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Mary Wambui, **Planning Office for Urban Affairs**

DATE: October 13, 2026

**RE: Respectfully Requesting that the Committee Strike Section 161 of H. 5175, and
Section 102 of S. 3166 in the Final Omnibus Energy Affordability Bill, or Amend the
Language to Provide Strong Consumer Protections.**

Dear Honorable Members of the Conference Committee:

On behalf of the clients and communities we represent, the National Consumer Law Center (NCLC), Greater Boston Legal Services, the Low-Income Energy Affordability Network (LEAN), the Massachusetts Energy Directors Association (MEDA), and the Planning Office for Urban Affairs wish to **register our opposition to Section 161 of H. 5175, and Section 102 of S. 3166, and respectfully request that you strike this language from the final version of the Energy Affordability Bill.**

Inclusive Utility Investment (IUI), also known as Tariffed On-Bill Financing, creates significant risks to energy affordability and access, as discussed further below, and would place many utility customers at risk of shutoff of essential utility services. In the event this provision is not struck, we urge you to:

- **Make two key revisions to the legislative language to ensure the bill aligns with its intended goal of promoting energy savings.** First, the bill should be revised to clarify that the savings measured and offered by any program are not only savings on a

customer's electricity bill, but the person's overall energy savings. This is especially important given that many Massachusetts utility customers currently use gas rather than electricity. Second, the bill's language should be revised to clarify that the savings required are measured both in the immediate term and for the duration of the tariff, to ensure the energy savings measurements comport with the goals of the program.

- **Include two procedural clarifications to clearly require essential stakeholder input.** The House and Senate bills should both include key language from the Senate bill clarifying that the electric distribution companies are required to submit program proposals "to the department of public utilities for approval in accordance with this section." This language makes clear that DPU must conduct a proceeding in which stakeholders can participate and provide input. In addition, the bill should include a directive that DPU seek the opinion of the Commonwealth's banking regulator and/or Attorney General on whether the product is a loan or is otherwise subject to the Commonwealth's lending and debt oversight jurisdiction.
- **Add meaningful consumer protections.** The bill should include consumer protections because they are needed to prevent financial harm to customers obtaining financing through any program created in response to the bill, especially in light of DPU's limited expertise in the area of consumer protections for financial products.

The IUI Program Language Presents Significant Consumer Protection Problems.

As NCLC raised in previous testimony on [H.4144](#), and in a letter from NCLC to Hon. Michael Barrett dated March 31, 2026, this section would create an energy financing program where loans for heat pumps, rooftop solar panels, energy efficiency improvements, or other energy-related measures would be paid back on a customer's monthly electric bill through a mechanism that would create significant consumer protection problems, including:

- **Lack of compliance with lending laws:** NCLC concluded that these IUI financing products are loans and must follow state and federal lending laws, yet proponents of these financing products assert that these laws do not apply, and the language of the bill prejudices this determination by referencing IUI as a non-traditional loan.
- **Lack of guaranteed savings:** The bill language bases the affordability of the measures on "available energy cost savings," and directs programs to "ensure that conservative estimates of financial savings will immediately and significantly exceed program costs for program participants" and that "public utilities may establish minimum financial savings-to-costs targets." However, there are no guarantees of bill or energy savings in such programs. Reports analyzing possible savings are not conclusive and are based on predictions of savings. In fact, a study by the Lawrence Berkeley National Laboratory of an existing IUI program found that savings exceed monthly payments in [only about half of the cases](#).
- **Lack of meaningful affordability analysis or consumer protections:** There is no "ability to repay" analysis before the consumer signs up for the loan and any "customer protections" would be proposed by the company and subject to only a brief public comment period.
- **Disconnection risk:** These financing products could raise utility costs for many families, adding to their existing financial challenges and debt burdens, exposing them to a heightened risk of disconnection.
- **Risk of unchecked contractor abuses:** On-bill financing products may lead to deceptive and abusive marketing to consumers, as home improvement contractor abuses are known problems in other energy

financing programs. While contractors would be required to attest to certain types of compliance, customers would have no recourse against the program as drafted when abuses occur.

- **Lack of protection for access to free and low-cost programs:** While the bill includes language directing programs to “maximize financial incentives,” it remains silent on how the financing programs could be layered on top of free or low-cost programs that already exist in Massachusetts. For low-income consumers, and other customers who qualify for free or low-cost programs, IUI programs should not displace the Commonwealth’s successful ratepayer-funded energy efficiency program (Mass Save) and the popular HEAT Loan program.

