Frequently Asked Questions About the 1.0 Heat Pump Rates

- **When will they be in effect?**
    - From November 1st, 2025 – April 2026.
- **How can heat pump customers confirm enrollment?**
    - If you received a Mass Save heat pump rebate after Jan 1. 2019, you should have been automatically enrolled and notified by your utility either via a letter or an email.
    - To confirm you are enrolled, you can check your next electric bill for a line item labeled "Rate" or "Delivery Service Rate." If you see a reference to the Heat Pump Rate, you're enrolled.
    - If you did not receive a Mass Save rebate (or received one before 2019), you can enroll in the rate online through your utility website.
        - Eversource
        - National Grid
        - Unitil
- **Does the rate apply to all my electricity usage, or just the heat pump?**
    - The lower rate applies to all household electricity usage Nov – April. This would include lights, electric appliances, heat pump water heaters, electric vehicles, etc. There is no separate meter required to measure just your heat pump usage.
- **Why is this not a discount but rather right sizes the amount heat pump users should be charged for their costs to the system?**
    - Heat pump users are overpaying under default electric rates. This is because electricity rates in MA are mostly volumetric, meaning that customers pay based on how much electricity they use overall rather than when or how much their usage affects the grid. New England's electric grid is summer peaking, meaning that the grid is built to handle peak demand, which occurs during hot summer evenings when everyone is running their AC. This means that currently, in the wintertime, there is extra capacity or headroom on the grid. Even though people use more electricity for heating with a heat pump, **it doesn't add stress or any additional costs to grid maintenance or expansion.** So because our rates charge for delivery based on total usage, heat pump users are being charged as if their winter electricity usage is causing additional costs on the system when they're not.
- **When we switch to a winter peaking grid system, will the inference remain the same about the overcharge to heat pump users?**

- The decision to implement a heat pump rate was based on current data on heat pump electricity consumption in the winter which shows that without the heat pump rates, consumers are unfairly overcharged. Moving forward, we do expect to see an increase in heat pump adoption due to an increase in cost efficiency. This will eventually lead to a winter peaking grid 5-10 years from now. As the winter load of heat pumps increases, it is certainly possible that we could see a change in rate designs to maintain fairness.

- **Are these rates permanent?**
  - Ultimately, it's up to the Massachusetts Department of Public Utilities (DPU) to decide how long these rates are in effect for, but we believe seasonal heat pump rates should remain in place until advanced meters and time-varying rates are rolled out statewide which is expected within the next 3–4 years.
  - Advanced meters record electricity usage in real time, enabling rate structures that vary by time of day or season, i.e. time-varying-rates (TVRs). TVRs reflect when electricity is cheapest or most expensive to produce, which can make the cost of operating a heat pump even more fair and cost reflective. In the future, the DPU may also consider hybrid rate designs that combine TVR with a seasonal or technology-specific component.
  - TVRs would benefit heat pump users by more accurately aligning electricity prices with the real cost of supplying power throughout the day and year. Because heat pumps use electricity primarily for heating during the winter, often at times when the grid has excess clean energy, TVRs would allow customers to pay less when energy is plentiful and less expensive, and more when it's scarce and expensive.
- **How did these rates come about?**
  - The state of MA knows that widespread adoption of heat pumps is essential to achieving the greenhouse gas emissions reductions mandates by 2030 and 2050. Both DOER and DPU have the goal of increasing the adoption of heat pumps while also ensuring that enough revenue is collected from each customer to serve each customer. That is why the MA DP ordered the state's three investor-owned-utilities (Unitil, National Grid, Eversource) to introduce seasonal heat pump rates.
- **Are these rates available for commercial customers?**
  - The seasonal heat pump rates are for residential customers only at this time.
- **Will these rates affect the supply portion of the bill, the delivery portion of the bill, or both?**

    - These lower seasonal heat pump rates will apply to the delivery portion of the bill. The supply portion will be unaffected.
- **My community has municipal aggregation. How will these seasonal heat pump rates interact with the aggregation rates?**
    - The seasonal heat pump rates are on the delivery side of the bill only and will not affect the supply side of the bill, whether the customer is part of a municipal aggregation, or is receiving Basic Service from their utility (Eversource, National Grid, or Unitil), or is receiving supply service from a competitive electricity company.
- **Low-income customers are eligible for a discount on their electricity bill. How will they be affected by the seasonal heat pump rates?**
    - The utility will apply both the low-income discount and the seasonal heat pump rate to a low-income customer with a heat pump.
- **I have solar panels and benefit from net metering. How will these seasonal heat pump rates affect the net metering?**
    - Your rate for electricity will be lower for the months of November through April, but not from May through October when your solar panels would be producing the most power and net metering credits.
- **If a home is only partially heated by heat pumps, will the house still be eligible for the heat pump rate?**
    - Yes, both homes that are partially and or fully heated by heat pumps are eligible for the rate.