Distributed Energy Resources

PEAK REDUCTION STANDARD

Background

Massachusetts families are paying some of the highest electricity bills in the country — and a big reason why is the way utilities plan around peak demand. Utilities build expensive infrastructure to handle just a handful of high-demand hours each year, and those costs get passed directly to ratepayers — even when cheaper, cleaner options exist. This proposal ties local renewable energy deployment directly to peak demand management, requiring utilities to prove cheaper alternatives have been fully considered before new infrastructure spending is approved.

The Peak Reduction Standard is the accountability backbone of a distributed energy agenda.

By requiring utilities to consider and value distributed clean energy resources before spending ratepayer money on expensive new infrastructure, this proposal ensures that other DER priorities (flexible interconnection, virtual power plants, smart permitting, and more) can have a transformative impact.

The most expensive hours on the grid — just 50 out of 8,760 each year — drive a disproportionate share of everyone's electric bill.

A smarter grid means lower costs for everyone.

Provisions

- Stops utilities from automatically building expensive new infrastructure — they must first show that solar, batteries, and other local renewable resources can't do the job at lower cost
- Sets targets for how much of Massachusetts' peak electricity demand must be met by renewable distributed energy resources
- Requires utilities to open up unused grid capacity to renewable energy projects, rather than leaving it idle while developers wait years to connect
- Ensures renewable energy projects can get connected to the grid faster and more affordably, with strict deadlines to prevent utilities from dragging their feet
- Ties utility profits to renewable energy goals — so companies are rewarded for connecting more distributed resources, not just for building more infrastructure

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