April 16, 2025

2025-2027 Plan Compliance Filing Draft

WE ARE MASS SAVE®:

Berkshire Gas
An Avangrid company

Cape Light Compact

EVERSOURCE

Liberty

nationalgrid

Unitil

DPU Order on 2025-2027 Plan

- Approved the 2025-27 Plan, with strong support for the PAs' and the Council's efforts
- Reduced the total residential sector budget by $500 million, divided equally between gas and electric PAs
- ***After these ordered adjustments, the total budget is ~$500 million greater than the 2022-2024 Plan budget.***

PA Approach

Priorities:

1. Maintain Program Design (especially equity offers)
2. Limit likelihood of MTMs or program disruptions
3. Limit GHG impact as practicable (DPU Order)
4. EEAC/EWG feedback (equity and weatherization)

Guidelines:

- Align plan volumes with ordered budget reduction
- Reduce non-incentive budget where achievable (and aligned with priority #1 above)
- Reductions to per-unit incentives must be accompanied by reduced plan volume
    - Program theories of market adoption have not fundamentally changed since filing in October.

Performance Incentive design-level reduced 10%

Council Feedback

EEAC Priorities

1. Equity Investments over GHG Reductions & Market-Rate Offers
2. Weatherization over Heat Pumps
3. Designated Equity Community & Renter Offers
4. Community First Partnerships & HEAs over Workforce Development and Scorecards

1. Prioritize Equity over GHG Reductions

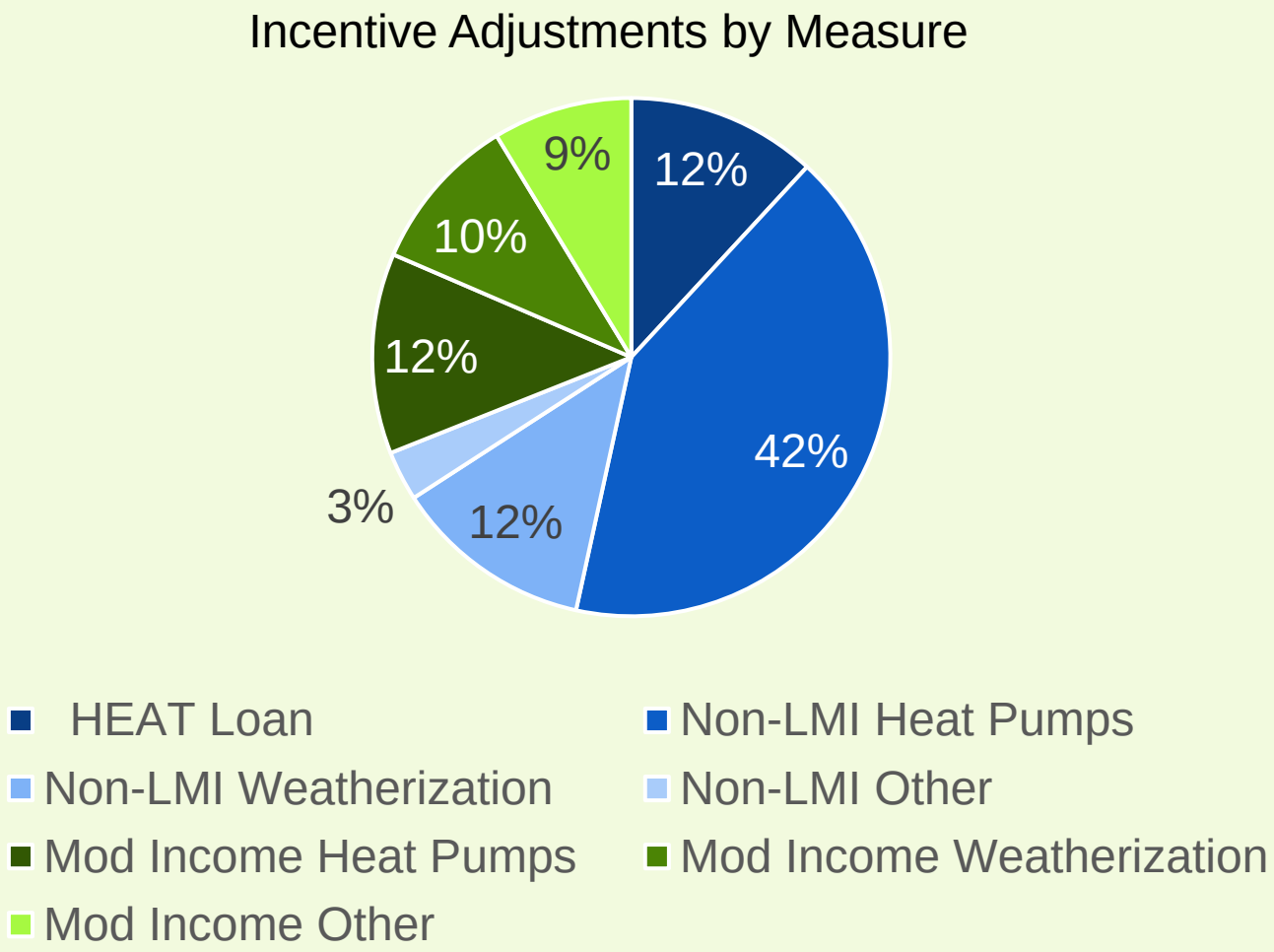
PAs prioritized maintaining equity investment

