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SUMMARY

Bhanazim, the vice mayor of Cambridge, discusses the high utility costs in Massachusetts and outlines a plan to address these issues as he runs for state senate. He highlights the inefficiencies in the current electricity supply and delivery system, the impact of third-party suppliers, and the need for reform in utility regulations to lower costs for consumers.

- *Massachusetts residents face utility bills that are nearly 80% higher than the national average, despite using less energy per person.*
- *Eversource bills consist of two parts: supply (cost of generating electricity) and delivery (cost of transmission and distribution).*
- *The supply side is flawed, as suppliers bid on electricity prices every six months, leading to overpayments totaling $12.3 billion from 2015 to 2024.*
- *Third-party electricity suppliers have overcharged Massachusetts families by $738 million since 2018, disproportionately affecting vulnerable populations.*
- *Delivery costs are high due to guaranteed profit margins for utilities, leading to inflated infrastructure costs.*
- *Massachusetts generates about half of its energy, primarily from natural gas, which is becoming increasingly expensive and unsustainable.*
- *Bhanazim proposes creating a state purchasing entity to negotiate bulk electricity rates and banning third-party suppliers to protect consumers.*
- *He emphasizes the need for reform in how utilities earn profits, focusing on reliability and affordability rather than just installation costs.*

Here are some real Eversource bills from the last few months. This one from Orlando Ramos had a garage that used no electricity, but he was still charged $30 for delivering nothing. Massachusetts residents pay almost 80% more than the rest of the country. But we use less energy per person than almost any other state. Congratulations us. I'm Bhanazim, the vice mayor of Cambridge. I'm running for state senate to represent Cambridge, Somerville, Medford, and Winchester. and I have a plan for high utility costs.

Your Eversource bill has two main parts, supply and delivery. Supply is the actual cost of generating electricity from gas plants and solar farms to wind turbines. Then delivery is the cost of getting it to your home that covers transmission over long distances, distribution through local wires and public benefit programs like massafe. Why is it split up like this? To understand that, you need to go back to the '90s. Back then, Massachusetts utilities were regional monopolies. They owned the power plants and the wires.

You got whichever companies served your neighborhood, and that was it. Costs were skyhigh. Does that sound familiar? Well, in 1977, the legislature stepped in to split up the monopoly and said, "You can't own the supply anymore, but you can still keep ownership of delivering energy." The theory was that competition and supply would drive down costs. But it didn't quite work out that way. Here's what happened instead. Let's start with supply. Since utilities can't own power plants, they buy electricity from suppliers. When Eversource needs to buy electricity, suppliers bid a fixed price every 6 months. It's basically their best guess at what electricity will cost. And then Eversource picks the lowest bid. If a supplier thinks the cost of energy is 15 cents and the cost is actually 10 cents, there's no refund to customers, they pocket the profits. If they guess it only costs 10 cents and actually turns out to be 15 cents, they eat the loss.

They can't charge any more to customers. In theory, this is supposed to protect customers. But the few suppliers are all incentivized to price a little bit higher even though they're technically competing against one another because of the risk. That premium comes directly out of your pocket. From 2015 to 2024, this hidden premium cost customers on the basic service $3.4 billion. If those customers had been charged the actual price of generating electricity, not the supplers's best guess, they'd save an extra $22 a month, over $250 a year, every year for a decade. In 2023, they would have saved more than $100 a month.

Imagine what you could do with $100 extra per month. When you include all the residential and small business customers in the calculation, the total overpayment from 2015 to 2024 was $12.3 billion. That could have built four off your win projects or thousands of dollars back in your pocket. You know those utility postcards you get in the mail that say you'll get a $100 gift card and extra savings if you just switch to us? Throw them out. Call your grandma and tell her those go straight into the recycling. Those are thirdparty suppliers. They're private companies that sell electricity directly to customers. Aversur still handles the delivery, but they promise lower supply costs. But do they? An attorney general investigation found that not a single one of the companies saved customers any money on electricity. They start out with a low introductory rate, then jack up those rates and make it really hard to cancel. Since 2018, third-party suppliers have overcharged Massachusetts families over $738 million. That's another $230 per household each year, which is a month or two of groceries on an already stretched budget. And those companies disproportionately target our most vulnerable population, low-income residents, non-native English speakers, our elderly, people who are struggling to understand what is going on or just don't have the time to. That's just the pricing problems, but the kind of electricity we're paying for is also just expensive.

