SLASHING ALTERNATIVE COMPLIANCE PAYMENTS: BURNING DOLLARS TO SAVE CENTS

Massachusetts Alternative Compliance Payments (ACPs) are fees paid by retail electricity suppliers when they fall short of statutory clean energy targets, administered by the Department of Environmental Resources. Section 7 of H.5175 would require DOER to return 70% of ACPs collected from the Renewable Portfolio Standard (RPS), Alternative Portfolio Standard (APS), and Clean Peak Standard (CPS) to ratepayers until July 1, 2029. Section 8 of H.5175 would require the same cut going forward "in any year where money in the funds exceeds the predicted level by 2 per cent and energy costs are a substantial burden to residents of the Commonwealth."

Returning ACPs will not generate meaningful relief for ratepayers. In fact - it will save only an average of $2.65 per customer per month.

- ACP collections vary from year to year, as the electricity supply and credit markets fluctuate. In FY23 and FY24, returning 70% of payments to ratepayers would result in an average **$2.65 in savings per customer per month**. From 2015 to 2020, ACP collections averaged $25 million a year, which would've resulted in just **50 cents per customer per month**.

ACPs fund community clean energy work that saves money and advances climate goals, specifically for Green Communities and Climate Leader Communities. Reductions to ACP funding would represent severe harm to both of these programs.

- ACP funds provide important clean energy grants to Green Communities, representing over 90% of the Commonwealth's population. Since 2010, DOER has awarded over $198.5 million to upgrade municipal and school facilities, leveraging $46.7 million in Mass Save incentives and cutting annual energy costs by an estimated $30.2 million.
- ACPs also fund the new Climate Leader Communities grants - a significant incentive for communities that have adopted the Opt-in Specialized Code (now 60 communities representing 33% of the State's population), as well as supporting the effective administration and oversight of many of the Commonwealth's clean energy programs.

ACPs fund important energy efficiency and electrification programs for affordable housing.

  - DOER's Affordable Housing Decarbonization Grant Program is a key funding source for affordable housing retrofits, with $96 million in funding disbursed over three rounds of funding. **Since 2023, the program has received $42 million in ACP funds.**
  - DOER's Affordable Housing Decarbonization Technical Assistance Program supports property owners in planning energy efficiency and electrification improvements to their buildings.
  - DOER's Advancing Massachusetts Power (AMP) aims to accelerate the equitable deployment of safe energy storage systems across the Commonwealth. **Since 2023, AMP has received $95 million in ACP funds.**

ACPs create jobs and support workforce development and job training.

- ACPs increase access to decarbonization and energy efficiency services. Since 2023, ACPs have funded the Heat Pump Training Labs, a program administered by the Massachusetts Clean Energy Center that provides training for heat pump and HVAC work. These well-paying jobs help ensure that new technologies are installed properly and operating at maximum efficiency. **Since the program's inception, the training labs have received $18 million in ACP funds.**
- The program also supports the **Low-Income Services Solar Program**, which helps nonprofits and other community-based organizations that serve vulnerable residents install on-site solar. **Since 2023, the program has received over $10 million in ACP funds.**

Alternative Compliance Payments fund investments in energy affordability.

Redirecting ACPs would...

Hurt affordable housing where ACPs have provided $128 million to cut waste since 2023

Slow job growth supported by $28 million in workforce development programs since 2023

Betray communities that worked hard to earn Green Community and Climate Leader grants

...and only save you $2.65 a month

SAVE MASS SAVE +ACP Massachusetts Coalition for Affordable Energy

Invest in real relief.
Keep the ACPs.