- Proportion of “Equity Investment” from original plan:
  - Original Plan: 38.1% = $1.90B of $5.0B
  - Compliance: **39.4% = $1.76B of $4.5B**
- Increased proportion of LMI-Qualified Incentives in Residential & Low-Income Sectors from 52% to **56%**

Proposal results in 2030 GHG reductions of ~863,000 tons of CO2e

- Up from 684,000 tons achieved in 2022-2024 Term
- Same cost per ton as prior term of $3,400/ton of 2030 reduction

2. Prioritize Weatherization over Heat Pumps



- Preserved weatherization over heat pump production (HP incentive reductions ~54% of budget adjustments)
- Prioritized heat pump production around delivered fuels and electric resistance where practicable, i.e. turnkey model.
- Given focus around delivered fuels and electric resistance, PAs planning lower volumes of turnkey heat pumps displacing gas for moderate-income customers to protect against increasing energy burdens.

3. Maintain DECs and Renter Support

No changes to either the list of Designated Equity Communities or Renter Offers

Prioritized renter incentives relative to other incentives (total residential incentives reduced ~23% vs. ~19% for renter incentives, or 14% vs 5% when low-income is included)

Reinforces rental heat pump electrification offering for delivered fuels and electric resistance to protect against increased renter energy burdens

4. Hard-to-Measure

CFP	• Maintained full funding for CFP work
EM&V	• 10% reduction to Residential Sector
Statewide Marketing	• 10% reduction across all sectors
Language Access	• 10% reduction across all sectors
MA CEC Funding	• Reduced by $12M, $24M a year remains
Scorecards	• Removed

Proposed Budget Adjustments

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Summary of Budget Adjustments

	Initiative	Electric ($)	Gas ($)	Electric (%)	Gas (%)
Incentive	HP Pool + HEAT Loan	-119 M	-101 M	-32%	-32%
	Res Turnkey (SF+MF, Mod)	-97 M	-113 M	-17%	-28%
	Other Rebates, RNC, ADR	-3 M	-3 M	-1%	-14%
Non-Incentive	Program STAT	-20 M	-26 M	-7%	-17%
	Statewide Marketing	-1 M	-1 M	-10%	-10%
	Evaluation (EM&V)	-2 M	-1 M	-9%	-15%
	Language Access	-1 M	-1 M	-10%	-10%
	MassCEC	-4 M	-2 M	-14%	-14%
	Other Refinements	-6 M	-3 M	-3%	-3%
	Total	** **-253 M**	**-250 M**	**-15%**	**-24%**

