroduce some load diversity, rather than a single TOU period applied to all customers and (2) device-orchestration across customers, including active managed charging. [50]

The Department should direct the EDCs to coordinate their TOU rates and EV off-peak rebate programs by: (1) ensuring that the commencement of the off-peak period for the EV managed charging program remains later than the commencement of the off-peak period for the TOU rate to avoid an immediate rebound peak; (2) adopting rebound peak mitigation strategies like those that National Grid has proposed; and (3) adapting EV managed charging programs after the rollout of TOU rates by allowing for changes to the implementation of the programs within the upcoming term of each EDCs' EV program.

2. Consider opt-in Critical Peak Pricing, provided implementation does not delay the successful rollout of default opt-out TOU rates

Of the several strategies that stakeholders discussed at the technical conference to further incentivize load shifting, DOER supports opt-in critical peak pricing (CPP), not peak time rebates (PTR), for residential customers as long as it does not delay the successful rollout of default TOU rates. The Department previously supported opt-in CPP, and the Massachusetts Interagency Rates Working Group (IRWG) recommended opt-in residential CPP to provide an additional price signal to customers that will further incentivize off-peak usage.[51,52] The benefits of CPP are clear: peak

[49] D.P.U. 25-188, Exh. ES-EVPP-1 at 67; D.P.U. 25-189, Exh. NG-EVPP-1 at 85.
[50] D.P.U. 25-189, Exh. DPU 4-10.
[51] *Petition*, Exh. H *Long-Term Ratemaking Recommendations* at 21-22.
[52] D.P.U. 14-04-B at 9-11 (2014).

reductions can reach as high as 50%.[53] Customers who opt in to CPP benefit from reduced TOU rates during non-event hours, giving them even greater control over their bills. In fact, one study found that 65% of low-income customers saved money on a CPP rate as compared to a flat rate.[54]

In their presentations, the EDCs state that implementing CPP will require additional time when compared to implementation of simple TOU rates.[55] Therefore, linking the rollout of opt-in CPP with default TOU rates may delay the latter. Unless the EDCs can demonstrate that opt-in CPP can be implemented alongside default TOU on the same timeline, DOER recommends the Department first focus on the successful rollout of default TOU rates and explore more dynamic and complex rate designs, such as CPP, after the EDCs gain further experience with time-varying rates.[56]

In addition, some stakeholders at the technical conference voiced support for opt-in, or even default, PTR. Rate experts view PTR as an alternative to CPP as a low-risk rate design that rewards customers by paying them for reducing their usage during peak events.[57] However, DOER does not currently support PTR, on either a default or an opt-in basis, for several reasons. First, evidence shows that CPP is more effective than PTR in driving peak reductions.[58] Second, because

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[53] Ahmad Faruqi, *Time-Varying and Dynamic Rate Design* at 28, fig. 2 (July 2012) (Faruqi), https://hepg.hks.harvard.edu/sites/g/files/omnuum10586/files/hepg/files/rap_faruquihledikpalmer_timevaryingdynamicratedesign_2012_jul_23.pdf.

[54] *Id.* at 29-30.

[55] National Grid needs three to four months of additional time to implement CPP. D.P.U. 26-62, National Grid Technical Conference Presentation at 5. Unitil claims the timeline impact of implementing CPP is "moderate." D.P.U. 26-62, Unitil Technical Conference Presentation at 5. Eversource needs nine months of additional time to implement CPP. D.P.U. 26-62, Eversource Technical Conference Presentation at 10.

[56] DOER Technical Conference Presentation at 20 (advocating for moving towards more sophisticated and dynamic and targeted rate designs after gaining experience with simple TOU rates and load management technologies").

[57] *Petition*, Exh. H at 23.

[58] Faruqi at 28.