Massachusetts generates about half the energy it uses. 75% of that is natural gas. Gas is expensive, but our options are limited because every other alternative has been blocked. Vineyard wind, the first commercial offshore wind project, took 9 years to get going because the Trump administration halted environmental review twice. Hydro from Quebec was blocked for three years by a main ballot question powered by natural gas companies because domestic utilities were afraid of losing money. For nuclear, our last power plant shut down in 2019. Connecticut kept its last plant open with a power purchase contract. We didn't. And for solar, the good news is that we actually generate a lot of solar for a northern state. The bad news is when we need the most electricity in the winter, the sun sets at 4:30. So, we're stuck on gas, which brings us to the other side of the bill. Delivery costs almost double what supply costs on your bill. But why? Guaranteed profit. When utilities invest in infrastructure, regulators allow them to charge customers enough to cover cost, plus get a guaranteed profit. For transmission, which are those high voltage lines that carry power across long distances, they can charge you enough to guarantee a profit of 11%. for distribution, which covers the local lines that get power to your home. The state sets the rate at 9 to 10%. Imagine someone tells you, "Give me your money," and I'll return it with an 11% guaranteed profit. You'd be like, "Okay, Bernie made me off." It sounds like a Ponzi scheme. Remember when I said the legislature split up the monopoly? It did on the supply side, but delivery is still a regional monopoly.

Abersource doesn't compete with anyone on the wires that come into your house. So they can charge whatever it costs to build the infrastructure plus guaranteed profit that's part of your delivery costs on your bill. So where is Eversource building these projects? Right here in Massachusetts. It gets worse on the gas side. The gas system enhancement program, GE, gives utility companies financial incentive to replace leaky pipelines. That's good. but it spent $91 million in 2025. 8 to 11% of your gas bill goes to paying for that cost, which again is guaranteed profit baked in. You don't have to believe me.

The state's own Department of Public Utilities found the program lacked any meaningful incentive for cost containment. If you incentivize companies to do something, they will, but put no cap on it and costs will skyrocket. Meanwhile, a 2022 law requires Massachusetts to hit net zero by 2050, which requires phasing out natural gas entirely. So, we're spending billions of dollars upgrading natural gas pipelines that will be illegal and need to be phased out in less than 25 years. It's like renovating the floors when the house is scheduled for demolition. Eversource reported $1.69 billion in earnings in 2025, nearly double the year before. They plan to invest $26.5 billion in infrastructure over the next four years. Every dollar of that earns them a guaranteed return, paid for entirely by you.

I've talked a lot about problems, but there's a lot of solutions. Our hands are tied by some federal regulations, but Massachusetts still has some options. We have to change how Massachusetts buys electricity. In Cambridge, we set up a municipal program that negotiates electricity in bulk and returns the savings directly to customers. And how much have we saved so far? $95 million. And it also delivers 75% renewable energy, which is more than double what the state requires. Now imagine doing that for the whole state.

We could create an independent state purchasing entity with a mandate to minimize customer costs. Private suppliers have had 30 years to prove themselves. All they've proven is that the system needs to change and let's ban third party suppliers. Period. They don't help anyone. Advocates have been trying to do this for years, but it hasn't passed. As a senator, I will make it a priority. Reform the guaranteed profit system. Right now, utilities earn more by spending more. We need to base those returns on metrics like reliability and affordability, not just the cost of installation. In 2023, the power went out during an ice storm.

People lost power for days and in the meantime they kept on paying for Ever Sourc's guaranteed return. We need to fix that. We need to develop policy that allows us to build the alternatives. The clean tech scene in Massachusetts is insane. From Greentown Labs in Somerville to the engine in Cambridge, they have incubated a thousand startups. Form Energy and Fourth Power are developing batteries to store excess energy from the grid. Commonwealth Fusion is launching a fusion reactor this year, but Form is building their batteries in West Virginia. Commonwealth Fusion is building their first power plant in Virginia. Virginia is for lovers and also

Massachusetts startups.

We invent the technology here, but they're not building it here. We need to fix that. This is the most technical issue in state politics. It's really nuanced and can't be captured in just one video. But you need a senator who understands it at that level of detail because it affects every single person who pays an electric or gas bill. High utility bills are not inevitable. I've done the work. We did it in Cambridge. Putting $95 million back in consumer's pockets. And I'm ready to do it for the whole state. On September 1, I hope I can earn your support for state senate.