Massachusetts Energy Efficiency Advisory Council
Resolution Regarding the 2019-2021 Massachusetts Joint Statewide
Three-Year Electric and Gas Energy Efficiency Investment Plans

October 30, 2018

BE IT RESOLVED THAT

Pursuant to G.L. c. 25, § 21, the Energy Efficiency Advisory Council (“Council” or “EEAC”) presents the following comments to the Department of Public Utilities (“DPU”) regarding the 2019-2021 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plans. The Green Communities Act, as set forth in G.L. c. 25, § 21, directs the Council to review the draft 2019-2021 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plans (“Statewide Plans”) submitted to the Council on April 30th by the Program Administrators (PAs). The PAs are then directed to incorporate any changes or revisions to reflect the input of the Council into their submittal of the Statewide Plans to the DPU on or before October 31st. The detailed contents of the plan that the Council must review are set forth in G.L. c. 25, § 21(b)(2).

In developing its input on the 2019-2021 Statewide Plans, the Council undertook a comprehensive engagement process, starting with six collaborative planning workshops between September 26, 2017 and January 30, 2018 that featured research materials, and extensive and in-depth discussion between Councilors, PAs and the EEAC Consultants. Additionally, the Council held eight public listening sessions in municipalities across the Commonwealth (Pittsfield, Springfield, Worcester, Lowell, Salem, Fall River, Mashpee and Boston). Finally, in addition to dedicating time at every Council meeting for public comment, the Council held a special meeting in June 2018 exclusively to receive public comment. The workshops and public comments informed the Council’s February 28th, 2018 resolution that set forth Council priorities and recommendations for the Statewide Plans.

The PAs submitted a draft of the Statewide Plans to the Council on April 30, 2018. Some of the recommendations from the Council were touched on in the April plans but the consensus of the Council was that the Plans were largely non-responsive to the Council priorities, savings goal levels proposed were too low, program details were missing, and the projected cost per unit of savings was too high. These efforts informed the July 31st, 2018 EEAC resolution to the Program Administrators. The PAs then submitted revised draft plans on September 14th, 2018. On October 22nd, 2018, the PAs submitted updated data tables and a memo of program enhancements that reflect changes to the September 14th Draft Plans. The Council offers its comments based on the following records (collectively the “October 22nd Drafts”) with the expectation that the PAs will file final Statewide Plans with DPU on October 31st, 2018 that are fully consistent with the content of these materials.

1. Draft joint statewide plans dated September 14th, 2018;
2. Term Sheet dated October 19th, 2018;
3. Revised data tables dated October 22nd, 2018; and
4. Memo of Program Enhancements from PAs dated October 22nd, 2018.

Overall Plan Comments

The Council appreciates the significant efforts the PAs have invested in the development of the October 22nd Draft Plans to address the priorities of the Council and stakeholders. We recognize and appreciate the significant contributions of PA staff, Council consultants, Councilors, the Low-Income Energy

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1 Briefing documents, presentations, and meeting summaries from the workshops are available at www.ma-eeac.org
2 Available at http://ma-eeac.org/plans-updates/
3 Available at: http://ma-eeac.org/plans-updates/
Affordability Network (“LEAN”), and stakeholders in preparing these energy efficiency plans. The
development of the 2019-2021 Statewide Plans reflects significant collaboration across PAs and among
members of the Council, DOER, and the AGO. These comments of the Council are based on its review of
the October 22\textsuperscript{nd} Draft:

- The Council has reviewed and approves the October 22\textsuperscript{nd} Draft of the 2019 – 2021 Statewide Plan,
as the savings levels represent record levels of gas energy efficiency savings and continue
Massachusetts on a path to achieving all cost effective energy efficiency as required by the Green
Communities Act (“GCA”).\(^4\)

- The October 22\textsuperscript{nd} Draft sets a path forward to pivot Massachusetts’ nation-leading energy efficiency
programs to focus on (1) reducing energy usage during times of summer and winter peak demand,
and (2) promoting fuel switching from oil and propane to clean energy sources such as cold climate
air source heat pumps, as authorized by “An Act to Advance Clean Energy” enacted on August 9,
2018. The Council further recognizes that the Act to Advance Clean Energy was enacted late in the
planning process, leaving limited time to incorporate additional changes authorized by this
legislation. The Council urges the PAs to continue efforts to introduce new approaches and clean
energy sources into the energy efficiency programs.

- The October 22\textsuperscript{nd} Draft sets electric savings levels of 2.7% of annual sales (35.6 million lifetime
MWH) and natural gas savings levels of 1.25% of annual sales (1.192 million lifetime therms). The
2019-2021 Statewide Plans, as represented by the October 22\textsuperscript{nd} Draft, will provide 8.6% higher
benefits than the 2016-2018 Plan. These goal levels represent significant increases from the April
draft plan, while reducing the cost to achieve and minimizing budget increases – statewide lifetime
electric MWH goals increased 23%, and MMBtu goals increased 22%, and statewide lifetime gas
goals increased 16%.

