



July 6, 2021

Massachusetts Energy Efficiency Advisory Council

Commissioner Patrick Woodcock, Chair
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: April 30 Draft of the 2022-2024 Massachusetts Three-Year Energy Efficiency Plan

Dear Commissioner Woodcock and Members of the Energy Efficiency Advisory Council:

The undersigned organizations represent thousands of ratepayers across the Commonwealth. We are dedicated to advocating for environmental justice, public health, and the conservation of natural resources.

As the first energy efficiency plan of a pivotal decade, the 2022-2024 Three-Year Plan (the Plan) must commit to delivering equitable energy efficiency and electrification programs on a scale that begins to remedy past inequities. Recent climate policy efforts articulate the Commonwealth's objective of significantly and equitably reducing greenhouse gas (GHG) emissions. The Climate Act (Chapter 8 of the Acts of 2021) requires the Commonwealth to reduce GHG emissions by 50 percent below the 1990 baseline level by 2030 and to achieve net zero GHG emissions by 2050; it requires that this transition occur equitably; it adds equity and emissions reduction considerations to the Department of Public Utilities' mandate; and it requires three-year energy efficiency plans to comply with 2050 goals and prioritize GHG reductions. The Interim Clean Energy and Climate Plan for 2030 (2030 CECP) similarly prioritizes equity and electrification in transitioning to a low carbon economy. These policies overlay further requirements under the Green Communities Act and Global Warming Solutions Act (GWSA).

We respectfully request that the Council express support in its resolution for the following improvements that would align the Plan with the Commonwealth's transformative policy goals.

1. Adjust Plan strategies, budgets, and goals to center equity as the Plan's main priority.

The 2022-2024 Plan is a critical opportunity to begin to rectify the historic underinvestment in communities that have been underserved by the program and risk being overlooked in the transition to a net zero economy. Customers that are left out of energy efficiency efforts are vulnerable to the financial and health burdens inherent to continued fossil fuel use. More broadly, directing funds to customers that otherwise could not afford efficiency improvements shifts the Commonwealth's economy towards cleaner technologies. Given the significant barriers

to participation and the dangers of maintaining the status quo, we need an energy efficiency plan that prioritizes equity at every turn.

2. Adopt all EWG recommendations through identifiable metrics and strategies.

The EEAC Equity Working Group (EWG) developed multi-sector recommendations through a process that involved intensive stakeholder input, including from the program administrators (PAs), to guide the development of a 2022-2024 Plan that centers equity. This blueprint provides strategies to address several areas that the Plan identified as challenging, yet it has been largely overlooked in the draft Plan. In its resolution, we urge the Council to reiterate its support for and request that the PAs implement all EWG recommendations.

3. Establish a robust C&I program through increased budgets and savings goals and a C&I working group.

Energy efficiency planning must devote adequate resources to both the residential and commercial and industrial (C&I) sectors to support the Commonwealth in meeting its targets under the GWSA and Climate Act. We ask that the Council support the following improvements to the C&I sector:

- Increased budget and savings targets that, at minimum, match 2019-2021 Plan levels;
- A deep energy retrofit pilot program to support building owners in achieving deeper energy and emissions reductions;
- A designated program and/or further support for electrification;
- A reassessment of combined heat and power incentives for large buildings that are difficult to decarbonize; and
- An expansion of electric vehicles, charging infrastructure, and supply equipment.

We further support the development of a C&I working group to foster increased communication and coordination between market actors and the PAs and direct electrification planning in this sector. This working group should be convened by the PAs and include customer representation.

4. Adjust budgets, targets, and program offerings to prioritize transitioning EJ populations, low- and moderate-income customers, language isolated customers, renters, and small businesses to electric end-uses over fossil fuel equipment.

Pursuant to the policy framework outlined above, the Plan should prioritize dedicating energy efficiency funds to reducing GHG emissions and pursuing equitable access to heating electrification. The draft Plan's reliance on fossil fuel heating equipment would create enduring financial and health risks to low- and moderate-income ratepayers that are unable to afford electric heating upgrades. Instead, the Plan should invest in fully removing barriers to heat pump

uptake for customers that are least able to switch fuels without assistance. These efforts should include dedicating a sufficient budget to address pre-weatherization barriers and ensuring ease of access to programs based on the needs of the target customer group (e.g. establishing a single point of contact or “quarterbacking” model as appropriate).