Minimal impact on *Behavior, DOER Assessment, EEAC Consultants, Workforce Trainings, R&D, Education, Statewide Database, Sponsorships & Subscriptions, or Statewide Contact Center.*

***Targeting $250M for each with further modeling iterations.*

Incentive Adjustments by Measure

Qualification	Measure	Electric ($)	Gas ($)	Electric (%)	Gas (%)
	HEAT Loan	-29 M	-24 M	-30%	-30%
Non-LMI	Heat Pumps	-113 M	-73 M	-37%	-31%
	Weatherization	-20 M	-37 M	-10%	-16%
	HPWH	-3 M	-2 M	-17%	-27%
	Barriers	-1 M	-1 M	-10%	-12%
	Other	-6 M	-2 M	-3%	-11%
Non-LMI Total		**-143 M**	**-115 M**	-19%	-23%
Mod Income	Heat Pumps	-2 M	-19 M	-2%	-82%
	Weatherization	-6 M	-37 M	-9%	-38%
	HPWH	-25 M	--	-53%	--
	Barriers	-5 M	-8 M	-9%	-28%
	Other	<-1 M	<-1 M	-1%	-29%
Mod Income Total		**-38 M**	**-64 M**	-13%	-43%
Grand Total		**-210 M**	**-203 M**	-18%	-28%

2022-2024 Term*

Reduced greenhouse gas (GHG) emissions in 2030 by **684,545 metric tons** of carbon dioxide equivalent (CO_2e).

Invested **$700 million in incentives** for low- and moderate-income households.

Weatherized **166,686** homes.

Supported the installation of heat pumps in over **83,831 homes.**

*Actual production based on Q4 data

The Next Three Years**

Reduce GHG emissions by **~863,000 metric tons of CO_2e.**

Invest **$1.76 billion** in equity-related efforts, including **$1.2 billion in incentives** for LMI customers and **$588 million** for renters.

Weatherize **162,000+** homes.

Support the installation of heat pumps in **87,000** households.

** Preliminary numbers subject to final QA/ QC and adjustments; still confirming unit counts for renters and moderate income.

10% Reduction to Performance Incentives

- The PAs have voluntarily reduced the design-level of performance incentive pool by 10% (from $190M to $171M)
- The PAs are not proposing any other changes to PI structure, which was approved by the Department
- This reduction is additional to the $500 million residential sector budget adjustment

