June 12, 2024

# 2025-2027 Draft Plan Updates

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# Agenda

- Equity Updates
- C&I Updates
- Residential & Low-Income Updates
- Cross-cutting Updates

# Public and Stakeholder Feedback

3 public listening sessions, organized by DOER

Multiple EWG and CIWG meetings

~16 Deep Dive Sessions with DOER, AGO, and consultant teams on IE, residential, C&I

Additional meetings with implementation partners and other stakeholders

**The PAs thank the public, the Equity Working Group and the Council, as well as DOER, the AGO, the Council Consultant Team and many other stakeholders for their valuable and thoughtful feedback on the draft Plan.**

# Equity Updates

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# Equity Recommendation: Rental Units in Equity Communities

- **III. Remove income verification requirements** for residential properties in the 21 designated equity communities to access enhanced incentives that cover 100% of the cost for barrier remediation and heat pumps

# Updated PA Proposal: Rental Units in Equity Communities

- **All Buildings with at least 50% rental units automatically qualify for Moderate Income offer**
  - 100% weatherization, 100% barrier remediation, 100% electrification including pre-electrification barriers
  - Delivered via turnkey
- No income verification
- PAs may utilize designated EJ census blocks within the communities for this offer to focus resources
- Electrification available where it will not increase renter energy burden
- Landlord required to sign form similar to Low-Income form that states that the landlord will not evict tenant after improvements, raise rent, etc.
- May offer some form of maintenance
- Low-income NEIs apply to moderate-income customers statewide and renters in designated equity communities
- **NOTE:** Buildings with at least 50% low-income customers will still be served through the low-income program

# Summary of Residential & Low-Income Offers in Designated Equity Communities

| | Low Income (owner or renter) | Moderate Income Owner | | Renter (applies to buildings with at least 50% rental units) | Market Rate Owner |
|---|---|---|---|---|---|
| | | Turnkey Pathway | Rebate Pathway | | |
| Weatherization | 100%<br>*income verify* | 100% | N/A | 100% | 100%<br>*Automatic qualification* |
| Barrier Mitigation | 100%<br>*income verify* | 100%<br>*income verify* | N/A | 100%<br>*Automatic qualification* | $250 + HEAT Loan |
| Electrification | 100%<br>*income verify* | 100%<br>*income verify* | up to $16,000 ASHP, $25,000 GSHP<br>*income verify* | 100%<br>*Automatic qualification* | $10,000 whole home; $2,000/ condenser |

*Differences in Designated Equity Communities are highlighted above in yellow

# Community First Partners: Increase funding for Energy Advocates

**Equity Recommendation V.**

- Increase funding to support hiring of Energy Advocates. The amount must be adequate to reduce turnover and increase likelihood of continuity in providing services

**PA 2025-2027 Update**

- **Funding for Energy Advocates will be increased** from a minimum of $17/ hr to no less than $30/ hr
    - CFPs will have the option to hire advocates full-time (40 hours per week) or part time
    - Funding for full-time advocates will also include an additional $10/hr for benefits

# Language Access for Small Business

**EWG feedback:**

- Throughout the Mass Save process, including outreach through implementation of measures, provide translation services and implement language access strategies to serve LOTE small business owners and property owners in which small businesses are located

**PA Update:**

- PAs will work with vendors to ensure needs of LOTE customers are met through in-person or other interpretation services and transcreation of marketing and program materials, to the extent possible

# Small Business Liaisons for CFPs

**EWG feedback:**

- Provide additional funding to CFPs to support, as needed, a small business liaison(s) for one or more CFPs and/or alternatively work with the CFP to better leverage existing local expertise to increase and facilitate small business participation

**PA Update:**

- With additional funding proposed for CFP, PAs will provide support and train the CFP administrator and energy advocates of small business incentives and opportunities to drive more small business assessments from the CFP efforts

# Concierge Services for Small Business

**EWG feedback:**

- Provide concierge services for small businesses to build on those being provided through Mass Save

