August 2, 2026

The Honorable Mark J. Cusack
House Chair, Joint Committee on
Telecommunications, Utilities and Energy
State House, Room 34
Boston, MA 02133

The Honorable Michael J. Barrett
Senate Chair, Joint Committee on
Telecommunications, Utilities and Energy
State House, Room 109-D
Boston, MA 02133

The Honorable Aaron M. Michlewitz
Chair, House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

The Honorable Cynthia Stone Creem
Senate Majority Leader
State House, Room 312-A
Boston, MA 02133

The Honorable Bradley H. Jones
House Minority Leader
State House, Room 124
Boston, MA 02133

The Honorable Bruce E. Tarr
Senate Minority Leader
State House, Room 308
Boston, MA 02133

RE:
H.5175, *An Act Relative to Energy Affordability, Clean Power, and Economic Competitiveness*
S.3166, *An Act to save people money, repair the climate and grow the economy*

Dear Members of the Conference Committee:

The undersigned are licensed energy brokers and competitive electricity suppliers operating in Massachusetts. We supply competitive electricity, or we advise the businesses, municipalities, and nonprofits that purchase it.

We write in support of the request made by the Associated Industries of Massachusetts (AIM) in its testimony to this committee dated July 28, 2026, that C&I suppliers be carved out of the new bond requirement. If the intent of the conference committee is to address the documented problems in the residential market while leaving the commercial, industrial, and municipal markets alone, the final bill needs two critical changes, as follows.

1. Strike the bond applicable to C&I-only suppliers, marketers, and brokers at S.3166, lines 1407-1409, in its entirety.

2. Confine the residential bond at lines 1402-1403 to entities licensed to supply residential customers and exclude energy brokers on the basis of function rather than compensation structure. We suggest language substantially as follows: ***"This section shall not apply to any energy broker or energy marketer, regardless of whether such broker or marketer is compensated by the customer or by a supplier, nor to any supplier whose retail license is limited to commercial and industrial customers."***

DISCUSSION AND SUPPORT RATIONALE FOR CRITICAL CHANGES NEEDED

C&I Competitive Supplier and Broker Bonds

The engrossed Senate text, S.3166, requires that "energy marketers and suppliers whose license to serve is limited to commercial and industrial customers and does not include residential customers, the bond amount shall equal $1,000,000 per retail license" (lines 1407-1409). The House text at H.5175 imposes a $5,000,000 bond on every licensee without any distinction between residential and C&I service.

Both versions reach companies that do not enroll residential customers and do not engage in the conduct these bills were written to address.

<u>No Demonstrated Harm Supports a Bond in This Market</u>

The question relevant to a bonding requirement is whether there exists a record of harm, or in fact any issue at all from which a bond would protect the Commonwealth. In this market, there is none.

The enforcement record, the complaint volume, and the Attorney General's published findings on competitive supply all concern individual residential customers. Legislation filed by the Attorney General on this subject is directed at residential enrollment. We are aware of no comparable record of complaints, enforcement actions, or customer losses arising from competitive supply to commercial, industrial, or municipal aggregation customers, or from the licensed brokers who advise them.

A bond secures against a demonstrated risk of loss. Where no such record exists, the requirement operates only as a cost of market entry, paid by the customers who purchase through this channel.

<u>A Duplication of Existing Financial Assurance</u>

Competitive suppliers serving C&I load already post a $1,000,000 bond with the Department of Energy Resources (DOER) pursuant to M.G.L. c. 25A, § 11F, as implemented at 225 CMR 14.08(4). The provisions before this committee would require those same companies to post a second bond with the Department of Public Utilities (DPU), securing a customer class that has generated none of the complaints underlying this legislation.

<u>The Broker Compensation Language Does Not Protect the Broker Channel</u>

S.3166 excludes from the marketer rules those brokers and consultants "acting on behalf of customers that are directly compensated by the customer" (lines 1416-1418). We wish to be direct with the committee regarding the practical reach of that language.

