



March 29, 2018

Massachusetts Energy Efficiency Advisory Council

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

**Re: EEAC Recommendations for the 2019-2021 Massachusetts Three-Year Energy Efficiency Plans**

Dear Commissioner Judson:

Conservation Law Foundation is a non-profit, member-supported organization dedicated to conserving natural resources, protecting public health, and promoting thriving communities for all in New England. Green Justice Coalition is a coalition of community-based, labor and environmental justice advocacy groups representing over 100,000 ratepayers across the Commonwealth.

Like the Energy Efficiency Advisory Council (EEAC), Conservation Law Foundation (CLF), Green Justice Coalition (GJC), and all undersigned organizations support a “fourth robust, innovative, and cost effective” 2019-2021 Massachusetts Three-Year Energy Efficiency Plan (“Three-Year Plan” or “Energy Efficiency Plan”)—one that raises the bar to achieve ambitious climate and energy savings goals. We strongly agree with the EEAC that the Utility Energy Efficiency Program Administrators (PAs) must innovate to meet both the requirements of the Green Communities Act (GCA) and move the Commonwealth toward achieving its long term greenhouse gas reduction requirements under the Global Warming Solutions Act (GWSA). While the GCA framework has secured Massachusetts the number one spot since 2011 in the national rankings for energy efficiency released annually by the American Council for an Energy-Efficient Economy, any state that is not currently taking significant steps to evolve efficiency programs in the face of the looming change in federal lighting standards will undoubtedly drop in the rankings. Innovation by the PAs must also extend to increasing the reach of the program, creating goals and investing resources to boost participation by and savings from hard to reach and underserved populations and geographies, a key strategic priority identified by the EEAC. A broad range of groups, notably members of the statewide GJC have advocated, over several years, for sensible program adjustments to address these longstanding challenges. Improvements in these areas will not occur without explicit directives by the EEAC to the PAs. We offer the following recommendations to the EEAC for consideration.

## **Achieving Energy Savings While Meeting Climate Goals**

Reductions in energy consumption attained by the Three Year Plans are essential to meeting the challenge of climate change, protecting the environment, and providing benefits to ratepayers. In addition, the savings in energy use and the attendant reductions in greenhouse gas emissions are necessary to achieve the mandates of the GCA and to further the goals of the GWSA.

Ten years since the passage of the GCA, however, the PAs have not yet satisfied the statutory mandate of buying all cost-effective energy efficiency before additional supply resources, and fulfillment of the GWSA's 2020 and 2050 legal requirements depends on even deeper savings from efficiency, demand response, and electrification. Mass Save is uniquely positioned to achieve progress in this area, with the right regulatory leadership. To this end, the Council should aggressively support the deployment of heat pumps as replacements for outdated electric, gas, and oil heating systems across the Commonwealth. The Council must also exert pressure on the PAs to include a robust demand response program in the upcoming Three-Year Plan.

## **Addressing Disparities and Broadening the Reach of Energy Savings**

Expanding participation of hard to reach and underserved populations and geographies has been a program priority for many years with little measurable progress achieved. Without structural changes, commitments to accountability, and investment in innovation, we will see little to no improvement in this sector. This requires (1) mandating adequate tracking, disclosure, and evaluation of performance data, (2) increasing the scope of and marketing to low- and moderate-income programs, and (3) modifying performance incentives that are directly tied to both expanded data and increases in program goals.

### *Accountability through Transparency*

The PAs are failing in their obligations to disclose existing data, preventing meaningful evaluation of their service to hard to reach and underserved households. This resistance to transparency has gone on too long and impedes program progress. In 2013, DPU approved a budget for the development of a statewide energy efficiency database. The following year, as a result of a multi-stakeholder process, the DPU issued Order 14-141, mandating the PAs to develop a comprehensive database and populate the database with specific data sets. Certain deadlines under this Order were later stayed, but the Order has not been rescinded or modified. While a Mass Save data website has been created, the PAs have failed to populate the site with key demographic data, either in basic compliance with DPU Order 14-141 or in any meaningful effort to keep the public apprised on progress made and where improvement is necessary. The data exists regarding energy savings to low and moderate income households, renters, and households with limited English proficiency—at a zip code level. The PAs could and should provide that data to the Mass Save database, through quarterly reports to the EEAC, and with provisions to protect participant privacy.

Furthermore, new metrics are needed. If the EEAC and the PAs are truly committed to the goal of expanding participation, this means expanding definitions of “hard to reach” and “underserved” beyond income and language spoken, to include seniors, people of color, and people with disabilities. While not currently tracked, the PAs can produce participant data regarding age, race, ethnicity, and disability via anonymous surveys of program participants and reported along with other evaluation, measurement and

verification (EM&V) studies.<sup>1</sup> Such enhanced reporting would allow stakeholders—from policymakers to NGOs and grassroots organizations to the PAs themselves—to evaluate the success of the program and would provide all with a critical tool to target outreach and expand the reach of energy efficiency measures. Without transparency, we lack the ability to raise the bar for the Mass Save program. We echo the EEAC’s recommendations that the PAs “modernize data management” to standardize tracking across PAs and sectors, “enhance accessibility [and] usefulness” of the data to the public, and, finally, to “leverage additional data sources” to set and meet bolder goals. We also challenge the EEAC to take further aggressive steps if the PAs do not make sufficient progress in this area.