**PA Update:**

- PAs will provide these services through the existing pathways, the lead vendors, and the QA/QC vendor.
- The lead vendors will assist in scheduling assessments, explain measures and costs associated with them, assist in obtaining financing when needed, and help choose a contractor when the lead vendor can't do the implementation themselves.
- The third-party QA/QC vendor will ensure the work is completed thoroughly and to a high quality

# We are working on additional updates on...

## I. Increase planned low- and moderate-income heat pumps

*The PAs and LEAN are committed to increasing LMI heat pump goals and are working to determine what can be achieved*

## II. Increase planned funding for rental properties

*The PAs are committed to increasing funding for rental units and are working to determine what can be achieved*

## IV. Supplier and workforce diversity

## V. Authorizing better data sharing with CFPs to support their efforts under the programs

*The PAs are committed to improving data sharing with CFPs and are finalizing a proposed approach for authorizing it*

## VI. Implementation of Language Access recommendations

*The PAs are committed to implementing language access enhancements and are developing approaches for operationalizing recommendations in the Plan*

Note: numbering references EWG draft recommendations

# C&I Updates

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# C&I Strategic Imperatives

**Schools**

**Small Business**

**Existing Building Commissioning**

**Ventilation Baseline**

# Focus on Select Schools

- Focus on 5 schools to fully decarbonize in underserved communities.
- Will serve as a model for supporting a clean, equitable transition for our public schools.
- Multi-term budget ~$47M in addition to funding from other state agencies.
- PAs will support DOER's lead in school selection, messaging to stakeholders, and recruiting other funding.
- With lower savings per incentive spent, need to consider cost-effectiveness implications.
- This is in addition to the support and budget for schools already in the April draft.

# Small Business

EEAC Recommendations

1. Broadly promote energy aligned lease language and work with landlords and tenants to increase understanding and adoption of this valuable tool to support both tenants and landlords in investing in energy efficiency and enabling the investing party to reap the financial benefits of that investment.
    - PA Response: The PAs will develop and make publicly available a standard Energy Aligned Lease clause. The PAs will promote the clauses to both commercial renters and landlords. Additionally, the PAs will train lead vendors on the benefits of energy aligned leases as a valuable sales tool to achieve more savings at leased facilities.
2. Increase the frequency and rigor of weatherization quality assurance to support continuous improvement of weatherization.
    - PA Response: The PAs ensure quality Weatherization installation by training all vendors and having third party, BPI certified, inspectors post inspecting projects.

# Small Business

EEAC Recommendations

3. Improve the marketing and customer support to better service small businesses.
    - PA Response:
        - The PAs will elaborate on how specialty contractors, like refrigeration specialists, are utilized in the program and how a customer is connected with these specialists
        - The PAs will ensure PA contact information is included on materials for customers to reach out to, and will also perform customer surveys to obtain level of satisfaction with assessment and installation
        - In the plan, the PAs will expand on the benefits of the Statewide RFP for joint vendors by territory in the CDO and Turnkey paths
4. Standardize assessment formats and supporting analysis tools statewide to ensure that customers receive consistent quality information regardless of the vendor or PA serving them, including 3rd party energy service vendors of Small Business Customers choice.
    - PA Response: The PAs will ensure customers receive accurate and adequate information to make informed decisions by setting minimum requirements for vendors' proposals and ensuring the use of custom express tools for energy calculations.

# Existing Building Commissioning Recommendation

**EEAC Recommendation:**

- Undertake a high-volume existing building commissioning offer that provides EBCx studies to 2,200 medium and large customers by 2027 and implementation of measures for at least 1,200 customers. Studies should address priority end uses including HVAC, envelope and process loads (data, compressed air, refrigeration, water heating, cooking, etc.) and identify capital improvement opportunities as well as low/no-cost measures.