Berkshire Updates

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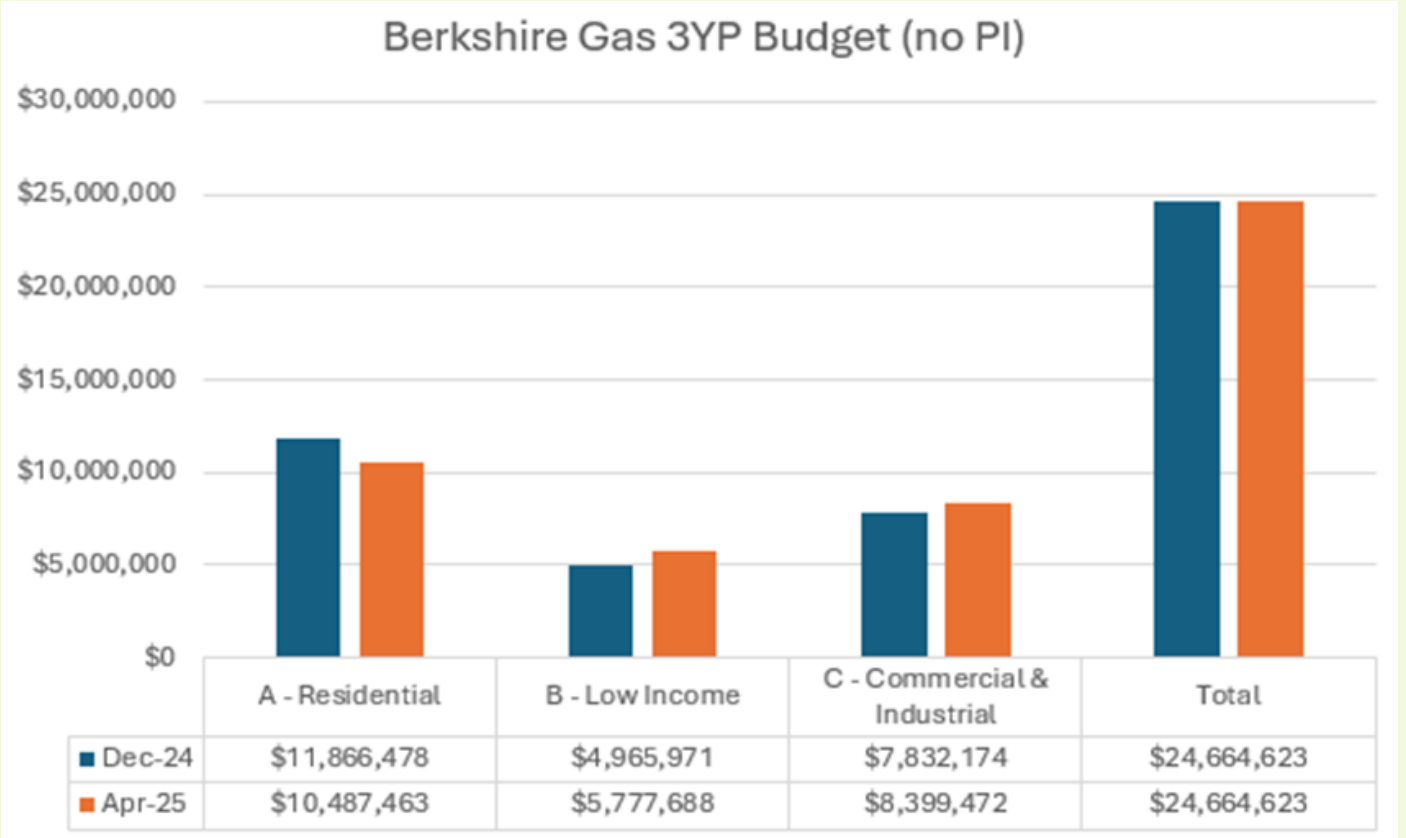
Proposed Changes

- Increased pipeline driven by significant changes to permitting practices in Pittsfield and success of Main Streets efforts
- Berkshire's Residential and C&I EES' are among the lowest in the Commonwealth

Proposal

- Maintain total 3Y budget of $24.7M
- Reallocate ~$1.4M Residential sector budget supporting investment in priority areas – IE & C&I Turnkey projects
- Achieve reduced Resi EES for Term



	A - Residential	B - Low Income	C - Commercial & Industrial	Total
Dec-24	$11,866,478	$4,965,971	$7,832,174	$24,664,623
Apr-25	$10,487,463	$5,777,688	$8,399,472	$24,664,623

Eversource Gas of MA Update

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Proposed Changes to EGMA Low-Income

- Increase low-income sector budget by $15M based on 6 months of additional data regarding demand
  - Improved pipeline visibility compared with 2024, but some carryover production
- Prioritize longest wait first, focus on weatherization and low-cost repairs
  - Strategic scale back on heat pumps and Fossil Fuel heating
  - Current pending pipeline approx. 50% weatherization/ 20% repairs
- New policy guidelines contain additional cost controls
  - Will adapt guidelines across term as needed to manage budget

Next Steps

WE ARE MASS SAVE®:

Key Dates

Process Feedback and Complete final QA/QC

April 17 (9:30-11am)

DPU procedural call for parties re: presentation of bill impacts

April 28 (1-2:30pm)

Additional Council Meeting

April 30

Compliance filing submitted to Department