- The Council confirms that the October 22\textsuperscript{nd} Draft\(^5\) includes ambitious energy savings goals,
sensible program budgets, and substantial benefits to Massachusetts consumers as required by the
GCA. The programs and strategies in the Statewide Plan represent a significant opportunity to
maximize benefits for the Commonwealth over the next three years.

- The Council recognizes the importance of pivoting the electric energy efficiency programs under
an Act to Advance Clean Energy to a broader energy system view and supports the commitment in
the October 22\textsuperscript{nd} Draft to target summer and winter peak energy reduction and the PAs’
commitment to energy optimization with a focus on fuel switching to cold climate air source heat
pumps and other clean energy sources.

- The Council expects the Individual PA Plans will remain fully consistent with the October 22\textsuperscript{nd}
Draft of the Statewide Plan.

- While the current statewide savings, budgets, and benefits proposed in the October 22\textsuperscript{nd} Draft are
appropriate, there exists significant variation in savings levels, cost to achieve, and plan details
among individual PAs. The Council urges the PAs to continue their joint planning and best
practices efforts, with the goal of achieving programmatic consistency and equivalency while
fostering creativity and providing equitable service for customers across the Commonwealth.

- The Council recognizes that performance incentives are an integral part of the planning and
implementation of the energy efficiency programs. We accept, consistent with the DPU’s Energy
Efficiency Guidelines at Section 3.6, the performance incentives set forth in the October 22\textsuperscript{nd} Draft,

\(^4\) This approval is provided there are not unexpected or contrary data or details in later PA submissions. In
approving this resolution, the Council also acknowledges the right of the DOER, the Attorney General, and any
other member of the Council to participate in the proceedings before the DPU.

\(^5\) http://ma-eeac.org/plans-updates/
including the two new performance incentive components (savings component for active demand benefits and renter target).

- The Council, Council consultants, and PAs will continue to work collaboratively throughout the three-year roll-out of the Individual Plans, as directed by the GCA, through continued quarterly reports and specific updates in regular meetings that focus on topics to be determined by the Council. We expect the PAs to consistently engage with the Council consultants to analyze new lessons learned, develop adjustments, and put them into practice.

Council Priorities

The October 22nd Draft provides additional detail and PA attention to Council recommendations from the July 31st resolution, and addresses many specific recommendations. We appreciate that these elements are reflected in the plan. The Council provides comments below on each of its key 2019-2021 priorities:

1. Underserved Populations and Geographies: Increase participation by, and savings from, hard-to-reach and underserved populations and geographies, including moderate income, renters, small business, and non-profits.

The Council’s first priority in the development of the 2019-2021 Statewide Plan has been to increase participation by, and savings from, hard-to-reach and underserved populations and geographies, including moderate income, renters, English as a second language speakers, small businesses, and non-profits.

- While renter, moderate income, and non-English speaking populations are hard to precisely define or identify with existing Mass Save metrics, the Council commends the addition of a renter metric in the PA performance incentive. In addition to targeting renters, this metric is also the best available proxy indicator of these and other underserved populations and a sign of a renewed commitment to deliver the benefits of the Mass Save program to all customers.

- The Council is supportive of EM&V studies committed to in the Term Sheet and requests that the PAs fully engage the EM&V consultants in this process.

- The Council commends the PAs’ commitment to develop and launch a statewide municipal and community partnership strategy. The Council expects the PAs to proactively engage and formally partner with municipalities and communities with historically low participation rates along with non-profits in the development and implementation of this strategy and provide a range of support to improve access to, and savings from, residents, small business, non-profits, and municipal facilities, among others.

- The Council supports the commitment to zip code level participation reporting made in the Term Sheet as a step forward in tracking, collecting, and reporting data to help the Council assess the geographic equity of these programs, and expects the reporting to cover each sector, subject to the privacy standards required by the Department of Public Utilities.

- The Council expects a targeted effort to support the installation of high efficiency equipment, including air source heat pumps, and weatherization measures in homes and businesses impacted by the September 2018 Columbia Gas incidents in the Merrimack Valley.

2. Active Demand Management: Include goals specific to active demand management and integrate the delivery of active demand management offerings within the EE programs in the 2019-2021 Plan.
The Council strongly supports the development and implementation of new active demand management program offerings, including behind-the-meter energy storage in 2019-2021.

- The Council is pleased to see active demand management programs that include wi-fi thermostats, energy storage, and C&I load curtailment.
- The Council supports the inclusion of a winter active demand management goal and a study to assess the benefits of winter demand reduction.
- The Council expects these Active Demand Management offerings to complement and coordinate with other state policies and incentive programs including, but not limited to, SMART and Clean Peak Standard.
- The Council supports $5 million of the PAs’ performance incentives specifically dedicated to achieving active demand management goals.

