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50+ Organizations Launch New Campaign to Stop Predatory Third-Party Electric Suppliers in Massachusetts

The campaign urges state lawmakers to pass legislation and the Department of Public Utilities (DPU) to take regulatory action to address harmful third-party suppliers and protect consumers across the Commonwealth

BOSTON —Today, over 50 Massachusetts advocates announced the launch of a new-campaign to Stop Predatory Electric Suppliers, calling on lawmakers to pass H.3534/S.2255 to end the third-party residential electricity market and protect Massachusetts consumers. The campaign will also advocate for regulatory action as the Massachusetts Department of Public Utilities (DPU) continues its "investigation into initiatives to promote and protect consumer interests in the retail electric competitive supply market", including potential steps to address deceptive and misleading marketing targeting vulnerable customers. The DPU's next meeting on this issue is scheduled for this Wednesday, April 16th.

The Attorney General's reports keep proving what we have known for years," said Larry Chretien, Executive Director of Green Energy Consumer Alliance. "Residential consumers who sign up with an electricity supplier on their own usually get ripped off. And the data shows that the predators are targeting our most vulnerable people. Consumers are better off receiving their supply from their utility, and much better off if their community has municipal aggregation. The bill before the legislature is the easiest way to make energy more affordable in 2025."

"Massachusetts residents, particularly those living in poorer communities and communities of color, have lost hundreds of millions of dollars to third-party electric suppliers," said **Massachusetts Attorney General Andrea Campbell.** "While we have investigated and litigated against several of these companies for their predatory practices, consumers cannot be fully protected without a legislative solution. I look forward to working with our legislative partners and other stakeholders to put an end to the financial harm inflicted on consumers by these predatory suppliers."

"Predatory electric suppliers are creating an affordability crisis and hiking up costs for all customers. These companies persistently break the law and fail to deliver the cost savings they promise," said **Energy and Environmental Affairs Secretary Rebecca**

Tepper. The Healey-Driscoll Administration continues to stand with the Attorney General and a broad range of stakeholders in support of reining in this industry."

"Energy affordability and ratepayer protection are issues of the moment. Letting competitive suppliers continue to do their thing is antithetical to both," said **State Senator Michael Barrett, Chair of the Joint Committee on Telecommunications Utilities and Energy**. "Third-party suppliers of electricity promise to save people money. But they don't. Instead, they target low-income consumers and rip them off."

"Predatory third-party electric suppliers have taken advantage of our residents for far too long—particularly targeting those who are least equipped to navigate misleading contracts and sudden rate spikes," said **Brian Swett, Chief Climate Officer for the City of Boston**. "Ending this broken market is a critical step toward protecting Boston families, reducing energy burdens, and ensuring our clean energy future is built on transparency and fairness. We're proud to stand with this coalition and urge swift passage of this essential legislation."

In 1997, Massachusetts <u>deregulated</u> its electricity market. Today, consumers can elect to purchase their electric supply from their utility, their local municipal aggregation program (for the 177 towns and cities that currently have them, with 40 or more that could start operating in 2025) or third-party electric suppliers.

As in other states with deregulated electricity, third-party suppliers in Massachusetts have <u>failed to deliver promised benefits</u> to individual residential customers. Instead, they often charge exorbitant rates and lean on unethical, aggressive, and sometimes even illegal sales practices.

Since 2018, the Attorney General's Office has <u>detailed</u> hundreds of millions of dollars in consumer losses at the hands of third-party suppliers. According to the <u>latest 2025</u> report, "consumers lost approximately \$73.7 million through competitive electric supply contracts between July 2023 and June 2024 for a total of \$651.3 million lost over the nine years studied by the Office." Furthermore, "the Office's analysis has found that this industry disproportionately harms low-income residents and residents in communities of color."

"The individual residential electric supply market in Massachusetts causes significant harm to most consumers, where any savings that consumers may experience are typically short-lived and canceled out by much bigger losses," **the report concludes**. "At a time when many households struggle to afford groceries and pay bills, the market further burdens consumers, particularly those who are most vulnerable. The Legislature must act to protect our consumers by ending the individual residential electric supply market."

The <u>data and stories</u> of consumers harmed by suppliers are the motivation for this campaign. A <u>joint investigation</u> by *The Boston Globe* and *WBUR* described a pattern of far-reaching harm: from a woman in Chelsea who reported that a door-to-door

salesman allowed her minor son to enroll and a resident whose variable-rate contract led to 500-percent price increases to a 77-year-old blind woman who says she was signed up without her consent and an 80-year-old woman in Natick who saw her rates nearly triple.

The campaign builds on efforts supported by Governor Maura Healey, Attorney General Andrea Joy Campbell, Boston Mayor Michelle Wu, former Governor Charlie Baker, and dozens of organizations in the last legislative session to ban third-party electric suppliers.

The current list of signatories to the Campaign to Stop Predatory Electric Suppliers — including organizations focused on economic development, advocates for seniors, faith and public health leaders, representatives from environmental justice communities, and climate and clean energy advocates — can be found below. This campaign is still in formation and additional endorsements will be shared publicly over the coming months. A supplement with quotes from numerous participating organizations is also included below.

12th Baptist Church

350 Mass

Acadia Center

Action for Boston Community Development, Inc.

All In Energy

Allston Brighton Health Collaborative

Amplify LatinX

Berkshire Environmental Action Team

Black Economic Council of Massachusetts

Boston Climate Action Network

Boston Medical Center

Brookhaven Residents' Climate Change Committee

Cape Ann Climate Coalition

Cape Cod Climate Change Collaborative

Citizens for Citizens. Inc.

