



To: The Massachusetts Energy Efficiency Advisory Council (EEAC)

From: The Boston Green Ribbon Commission Commercial Real Estate and Health Care Working Groups

Re: Public Comments on the Draft Three Year Plans

Date: September 26, 2018

This document supplements the previous comments of the Boston Green Ribbon Commission's Health Care and Commercial Real Estate Working Groups [on the draft plan released in April and our verbal comments at the June listening session](#). The Boston Green Ribbon Commission (GRC) is a coalition of business, institutional, and academic organizations which constitute many of the large C&I utility accounts within Eversource and National Grid territory.

We appreciate the additional details provided by the PAs within the September draft. However, the Plan still provides limited transparency and details on future program offerings and several of our previous points of feedback are only partially addressed within this draft. Due to this, we remain concerned by several aspects of the plan. These include:

- **Low Savings Goals:** The overall savings and C&I goals from the September draft remain below the potential assessment savings by the EEAC Consultants. There are several program innovations, such as the SEM Cohort program and the streamlined retrocommissioning program that would have a significant impact on C&I savings. However, these innovations are not expected to be released until the end of the planning-term. This is despite the PAs previous market research efforts, which should support rapid deployment. The C&I savings goals should be revised to reflect the full potential of these programs and a swifter roll-out period. More rapid deployment of programs can bring the plan closer to its fully assessed potential of 2.9%.

Based on this concern, we request the development of a C&I Sector Working Group to support swifter implementation and effective program outreach. We recommend a formal working group process to assist with accountability and program rollout. This cross-sectoral working group would ideally be comprised of the PAs and representatives from the C&I segments introduced on page 94-95 of the draft Plan. This group would meet quarterly to discuss the programs' rollout, timeline, and provide targeted feedback on outreach strategies to accelerate savings. This would be analogous to the State Commercial Real Estate Working Group, which launched to support the development of targeted programming during the last planning cycle.

Specifically, we recommend that the Plan reflect this by amending the language on page 86, paragraph 4 to state [italics denote edits]:

"The Program Administrators will further tailor their offers and marketing to respond to the unique barriers diverse customers face, with estimated implementation not later than the third quarter of 2019, and streamlined offerings beginning in Q3, 2020. The PAs will immediately convene an ongoing C&I Working Group of diverse customers and stakeholders from key segments such as commercial real estate, hospitals, higher education, grocery and hospitality to meet quarterly to collaborate on developing customized outreach, calculator tools, and engagement/delivery strategies, and to speed implementation."

- Limited Transparency:** While the Plan contains more details on upcoming offerings, there is limited transparency on how the results of these new programs will be shared with the Council or stakeholders. [The EEAC Resolution on the April plan](#) included a series of performance indicators for measuring progress in the Residential, Low-income and C&I sectors, which we strongly support. It is not clear from the Plan, how or if these metrics will be reported upon. With the inclusion of active demand management programs, the focus on strategic electrification, and expanded efforts to reach underserved customers, the PAs must indicate their plans for clear and transparent reporting on the program’s expanded mandate within the next draft.

Within the current draft, the PAs include a segmentation analysis of the C&I sector, which indicates a series of challenges and barriers. However, beyond the industrial and commercial real estate sectors, the plan offers no visibility on which innovations will be available to the remaining sectors, such as healthcare and laboratories. We request that the table on page 94 be updated to include the available approaches for each segment. This would begin the process of more transparency and disclosure we alluded to in the preceding paragraph. We have suggested a format for these additions below:

| | | Segment Goals and Program Enhancements |
|--|---|--|
| Grocery  | <ul style="list-style-type: none"> Common measures, business model (low margin), and barriers Can benefit from provision of industry-expert technical assistance Potential for economies of scale in marketing and delivery Homogenous and concentrated usage | <i>Sample Text:</i> <i>Industry expert circuit rider, aggregated RTU purchase</i> <i>Segment Goal: XXX kWh/YYYY Therm, or N% improvement over 2016-'18</i> |
| Hospital  | <ul style="list-style-type: none"> Energy intensive Sensitive to costs, non-energy related drivers heavily impact capital deployment Scalable to other customers of varying sizes | Specific examples for hospitals. |
| Hospitality  | <ul style="list-style-type: none"> Common measures, business model, and barriers More gas opportunities relative to other segments | Specific examples for hospitality |
| Laboratories  | <ul style="list-style-type: none"> Require specialized technical expertise High savings potential | Specific examples for laboratories. |
| Manufacturing  | <ul style="list-style-type: none"> Typically energy intensive, though energy costs not necessarily a primary driver of cost of goods sold Heterogeneous, requiring specialized technical expertise Common implementation barriers, exacerbated with small and medium size manufacturing base | Specific examples for manufacturing. |

- Plan Excludes Results from DOER’s GWSA Study:** At the last Council meeting, the DOER shared the results of its study which reflected the full avoided costs of compliance with the GWSA. The Plan indicated the PAs were still reviewing the study (page 159) and incorporated it into data analysis for the Plan. However, the Plan is not clear on how the enhanced benefits of energy efficiency from the GWSA influenced the mix of conservation measures of the Plan or the Plan’s savings potential. It is critical these results are reported to the Council in a timely manner and reflected in the October draft to the DPU.
- Demand Management Program Incentives:** We were heartened by the inclusion of both a summer and winter peak, storage performance incentives and an increase in the size of the demand response program from 120.1 to 186.6 MW. These are important first steps to improving the active demand management offering. However, the plan offers limited clarity on the size of incentives available through either the Commercial Interruptible

Load Curtailment Program or Storage Performance Program. Thus, it is unclear if these performance incentives will meaningfully impact influence or move the market. In addition, the C&I program excludes lending support for storage. In contrast, the residential sector will have access to lending support for storage through the HEAT Loan. While we recognize the C&I sector has access to the new PACE program, the Plan does not provide any reflection or nuance on how the proposed storage incentive will interact with other state programs such as Commercial PACE or SMART. Additional clarity is needed on these items as soon as possible. We strongly support the Clean Energy Group's upcoming commentary on this matter. The Consultant's potential assessment for active demand management was 250 MW; improvements to demand incentives and incentives for demand management technologies, such as lighting controls or storage, can make more ambitious demand management targets achievable.

We welcome the opportunity to discuss these points of feedback with the PAs, Councilors and EEAC Consultants. We would like to thank the EEAC and the PAs for the opportunity to submit comments, and appreciate your time and attention to these matters.

Sincerely,

The Boston Green Ribbon Commission's Commercial Real Estate and Health Care Working Groups

For more information

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