3. **Fuel Switching: Promote & incentivize fuel switching strategies, in all sectors, that support the Commonwealth’s long term greenhouse gas reduction requirements, as established under the Global Warming Solutions Act.**

As a way to continue to align statewide energy efficiency policy with the Commonwealth’s Global Warming Solutions Act (“GWSA”) goals, the Council strongly supports the fuel switching strategies of the electric PAs that are consistent with the an Act to Advance Clean Energy and the GWSA. The Council supports the PAs plan to provide an “energy optimization” approach to program delivery, which is fuel-neutral, and supports a shift to include a primary MMBtu metric to reflect the importance of this pivot. Achieving fuel-neutrality will require enhanced marketing, outreach, contractor training and incentives for residential customers to understand newer options such as converting to high efficiency, cold climate air source heat pumps. The Council expects to coordinate with the PAs during implementation of the Statewide Plan to explore market expansion of heat pump offerings in the residential retrofit and new construction initiatives, and looks forward to working with the PAs to ensure there is a commensurate fuel switching commitment to serve commercial customers.

4. **Integrated Residential Program Design: Provide a new, integrated residential program design that maintains strong savings and benefits for all residential homeowner and rental initiatives by: increasing customer capture, providing new methods for realizing savings, expanding HVAC, behavioral, financing, and upstream offerings, and increasing conversion rates for HVAC and weatherization measures.**

Given the predicted declining claimable electricity savings from residential lighting initiatives and other market developments that have been apparent for the past few years, the Council continues to see a need for a comprehensive redesign for the residential retrofit and retail programs to continue to obtain all cost-effective energy efficiency, as highlighted in its February and July resolutions. Positive improvements in the October 22nd Drafts include combining single and multi-family programs into a single new Residential Coordinated Delivery Initiative, as well as the residential sector enhancements to program delivery. The Council looks forward to regular updates in the quarterly reports from the PAs on the rollout status of the new program enhancements, including a report to the Council on the results of the enhancements demonstrated and tested in 2019, and any adjustments or revisions to be
implemented in 2020 and 2021, and levels of additional resources dedicated toward these enhancements in 2019-2021. The Council supports significant increases in technical and sales training for call center staff and contractors and would like to see regular updates regarding this in the quarterly reports.

The Council expects residential program design to be a major focus of the PAs over the next three years. The Council requires a commitment by the PAs to work with the EEAC and its Consultants in 2019 to assess potential residential program design updates or delivery model changes to increase participation and savings. In September 2019, the Program Administrators will provide and present to the EEAC results of the assessment and planned enhancements or changes for 2020 and 2021, including any impacts to participation, costs, and savings.

5. **C&I Sector Savings Measures:** Increase program savings in the C&I sector from HVAC, process, lighting, and CHP measures.

The Council is supportive of the October 22nd Draft’s increased focus in 2019-2021 on achieving additional savings opportunities in the Commercial & Industrial (C&I) sector. The Council supports the increases in planned CHP, HVAC, and process savings. The Council continues to believe there are additional C&I lighting opportunities and looks forward to working with the PAs to track progress over the next three years. The Council is concerned about historical over-budgeting in the C&I sector. Given the increase in the C&I budget in the October 22nd Draft compared to prior three year plans, the Council would like to see a greater commitment to obtaining all cost effective savings in the C&I sector.


The Council is supportive of the October 22nd Draft’s new Passive House offering that provides new, increased performance-based incentives for Passive House construction. The PAs commitment to actively working on re-defining the performance-based incentive for Passive House New Construction developers addresses the subject of many public comments received by the Council.

7. **Integrated Multi-family Framework:** Establish a multi-family framework that better integrates residential and commercial offerings and is cost-effective.

The Council supports a new integrated multi-family framework and looks forward to assessing results by maintaining distinct multi-family reporting to the Council.

8. **Low Income Programs:** Review low-income programs for potential improvements in participation and achievement of savings, and seek additional savings & cost-efficiency opportunities, to ensure continued success.

The low income programs are testing out new measures and approaches including wi-fi thermostats, cold-climate air source heat pumps for fuel switching, active demand management, and coordinated
service delivery with the market rate program for 1-4 unit mixed use buildings. The Council is pleased that the PAs and the Low-Income Energy Affordability Network will evaluate the use of U.S. Department of Energy approved electronic audit tools to improve the low-income audit and data collection process. The Council looks forward to continuing to work with the PAs and LEAN during plan implementation to assess opportunities to improve low income participation channels.

9. Data Management: Modernize data management across all PAs and sectors, enhance accessibility to and usefulness of the data to the public, and leverage additional data sources to accomplish items 1-8 above.

The Council supports the new reporting commitments in the Term Sheet and looks forward to developing Key Performance Indicators for tracking of Council priorities and Plan progress. The Council expects the PAs to work towards more comprehensive data collection and management, while ensuring customer privacy and security, during implementation of the 2019-2021 Statewide Plan.

Council Decision on Draft Plan

Based on its review described above, the Energy Efficiency Advisory Council respectfully requests the Department of Public Utilities approve the 2019-2021 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plans and the individual plans of the Program Administrators, to the degree that the individual plans are fully consistent with the Statewide Plan and to the Degree that the final filed plans are fully consistent with information available to the Council at this time. We further request that the DPU embrace and reflect the comments above, including a commitment by the Program Administrators to work with the Council and its Consultants to assess residential program design changes for implementation in 2020 and 2021.

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6 Since the Council has not had an opportunity to review the Benefit-Cost Models or Technical Resource Manual, the Council reserves its rights to complete a review of these documents and provide comments to the DPU as appropriate.