# Proposed Plan Update

**PAs agree with the principles of the recommendations:**

- Align appropriate funding to support customer studies
- Streamline program elements to ease customer participation
- Pre-qualified vendors
- Provide transparent customer guidance and eligibility criteria
- Prescribed SOW with rigorous investigation process for all end-uses
- Urgency to launch ASAP

**But details/definitions will consider study results, anticipated this week.**

- Working with DOER/Consultants to provide feedback on draft results to study vendor and design EBCx program

# Ventilation Baseline

EEAC Recommendation: Allow baseline energy use to reflect code compliant ventilation levels in buildings that are under ventilated prior to receiving program services (this recommendation is cross-cutting, affecting residential, income eligible and C&I customers).

PAs agree and will be drafting a memo for C&I evaluation to finalize this approach.

## C&I Data Recommendation: Develop the data and info systems necessary to understand, facilitate and track customer systems, plans and projects over time.

- Digital repository of PA supported TA studies in native PDF format for medium and large C&I customers.
- Structured, queryable, reportable database of high-level TA study findings – industry, measure types, geography, scale.
- Relevant studies and data points accessible to vendor performing work, participating customer, and PA serving relevant customer site.
- PAs look forward to continued discussions with DOER and consultants to further refine details.

# Residential & Low-Income Updates

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# HEAT Loan Updates

**DOER & Council Team Feedback:**

- Reinstate the 7-year loan term
- Reduce budget to $200 million
- Adopt means-testing

**Proposed 25-27 Update:**

- Reduce budget to $200 million
- Adopt means-testing and allow for customers earning 81-135% of AMI to access a 7-year loan term, at 0% interest rate
- All other customers can continue to access a 5-year loan term, at 0% interest rate without means testing

# Aligning Partial and Full Displacement Incentives

## Whole Home

- April & October Draft: Rebate amount decreases by $1k each year starting in 2026

## Partial Home

- April Draft: Rebate amount fixed throughout term
- October Draft: Rebate amount will decrease each year starting in 2026 (rebate structure and amounts TBD)

# Emerald Tier for HPIN Contractors

- PAs will differentiate HPIN contractors using criteria that is beneficial to customers, including but not limited to offering both wx and heat pump installation
- Other criteria the PAs are considering include (list is not exhaustive):
    - Offers instant incentives to customers
    - Rebate application help
    - High % of passing post-inspections
    - High # of installs in the program
- In the near term, PAs are adding:
    - Icons indicating language, MWBE certified business, Res/C&I icons to HPIN listings
    - Proximity based searching and map feature

# Provide increased cost transparency to ensure competitive pricing for heat pumps

- Quote comparison service included in April draft
- Geographic based pricing guide based on open-market cost data to be included in next Plan draft

# Expand capacity and streamline engagement for low-income customers

- LEAN is leveraging the existing workforce to expand capacity
    - Continuing to bring on HPCs to serve low-income customers,
    - Finalizing contracts with Market Rate Lead Vendors

- Will help streamline customer experience by increasing the contractor base that is authorized and trained to provide low-income services
    - Meet customers at all points of entry to MassSave
    - Addresses prior challenges on mixed income properties in 1-4 family program

# Cross-cutting Updates

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# Metrics & Data

- Datasets: measure-level quarterly and zip-level Wx/HPs biannually
- Summary tables for production and spending on key measures by initiative, measure-type, income-status, in/out of designated equity communities, and other related metrics included in the April Draft.
- Working to develop supplier diversity and language access metrics with DOER, which we hope to share soon.
- MassSaveData.com refresh
- KPIs with baseline and targets

# Climate-Forward Evaluation Framework

- New policy direction for EM&V that reframes baselines and equitable delivery of all cost-effective energy efficiency through the lens of the actions required to achieve Commonwealth's GHG reduction targets, including market transformation initiatives.
- Provide both the rigor required to verify programs' outcomes while also pursuing innovative new evaluation methods that help the PAs respond to evolving public policy objectives.
- SEP is being finalized with input from EEAC's EM&V Consultants.

