

**HB 869 - An Act relative to the establishment
of municipal lighting authorities**

Bill HB 869, filed in the 2011-2012 session by Representatives Jay Kaufman and Stephen DiNatale, co-sponsored by 20 legislators and endorsed by over 120 municipalities and organizations (including MMA, MASSPIRG, Environment Massachusetts, Cape Light Compact, Mass Climate Action Network), amends Chapter 164, Section 43 to:

- allow for a clearer, more streamlined and more reliable process by which municipalities can consider creating municipal lighting authorities (or “munis”) to replace the existing investor-owned utility (or “IOU”);
- clarify language written one hundred years ago that, because of ambiguities, has effectively prevented the creation of munis;
- require a DPU review of the viability of each proposal for a new muni;
- require that DPU set the price the municipality must pay for the IOU’s assets, as Section 43 already requires, setting a one-time payment equivalent to what the IOU would earn from customers in the municipality, plus other reasonable compensation;
- set a limit of three new munis per year, allowing DPU to review not just the applications but the impact the new munis can have on the entire operating system;
- require new munis to maintain or improve on IOU renewable and conservation programs.

Today, a municipality wishing to create a muni must follow the process devised a century ago in MGL Chapter 164, Section 43. However, we now have the appropriate agencies and abilities to make that process easier and allow for more municipalities that wish to consider establishing munis to do so without the need for obstructive and prohibitive language that is no longer applicable in 2009.

Munis provide a number of benefits to residents, businesses and local governments where they are located, at no cost to the State budget, including:

- decreased costs - IOUs NStar, Unitil, WMECO and National Grid charged respectively 22%, 40%, 11% and 4% more than munis for a 500 kWh per month use in 2010, continuing a multi-year pattern (see www.massmunicchoice.org).
- customer care - munis repeatedly offer better customer service. They can respond faster to power outages because they are located within the municipality and have 3 times more linemen than IOUs. And because they have a smaller service area, munis tend to have fewer outages because they can be more attentive to maintenance.
- community involvement - munis are generally more vested in their communities and are better equipped to respond to local needs and requests, e.g. placing wires underground if a community so chooses, and hiring locally.

Currently the Commonwealth is home to 41 munis that represent 15% of the state's energy customers. By removing barriers to new munis, we can promote a more competitive energy marketplace, while producing cost savings and increased reliability for consumers.

House Bill 869 is currently before the Joint Committee on Telecommunications, Utilities and Energy. Please contact your legislators and urge them to support of this very important bill. For more information please contact either of the bill's sponsors or Patrick Mehr at 781-367-2229.