PTR directly compensates customers for their behavior, it requires a recovery mechanism that would raise the bills of other customers.[59] Third, in D.P.U. 14-04, several stakeholders, including ISO-NE and National Grid, flagged concerns with the challenges of establishing a baseline to use in calculating peak-period demand reductions, as well as the potential for gamification of this calculation by more sophisticated customers.[60]

3. Direct the EDCs to provide representative sample sets of anonymized AMI load profiles so that stakeholders can analyze bill impacts

Throughout the technical conference, stakeholders discussed the importance of conducting bill impact analysis before implementing TOU rates. To enable that analysis, The Department should direct the EDCs to submit for stakeholder review a dataset, derived from a representative 12-month sample, containing empirical, customer-level profiles of AMI hourly load data. This dataset will help stakeholders provide informed input on three technical conference agenda items related to how much electricity customers use and when they use it, including (1) bill impacts for a variety of customer groups, including low- and moderate-income customers, (2) whether phasing the implementation of default TOU components is needed to avoid rate shock, and (3) whether heat pump customers need alternative rate treatment. In New York, PSEG Long Island used a representative sample of 30,000 customers to inform its rollout of default TOU to more than one million customers.[61]

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[59] *See* Faruqi at 17.

[60] D.P.U. 14-04, *Comments of ISO New England Inc. on the Anticipated Policy Framework for Time Varying Rates* at 4 (July 2014); D.P.U. 14-04, Comments of Mass. Elec. Co. and Nantucket Elec. Co. d/b/a National Grid at 6 (July 2014)

[61] Letter from Rory M. Christian, Chair & CEO, N.Y. State Dep't of Pub. Serv., to Hon. Mark Fischl, Vice Chairman, LIPA Bd. of Trs. at 13 (Mar. 28, 2023) (regarding Matter No. 23-00071), https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BF0E62887-0000-C218-9B91-5CCE5EA20633%7D

At a minimum, the EDCs should provide a dataset comprised of empirical customer-level profiles with 12 months of hourly load data from a representative sample of data collected from existing AMI meters. If an EDC determines that it is not possible to construct a representative sample from the existing data, they should document the limitations. Even partial samples of customer load profiles are highly valuable in quantifying distributional impacts of TOU rates if the limitations are clearly acknowledged.

The EDCs should tag each customer record with rate class, including low-income discount tier, and where applicable, solar and EV ownership and net metering status. The EDCs should build the sample to reflect the geographic distribution of customers (for example, by stratifying by zip code), but the EDCs should leave geographic identifiers out of the released data so individual customers can't be identified. Each utility should document and report its sampling and data-cleaning methods. The Department should direct the EDCs to submit this data one month following the Department's straw proposal, to afford stakeholders time to conduct bill impacts and distributional analyses of the dataset.[62]

Constructing a representative sample does not require AMI deployment to be complete or to cover every part of a service territory. The EDCs have sufficient AMI data to build representative samples of residential customers in each service territory in the near team. As of July 12, 2025, National Grid had deployed at least 101,158 AMI meters across the South Shore and Central and Western Massachusetts,[63] and Unitil had deployed 31,006 AMI meters, accounting

[62] *Technical Conference Agenda* at 1 ("[S]takeholders' input provided at the technical conference … will inform [the Department's] straw proposal").
[63] Petition, Exh. F at 406.

for 62% of planned installs.[64] By the end of 2025, Eversource had deployed 77,633 residential meters.[65]

III. CONCLUSION

DOER respectfully requests that the Department adopt a timely, comprehensive approach to implementing default opt-out TOU rates that empower customers to reduce their electricity bills while delivering system-wide cost savings for all ratepayers, consistent with the recommendations described above.

[64] Petition, Exh. F at 97.
[65] NSTAR Elec. Co., D.P.U. 26-81, Exh. ES-JL at 2.

Respectfully submitted,

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES

By its attorneys:

/s/ Joshua Williams

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DATE: November 5, 2026

Certificate of Service

I hereby certify that I have this day served the foregoing documents upon all parties of record in this proceeding in accordance with the requirements of 220 CMR 1.05(1).

/s/ Joshua Williams

DATE: November 5, 2026