# Budgets and Savings

- The PAs are in the process of incorporating feedback and understanding stakeholder and Council Priorities
- Through the Deep Dive process, we have started to review budgets, identify opportunities for refinement and correct errors
    - This includes identification of a miscalculation in HEAT loan costs that resulted in ~$140 million in savings
    - No other miscalculations of this materiality have been identified to date
- Once we have a prioritized list of changes, we will be working to revise the plan and budget with an ambitious, but achievable set of goals that meet the Secretary's GHG goals and stay within the budget cap of $5 billion

# Appendix

# Draft Metrics and Key Datasets

- ZIP Code level production and incentives for major measures, including weatherization and heat pump installations, on a biannual basis.
- GHG reductions impacting 2030 compared with the EEA Secretary's goals.
- Weatherization and heat pump installations and incentives by income-qualification status, single family/multifamily buildings, renter status, and specifically for heat pumps, the displaced fuel and full/partial displacements, both statewide and within the designated equity communities.
- The number of homes receiving weatherization recommendations with barriers, and the number of barrier mitigation jobs and incentives by income-qualification and renter status, both statewide and in the designated equity communities.
- Average conversion rate on weatherization recommendations and time-to-serve for Home Energy Assessments.
- Total spending in the designated equity communities, including incentives, technical assistance, and community funding, by income-qualification status and renter status for Residential sector programs and isolating small business weatherization investment for C&I sector programs.
- Community First Partnership communities and awards by partner organization.
- Thermostats rebated through market-rate and low-income offerings.
- ConnectedSolutions participants and savings by measure.
- C&I Custom electrification and non-electrification projects, energy savings, and GHG savings.
- C&I existing building commissioning and decarbonization planning study enrollments, completions, and resulting projects, grouped by small, medium, and large buildings by square footage
- Measure-level outputs of each PA's benefit-cost models on a quarterly basis

**The PAs are working with DOER and hope to share an update soon on:**

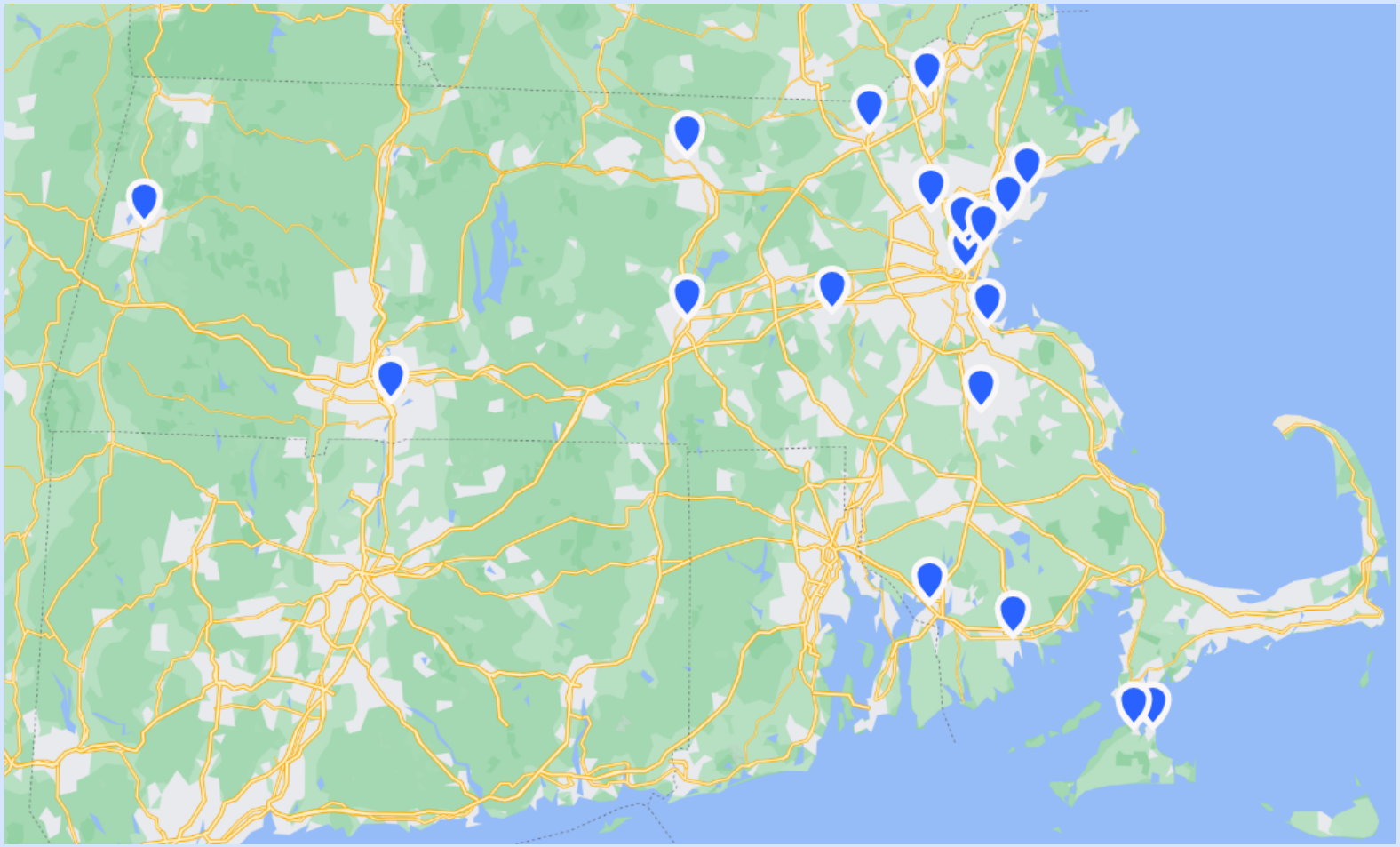
- Proposed PA supplier diversity metrics
- Proposed language access metrics

