



Stop Utilities From Using Our Money for Politics

[S.2239](#) / [H.3400](#) Representatives Owens & Armini and Senator Creem

“An Act prohibiting the use of ratepayer funds for utility lobbying, promotions, or perks”

Gas and electric utilities should only charge customers for services that are necessary for providing safe, affordable, and reliable utility service. Yet they often use money they collect from their customers' bills for political purposes, such as lobbying, advertising, and trade association dues, which advance their own agenda and often contradict their customers' best interests. Utilities also use ratepayer money to subsidize their Board of Directors' extravagant expenses and fund investor relations units, costs that serve the utilities' shareholders and not their customers. **H.3400/S.2239 will codify much-needed consumer protections by prohibiting utilities from charging ratepayers for political activities and lavish expenses.**

What Does the Bill Do?

Prevents investor-owned utilities from spending ratepayer money on all forms of lobbying, trade association dues, advertising, and unnecessary expenses:

- ❖ Utilities often look to force their already overburdened ratepayers to pay for expenditures that do not benefit customers. For example, utilities use ratepayer funds to foot membership in lobbying groups like the [American Gas Association](#) and the Edison Electric Institute, which lobby against climate change policies and commonsense measures to reduce energy bills, such as energy efficiency.
- ❖ Investor-owned utilities use ratepayer money for public relations and image-boosting advertising, even though they are monopolies with a captive customer base and do not need to vie for their business. For example, Eversources [mixes](#) such good will advertising into its customer bill inserts. The bill prevents the recovery of such costs from ratepayers.
- ❖ The bill prevents the recovery of the high costs utilities charge for attorneys and experts to appear before the DPU and argue for contested proceedings, such as bill increases. Such a prohibition exists in the Connecticut accountability bill that passed last year.

Requires investor owned utilities to file transparency reports to the DPU:

- ❖ While utilities are required to respond to data requests during a rate case, political and extravagant costs may be buried in voluminous filings or not disclosed at all. The bill requires utilities to submit to the Department of Public Utilities detailed annual transparency filings with line item disclosures, ensuring customers are protected on a regular basis and providing regulators, legislators, and the public with an important tool to hold utilities accountable.

Penalizes utilities that attempt to charge ratepayers for these prohibited costs:

- ❖ If a utility attempts to recover these prohibited costs, the bill authorizes the DPU to assess a non-recoverable penalty against it in an amount equal to or greater than the total amount of costs improperly recorded. Additionally, the DPU shall order the utility to refund the amount improperly recovered, along with interest, to customers.

FAQs:

Doesn't MA already have rules about advertising costs?

- ❖ Yes, but the existing [law](#) only prohibits recovering from ratepayers costs for promotional and political advertising, not institutional or good will advertising which serves to improve the image of the utility.

Is this a violation of the utilities' free speech?

- ❖ No! Utilities are still free to spend money for political purposes, but they should fund those expenses from their shareholders' money, not their ratepayers'. In addition, the bill still allows utilities to use ratepayer money for advertising that's informational in nature and serves a public interest, such as safety and energy conservation or deemed appropriate by the DPU.

Has this been done anywhere else?

- ❖ Yes. Colorado, Connecticut, and Maine recently passed more expansive [legislation](#) that prohibits charging customers for political influence expenses. These laws have already [saved](#) customers millions of dollars in total on their utility bills. Connecticut's ratepayers already [saved](#) up to nearly \$10 million since it passed its law in June 2023. Several other states are introducing similar bills this legislative season. The Colorado Office of the Utility Consumer Advocate [said](#) their law “**has to be the most influential customer-focused bill we've seen in a decade or more.**”

A matter of equity

- ❖ Since a number of utilities that operate in Massachusetts also operate in two states that enacted utility accountability laws - Connecticut and Maine - it is unfair that their Massachusetts ratepayers are still funding their political and extravagant expenses. Utility customers in Massachusetts deserve to have the same safeguards in place to protect their money from being used against them as their counterpart ratepayers in neighboring states.

Questions? Contact Itai Vardi from the Energy and Policy Institute at itai@energyandpolicy.org, Jess Nahigian, Sierra Club at jess.nahigian@sierraclub.org

Bill to Protect Ratepayers from Utility Political & Extravagant Spending

[S.2239](#) / [H.3400](#) “An Act prohibiting the use of ratepayer funds for utility lobbying, promotions, or perks”

Co- sponsors: Representatives Owens & Armini and Senator Creem

What Does the Bill Do?

Codifies much-needed consumer protections by prohibiting utilities from charging ratepayers for political activities and lavish expenses, as follows:

1. Prevents investor owned utilities from spending ratepayer money on all forms of lobbying, trade association dues, advertising, and unnecessary expenses

2. Requires investor owned utilities to file transparency reports to the DPU

3. Penalizes utilities that attempt to charge ratepayers for these prohibited costs

FAQ's

Doesn't MA already have rules about advertising costs? Yes, but they are very limited in scope and loopholes need closing.

Isn't this a violation of the utilities' free speech? No. Utilities are still free to spend money for political influence purposes, but not at ratepayers' expense.

Has this been done anywhere else? Yes, Colorado, Connecticut, and Maine recently passed legislation to prohibit charging customers for political influence expenses that have already [saved](#) customers millions of dollars in total on their utility bills.