5. Revise targets and strategies to align heat pump adoption with 2030 CECP.

The Plan’s projected budgets and goals fall well short of encouraging heat pump deployment at levels consistent with the 2030 CECP’s ambitious goals of 1 million households and 300-400 million square feet of commercial real estate by 2030. A revised Plan should incorporate the following improvements to support heat pump adoption:

- A heat pump target that prioritizes equity and is reasonably calibrated to help the Commonwealth achieve its 2030 goals. This target should require PAs to assess a building’s post-weatherization heating needs and install an appropriately sized heat pump, paired with advanced controls.
- A 100% incentive for heat pumps to moderate income customers and details regarding the pre-weatherization incentives and implementation strategies for supporting moderate income customers.
- A program to provide incentives and education to customers who have installed heat pumps to remove existing fossil fuel equipment.
- An evaluation of ways to manage upfront costs and price stability, such as providing on-bill financing for heat pump purchases.

6. Establish and require PAs to commit to achieving numeric goals and targets designed to significantly scale up equitable access to and participation in energy efficiency offerings.

The Plan should establish numeric participation, investment, and savings targets calculated to achieve meaningful change in equitable program delivery, as these metrics will allow stakeholders to evaluate the Plan and assess its progress. As such, goals with respect to historically underserved customers must be specific, measurable, and ambitious. Progress towards these goals should be analyzed regularly and made publicly available.

The Plan should further require the PAs to commit to achieving these goals. We support the development of a performance incentive that incorporates an equity component. We encourage the Council to continue to collaborate with the PAs on its development in the context of recent climate and equity policy improvements.

7. Dedicate and specify adequate investments in equity measures.

The revised Plan should indicate the amounts the PAs have committed to investing in equity and ensure these investments are sufficient to achieve the Plan's equity goals and targets. Specifying

investment amounts is essential to understanding whether the Plan in fact represents a significant shift away from historic patterns of under-investment. To that end, the Plan should go beyond dollar amounts and explain how these investments are calculated to redress past under-investments and enable underrepresented communities to realize savings and benefits.

8. Provide data at more frequent intervals that analyze progress towards equity goals and quantify measure-level budget, spending, participant, savings, and benefits information by renter status, income status, and language spoken at the zip-code level.

Quality tracking and reporting mechanisms are essential to the transparent assessment of the Plan's compliance with its own goals and with Commonwealth policies. Specifically, the PAs should track progress towards the Plan's equity goals through measuring participation, investments, and savings and benefits realized. This information should be published at least once per year on a publicly available forum and include an analysis of whether the programs are on track to meet the Plan's equity goals and any improvements that the PAs plan to make.

9. Increase the PAs' workforce development budget, provide details on its allocation, and incorporate diversity metrics.

The PAs have committed to allocating \$3-4 million to workforce development as part of a larger effort with MassCEC. The revised Plan should include details regarding how these amounts will be used over the Plan term, how much is dedicated to equity, and any initiatives beyond the Clean Energy Pathways (CEP) Internship program. The CEP Internship program, while commendable, is insufficient to meet every workforce development need. The PAs should consider expanding the budget and programs as necessary to develop the extensive workforce required to support the Commonwealth's electrification, weatherization, deep energy retrofit, barrier mitigation, and demand management goals. Finally, workforce development efforts should incorporate metrics that support workforce diversity.

10. Allocate funding to deploy storage offerings in the income-eligible sector.

The Plan provides very limited funding for deploying active demand response (ADR) offerings in the income-eligible sector. ADR programs, such as storage, are easily administered programs that pass on real benefits to customers and can provide a layer of climate resiliency where it is most needed. These benefits should not be withheld from low- and moderate-income residents. As one example, the PAs should consider expanding the ConnectSolutions offering from the 2019-2021 Plan to establish goals and allocate storage funding for low-income customers.



11. Expand the Municipal and Community Partnership Strategy to achieve projected impacts.

The draft Plan relies heavily on municipal and community partnerships to support its equity framework. Given the Plan’s significant focus on equity and the strength of place-based partnerships in advancing equity and energy efficiency goals, the revised Plan should provide more details on the anticipated partnerships and increase the budget to support these partnerships. These improvements should ensure that the number of and funding for partnerships are commensurate with the impact this strategy is expected to achieve.

We thank the EEAC for the opportunity to provide these comments.

Respectfully submitted,

**Conservation Law Foundation
Clean Water Action
350 Central Mass
350 Mass
Canton Residents for a Sustainable Equitable Future
Climate Action Now, Western Mass
Longmeadow Pipeline Awareness Group
Massachusetts Climate Action Network
Our Climate
Southcoast Energy Challenge
Sustainable Wellesley
Vote Solar**