# Designated Equity Communities (Proposed)

| Community | % Renter (Criteria: >35%) | No. Of Renters (Criteria: >8,000) | % LMI (Criteria: >50%) | % Delivered Fuel + Electric Resistance | PAs |
|---|---|---|---|---|---|
| Chelsea | 72% | 11,417 | 71% | 42% | ES, Grid |
| Lawrence | 69% | 21,487 | 68% | 28% | ES, Grid |
| Boston | 65% | 219,043 | 57% | 39% | ES, Grid |
| Fall River | 64% | 28,463 | 69% | 19% | Grid, Liberty |
| Everett | 63% | 11,895 | 70% | 29% | Grid |
| New Bedford | 61% | 27,783 | 65% | 17% | ES |
| Malden | 57% | 17,066 | 60% | 36% | Grid |
| Lowell | 56% | 25,021 | 56% | 30% | Grid |
| Quincy | 56% | 27,986 | 58% | 46% | Grid |
| Worcester | 55% | 43,567 | 60% | 46% | ES, Grid |

# Designated Equity Communities (Proposed) (Cont'd)

| Community | % Renter (Criteria: >35%) | No. Of Renters (Criteria: >8,000) | % LMI (Criteria: >50%) | % Delivered Fuel + Electric Resistance | PAs |
|---|---|---|---|---|---|
| Springfield | 52% | 34,047 | 71% | 38% | ES |
| Lynn | 52% | 19,691 | 71% | 42% | Grid |
| Revere | 49% | 12,348 | 63% | 38% | Grid |
| Salem | 48% | 10,048 | 63% | 42% | Grid |
| Framingham | 44% | 13,751 | 54% | 51% | ES |
| Fitchburg | 44% | 8,423 | 60% | 48% | Unitil |
| Brockton | 42% | 15,679 | 53% | 43% | ES, Grid |
| Woburn | 42% | 8,272 | 52% | 51% | ES, Grid |
| Pittsfield | 36% | 8,001 | 60% | 37% | ES, Berkshire |
| Oak Bluffs* | 28% | 1,249 | 40% | 82% | CLC |
| Tisbury* | 28% | 915 | 50% | 95% | CLC |

* The Cape Light Compact has a unique territory with different characteristics, and therefore the criteria for selection of Cape Light Compact communities differed.

# Designated Equity Communities (proposed)