- **Lack of broad stakeholder input for program development and program evaluation:** While the bill provides that distribution companies shall consult with government officials, it only provides for a brief 60-day public comment period for the general public and includes no language ensuring broad input from key stakeholders including representatives of low-income ratepayers.

[*NCLC’s issue brief*](#) on the risks of tariffed on-bill financing to low-income consumers provides more detail.

The Provision Should Be Dropped, and, If It Is Not, Legislative, Procedural and Consumer Protection Changes Must Be Added.

We strongly recommend removing this proposal in its entirety due to the risk of substantial harm to many utility customers in the Commonwealth and the existing set of affordability options for many customers, including free energy efficiency services for low-income households. If the IUI proposal remains in the affordability legislation, then we urge you to, at a minimum, include the below recommendations in the statute.

1. **Legislative language clarifications:** As noted above, the bill’s language should be revised in two ways to ensure it meets its intended goals. First, it should be revised to clarify that the savings of any program would be from a customer’s total energy bill, not only electricity, given the significant role of gas in many households. Second, the bill’s language should be revised to clarify that the savings required are measured both in the immediate term and for the duration of the tariff.
2. **Procedural process:** To ensure an inclusive and deliberative process, two essential changes to the bill should be made to ensure the program is developed with sufficient stakeholder input. First, the House and Senate bills both should include key language from the Senate bill clarifying that the electric distribution companies are required to submit program proposals “to the department of public utilities for approval in accordance with this section.” This language makes clear that DPU must conduct a proceeding in which stakeholders can participate and provide input. Second, the bill should include a directive that DPU seek the opinion of the Commonwealth’s banking regulator and/or Attorney General on whether the product is a loan or is otherwise subject to the Commonwealth’s lending and debt oversight jurisdiction.
3. **Consumer Protections:** Third, the bill should be expanded to incorporate essential consumer protections. Such important guardrails should not be left to the company to propose independently with only a brief public comment period, as the language now provides. While the language directs providers to base protections on “best practices” as developed in other jurisdictions nationwide, these practices vary widely and are still in development. Accordingly, the Commonwealth should ensure any program it adopts in fact incorporates strong consumer protections, including:

- **Preserve primary access to free and low-cost programs.** Continue to provide no-cost energy efficiency and electrification upgrades to low-income consumers, and do not extend IUI loan programs to low-income consumers; but if they are offered, this should be done on top of any review for eligibility for free and low-cost programs through braiding and stacking;
- **Change the language from mandatory to permissive,** so that the DPU “may” develop IUI program guidelines if it believes they would benefit residents of the Commonwealth;
- **Limit IUI loans to conversions from deliverable fuels** (oil and propane);
- **Include a meaningful “ability to repay” determination, including incorporation of a low-income ratepayer’s discounted rate,** where applicable, for purposes of determining household savings on monthly payments;
- **Include an enforceable guarantee of savings** funded by a loan loss reserve fund or other mechanism;
- **Prohibit the use of utility disconnection as a collections tool** for the IUI loan; customers who can pay their regular electricity bill but face hardship paying the IUI portion of their bill would otherwise face disconnection of the entire essential utility service. Illinois has adopted a no-disconnection policy for the first year of its pilot;
- **Cap the amount that can be borrowed** through on-bill financing to limit the impact on utility bills (an approach already used in the Commonwealth’s HEAT program), and remove the language that references “on-site solar energy generation equipment;”
- **Require recalculation of monthly charges for successor tenants and homeowners, where the customer has three months of usage in the new property, and require advance notice to any subsequent renters and homeowners** of the utility costs attributable to the tariff;
- **Require accessible paperwork by mandating** paper copies for all transactions and translated documents in the top languages spoken by limited English proficient individuals in the Commonwealth;
- **Add predatory marketing protections, penalties and enforcement;**
- **Require independent evaluations.** Required that an independent process evaluation be conducted after one year of the program's operation and an independent impact evaluation be conducted after three years of operation, excluding one-time startup costs and results from the first 12 months of the program. Low-income and environmental justice community members, along with other stakeholders, should be convened as part of an advisory council, to make recommendations in response to the findings of the independent evaluations. Illinois has adopted these requirements in 220 ILCS 5/16-111.10(g); and
- **Establish the program initially only as a pilot,** with detailed reporting and analysis of the impacts on consumers.

We appreciate your consideration and would welcome the opportunity to discuss these issues further. Please contact Andrea Bopp Stark, astark@nclc.org with any questions or to discuss further. Thank you.