Clean Water Action

Climate Code Blue

Climate Reality Massachusetts Southcoast

Codman Square Neighborhood Development Corporation

Commonwealth Green Low-Income Housing Coalition

Community Labor United

Conservation Law Foundation

Dorchester Bay Economic Development Corporation

Elders Climate Action Mass

Environmental League of Massachusetts

Fairmount Indigo CDC Collaborative

Greater Boston Legal Services

Greater Boston Physicians for Social Responsibility

Green Energy Consumers Alliance

GreenRoots

Jewish Climate Action Network

Lexington Climate Action Network (LexCAN)

LISC Massachusetts

Mass Power Forward Coalition

Massachusetts Climate Action Network

Massachusetts Senior Action Council

MASSPIRG

Metropolitan Area Planning Council

Mothers Out Front Massachusetts

National Consumer Law Center

NOAH, Neighborhood of Affordable Housing, Inc.

Old Colony Planning Council

Partnership for Policy Integrity

Quincy Climate Action Network (QCAN)

Renew Worcester

Resist the Pipeline

Sierra Club Massachusetts

Slingshot

The American City Coalition

The Neighborhood Developers Inc.

Third Act MA

Unitarian Universalist Mass Action

Upham's Community Care

Vineyard Power

Vote Solar

ZeroCarbonMA

Statements of Support:

Boston Climate Action Network (BCAN): "It seems like every day, I hear from another resident about how they're struggling with the cost of energy," said Hessann Farooqi, Executive Director of the Boston Climate Action Network. "Too many residents I speak with are on third-party energy suppliers—sometimes without realizing it. Attempts to regulate their practices have failed to protect our residents from predatory marketing and high bills. It is long past time to ban third-party energy providers from preying on our residents."

Conservation Law Foundation (CLF): "Our families and businesses deserve transparency and honesty," said Priya Gandbhir, Senior Attorney at CLF. "Whether it's a utility or a third-party supplier, every company has a responsibility to tell us the truth about what we're paying for. As so many of us struggle to keep the lights on because of rising costs, the last thing we need is predatory lies that stuff CEO pockets instead of delivering the clean, affordable energy Massachusetts residents want."

<u>Greenroots:</u> "Within our communities of Chelsea and East Boston one of the issues of great concern that so many folks will bring up, even when we're not talking about their utility bills, is the plague of aggressive door-to-door sales representatives soliciting apartment buildings, banging on doors and requesting to see people's electric bills," said **John Walkey, Director of Climate Justice for GreenRoots**. "But once we sit down with some of these people to explain their electric bills to them and they see the outrageous rates they are paying due to these same salespeople, they get outraged. Third-party suppliers have a hidden detrimental effect on the community. Once someone has been harmed by one of these door-to-door tactics, they are very skeptical of anyone else, including community non-profits or city representatives, showing up at their door with other energy program offerings. This greatly complicates our outreach efforts for municipal aggregation programs."

LISC Massachusetts: "As an organization committed to supporting projects that benefit communities, such as deep energy retrofits and other green building initiatives that help to save money for residents, it's unconscionable that the state continues to allow supplier companies to take advantage of our hard-working residents," said Emily Jones, Deputy Director of LISC Massachusetts. "If we are to lead on energy affordability, the third-party suppliers industry, which has notoriously overcharged for electricity, cannot be part of the equation and should be banned. Today, we call on our state leaders to do the right thing for the hundreds of thousands of residents impacted by these companies."

<u>MASSPIRG</u>: "As a consumer advocacy organization, we are generally adverse to interfering with the right of consumers to make choices in the marketplace – even choices some may argue are costly or harmful," said **Deirdre Cummings**, **MASSPIRG's legislative director**. "But this case is different. As the <u>state attorney</u> <u>general noted</u>, the third-party electric suppliers have created a 'predatory and broken market.' Over the last 9 years, consumers have overpaid for electricity to the tune of \$651 million."

Metropolitan Area Planning Council (MAPC): "This bill is essentially an issue of fairness and consumer protection. The Attorney General's reports have illuminated these suppliers' negative impact throughout the Commonwealth and the challenges of curbing widespread predatory and dishonest sales tactics," said Jeremy Koo, assistant director of the Clean Energy Department at the Metropolitan Area Planning Council. "While private companies and a minority of residents are sometimes able to make the most of the changing rates offered by these companies, most often any savings realized come on the backs of exorbitant rates charged to older adults, lower income residents, and those who speak English as a second language. Now is the time to take action on this legislation."

<u>Slingshot</u>: "Third-party electric suppliers are impeding climate progress in Massachusetts while raising energy bills for vulnerable communities," said **Mireille Bejjani, co-executive director of Slingshot**. "Promises of clean power products that move the Commonwealth closer to its emission goals are deeply misleading, especially

when these companies consistently overcharge their customers. Residents, particularly in communities most impacted by the burdens of climate change, deserve much better than this."

The American City Coalition (TACC/Twelfth Baptist Church): "Roxbury is the heart of Boston and, as made clear by the Attorney General's analysis, one of the hardest hit neighborhoods by third-party electric suppliers and their predatory practices," said Reverend Dr. Willie Bodrick, II, Senior Pastor at Twelfth Baptist Church and President and CEO of The American City Coalition (TACC). "For decades, these companies have overcharged and taken advantage of customers, costing Massachusetts residents millions. As a matter of fairness and justice, now is the time to act."

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