

Environment & Energy Insights

May 2025 Edition

Welcome to the May edition of Nutter's Environment & Energy Insights, a periodic update of current trends in environment and energy law. This month we cover:

- **The Healey Administration's proposed new energy bill**
- **EPA's intended changes to PFAS rules for drinking water**

Healey Administration unveils new energy bill.

This week, Massachusetts Governor Maura Healey introduced a comprehensive [legislative proposal](#) geared towards lowering energy costs, making the state more energy independent, and sparking innovation in the energy sector. The Administration estimates that the bill's provisions could save ratepayers over \$10 billion over the next decade.

Here are some of the key aspects of the bill:

Cost Measures

The proposed bill includes several measures to address energy costs. It introduces adjustments to existing ratepayer programs that are no longer cost effective, including a proposed phaseout of the Alternative Portfolio Standard charge – a charge associated with a program established in 2009 requiring electricity suppliers to obtain a certain percentage of their energy from alternative energy sources – and a reduction to the net metering credit rates that new large standalone solar, wind, and other technologies can receive. The bill also requires the Department of Public Utilities (DPU) to review and reform rates, specifically addressing issues like utility bill spikes during peak usage that can discourage the adoption of electric heat pumps and electric vehicles. The DPU is also directed to set caps on the amount that rates can increase each month.

To finance necessary grid and building upgrades without placing an immediate heavy burden on ratepayers, the legislation uses securitization, allowing the issuance of electric and gas rate reduction bonds. The Administration claims that this mechanism helps lower bill impacts from important utility investments and programs. Distribution and gas companies will also be required to provide discounted rates for low-income and moderate-income customers, with the cost of these discounts recovered through a charge on the bills of all other customer classes. Additionally, the bill includes consumer protection initiatives, including placing a moratorium on electric shutoffs during high heat periods. The Act also expands DPU oversight of investor-owned utilities and explicitly prohibits the use of ratepayer funds for certain activities like travel, advertising, and lobbying.

Generation

A critical aspect of the bill is reducing the state's reliance on imported fuels and increasing the use of domestically sourced clean energy. The bill creates a division of clean energy procurement within the Department of Energy Resources (DOER) to enter into contracts for clean energy resources such as generation, transmission, energy storage, and demand response. This is intended to reduce reliance on imported fuels, decrease volatility in seasonal energy prices, and lower future customer bills.

Notably, the bill enables gas companies to own and operate individual customer geothermal heat loops, removing a current barrier and facilitating the adoption of efficient heating and cooling technologies. The Administration claims this will help reduce the state's dependence on imported fossil fuels and supports the establishment of a homegrown industry. The legislation also eliminates a major barrier to new nuclear fission facilities by repealing a 1982 law that mandates any new nuclear facility to receive approval through a statewide initiative, in addition to the federal, state, and local approvals required through the formal siting and licensing process. This change is consistent with eight out of fourteen other states that had similar provisions and have either fully or partially lifted the limitations – with three more states currently exploring similar reforms.

Infrastructure

The legislation introduces an “Inclusive Utility Investment,” which allows utilities to invest in customer-owned energy equipment with repayment occurring through future customer bills. The Administration claims that this goes beyond existing programs like Mass Save by financing efficiency and decarbonization measures for customers who choose to opt-in. The bill also requires DOER and utility companies to create a common application for interconnection, net metering, and solar incentive programs.

The bill will now go to the Legislature for a hearing and possible revisions.

EPA intends to change PFAS rules for drinking water.

Last month, we [wrote](#) about the Environmental Protection Agency's (EPA) April announcement of several actions to “combat” contamination from certain microplastics, known as per- and polyfluoroalkyl substances or “PFAS.” Yesterday, EPA went further and announced its intent to change the PFAS rules for drinking water, which the Biden Administration established in April 2024. ([Click for our summary of the 2024 rule](#)).

The 2024 rule established legally enforceable levels called Maximum Contaminant Levels (MCLs) for six PFAS. The regulation established an MCL for PFOA, PFOS, PFHxS, PFNA, and HFPO-DA individually, and an MCL for PFAS mixtures containing at least two or more of PFHxS, PFNA, HFPO-DA, and PFBS. The 2024 rule gave public water systems until 2029 to meet the new MCLs.

EPA made three announcements related to the 2024 rule:

- EPA plans to rescind the drinking water levels for four PFAS: PFHxS, PFNA, and HFPO-DA, as well as for the mixtures of PFHxS, PFNA, HFPO-DA, and PFBS.
- The current levels for PFOA and PFOS (the two most prevalent PFAS types in drinking water) will be maintained at 4 parts per trillion.
- EPA intends to extend the compliance deadlines to comply with the PFOA and PFOS levels to 2031.

According to the announcement, EPA will issue a proposed rule in the Fall 2025 and finalize this rule in the Spring 2026.

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