The substantial majority of licensed energy brokers in Massachusetts are compensated by the supplier, by means of a commission incorporated into the contract rate and disclosed to the customer at execution. Payment moves from supplier to broker. Only a small number of firms invoice the customer separately for advisory services.

The same structure governs public-sector and institutional procurement. The consultants who administer Community Choice Aggregation (CCA) programs for Massachusetts cities and towns are compensated through a per-kilowatt-hour adder paid by the winning supplier. So are the statewide buying consortia that procure electricity on behalf of municipalities, public school districts, hospitals, and nonprofit institutions. None of these entities bills its municipal or institutional clients directly for the procurement service.

Applied as written, the exclusion at lines 1416-1418 leaves most of the commercial broker channel subject to the bond, along with the organizations that run competitive electricity procurement for the Commonwealth's own municipalities and public institutions.

The method of compensation bears no relationship to customer risk. An energy broker takes no title to electricity and holds no customer funds, whether that broker is paid by the customer or by the supplier. The financial exposure to the customer is identical in both cases, and in both cases it is zero. A bond secures an obligation. Brokers hold no obligation of the kind a bond is designed to secure.

We further note that most independent brokerage firms in the Commonwealth are small businesses employing fewer than 10 people. A $1,000,000 surety requirement would remove them from the market.

<u>Effect on C&I Customers and Municipal Aggregations</u>

The consequence of this provision falls on the customers our firms supply and advise.

Competitive procurement depends on a sufficient number of bidders. Every supplier and broker removed from the Massachusetts market reduces the competitive pressure that produces savings for the businesses, municipalities, and nonprofits represented here. Municipal aggregation programs, which depend entirely on competitive suppliers to serve their communities, would face a smaller field of bidders at each solicitation.

Massachusetts businesses currently pay among the highest electricity rates in the nation. ***A provision that reduces the number of participants competing to serve those customers will raise their costs, which is contrary to the affordability objective of both bills.***

<u>SUMMARY: Requested Amendment</u>

To recap, the two critical changes are these:

1. Strike the bond applicable to C&I-only suppliers, marketers, and brokers at S.3166, lines 1407-1409, in its entirety.

2. Confine the residential bond at lines 1402-1403 to entities licensed to supply residential customers, and exclude energy brokers on the basis of function rather than compensation structure. We suggest language substantially as follows: ***"This section shall not apply to any energy broker or energy marketer, regardless of whether such broker or marketer is compensated by the customer or by a supplier, nor to any supplier whose retail license is limited to commercial and industrial customers."***

Neither change touches the residential provisions of either bill. The $5,000,000 bond would continue to apply to every supplier licensed to serve residential customers, and municipal opt-out authority would be unaffected.

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Thank you for your time and consideration of this letter. If you have questions or would like to discuss these issues further, please contact Todd Ford, Chief Executive Officer, Gridwealth Electric, at tford@gridwealthelectric.com or 413-207-5612.

Respectfully submitted,

SIGNATORIES

Name	Title	Organization	Municipality	Category
Todd Ford	CEO	Gridwealth Electric	Framingham	Supplier
Andre N. Ramy	CEO	Beacon Energy Solutions LLC	Andover	Licensed Energy Broker
Jim Mathers	CEO	Energy Professionals, LLC		Licensed Energy Broker
Stephen Janes	Managing Partner	Fuse Energy, LLC		Licensed Energy Broker
Thomas D. DeFeudis	Managing Partner	Fuse Energy, LLC		Licensed Energy Broker
Todd Joseph Bard	CEO & President	LEE Energy Group LLC		Licensed Energy Broker
Kathryn Cloyd	VP of Operations	Maryland Energy Advisors LLC		Licensed Energy Broker
Frank Warner	CEO	MSI Utilities, Inc.		Licensed Energy Broker
David Cohen	Manager	Power Logix LLC		Licensed Energy Broker
Dan Flamand	Managing Partner	PPEG LLC		Licensed Energy Broker
Shawn Heaphy	Managing Partner	PPEG LLC		Licensed Energy Broker
Kenneth Rowen	President	Technology Resource Solutions, Inc.		Licensed Energy Broker