### Expanding Opportunities

Even an examination of the cursory data available shows that more progress is needed in serving many categories of communities across Massachusetts. For years, diverse stakeholders have been advocating for PAs to expand the range of the Mass Save program and ensure that its benefits are equitably felt across geographies and socio-economic groups. Recent analysis by Applied Economics Clinic demonstrates that the benefits of the Mass Save program are distributed inequitably throughout the Commonwealth.<sup>2</sup> Sharp discrepancies in energy savings exist among Massachusetts towns, with more than a six percent difference between savings for residents in Taunton and Tisbury. A similar disparity exists within the City of Boston, as data show a sharp drop in savings between residents of the Fenway area and those in Allston. The data is not available to evaluate the reach of the program within different neighborhoods of communities beyond Boston proper. However, even existing data demonstrates a correlation between income and access to energy savings, with higher income municipalities benefiting more than those with a median income of less than \$45,000.

The PAs have long identified underserved households, including low to moderate income households, renters, and households whose primary language is other than English, as “harder to reach,” but the PAs are not investing in the creativity or resources needed to reach them. The Mass Save program is persistently inadequate in serving moderate income households—those households with incomes between 80% and 120% of area median income (AMI). The available incentives are simply inadequate to make energy efficiency programs affordable for many households. Thus, too many households are struggling to access energy savings. And, even where the program might be financially within reach, existing marketing efforts have failed to produce results. Renters, both in 1-4 unit and larger buildings, have found the programs similarly inaccessible, speaking to the need for innovative marketing and programmatic strategies directed at both renters and their landlords. Finally, there is demand for the Mass Save program within communities whose primary language is other than English. Yet, households in these communities are still facing barriers to accessing the benefits of the program. Labelling households “harder to reach” is only acceptable if and when the PAs can design and implement programs that overcome barriers to access.

### **Setting and Meeting Meaningful Goals**

Finally, though the PAs have refused to provide the public with the tools to evaluate the progress of the Mass Save program and though what is known about its accomplishments is disappointing, at best, the PAs continue to receive performance incentives—by meeting the savings goals they have set for

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<sup>1</sup> Stanton, L. et al., Applied Economics Clinic, “Assessing Energy Efficiency in Massachusetts: An Initial Review of Data” at 3 (Feb. 2018), <https://aeclinic.org/s/MA-Access-to-EE-Initial-Report-26Feb2018-e3gw.pdf> (“AEC Report”).

<sup>2</sup> See AEC Report at 3.

themselves. For Mass Save to “increase participation by and savings from hard to reach and underserved populations and geographies,” as recommended by the EEAC, the PAs need to set correspondingly ambitious goals for increases in participating households *and* savings to each household that appropriately incentivizes full achievement of each goal, and the EEAC and DPU must hold them accountable if inadequately aggressive goals are set. This includes specific goals for increased participation of and increased savings for (1) the 61-120 percent AMI grouping, (2) renters, (3) households with primary language other than English, and (4) households of color. In order to meet such goals, the PAs will need to ensure that they are tracking increased participation and savings for each of the enumerated groups and to make such data publicly available so that they can no longer earn full Performance Incentives without accounting for their service of harder to reach groups. It is only through ambitious and specific goals that the Mass Save program can fulfill its promises.

### **Recommendations:**

Thus, we respectfully request that the EEAC hold the PAs accountable for addressing the following in the upcoming Three-Year Plans:

First, the PAs must maintain high levels of savings goals, include a robust demand response program, and include measures to achieve greater market penetration of heat pumps in order to satisfy the requirements of the GCA and GWSA.

Second, Mass Save must overhaul its existing database to facilitate accurate and transparent tracking and evaluation of service to “harder to reach” groups, providing additional data on MassSaveData.com and in quarterly reports to EEAC. This should include, but is not limited to, taking the following steps:

1. Disaggregate data that is currently publicly available on an aggregate level so that **low income savings by zip code is provided separately from residential savings by zip code**, maximizing the ability to evaluate the reach of the low income program;
2. Make public all data required to be disclosed through under DPU Order 14-141, including **measure-level budget, participant, savings, and benefits data for each zip-code**;
3. Provide to the public and EEAC existing data necessary to develop a baseline understanding of how the program currently serves underserved and “harder to reach” households
  - a. **Measure-level budget, participant, savings, and benefits data for each zip-code by income status** (low, moderate, or unspecified),
  - b. **Measure-level budget, participant, savings, and benefits data for each zip-code by renter status** (one-to-four unit buildings or larger apartment buildings), and
  - c. **Measure-level budget, participant, savings, and benefits data for each zip-code by language spoken**;
4. Expand metrics to more accurately track how the program currently serves underserved and “harder to reach” households, including **measure-level budget, participant, savings, and benefits data by age, race, ethnicity, and disability**.

Third, the PAs should **expand the pool of households benefiting from the program, including**

1. **Classifying as moderate income households earning 60-120 percent of annual state median and creating additional enhanced incentives for these households**;
2. **Developing innovative strategies and incentives designed to reach both renters and landlords**;  
**and**

3. **Overhauling language access programs and engage in new marketing strategies aimed at households whose primary language is other than English.**

Finally, PAs should identify discrete portions of their **Performance Incentives** that are tied to increasing the participation of and savings from hard to reach and underserved populations and geographies, including Performance Incentives tied to

1. Increasing households served and savings achieved in the **61-120 percent AMI grouping;**
2. Increasing households served and savings achieved for renters **in both 1-4 unit buildings and larger apartment buildings;**
3. Increasing households served and savings achieved **for households whose primary language is other than English;** and
4. Increasing households served and savings achieved **for households of color.**

We thank the EEAC for the opportunity to provide these comments and look forward to working with you to meet and exceed the requirements of the Green Communities Act and Global Warming Solutions Act.

Respectfully submitted,

**Conservation Law Foundation and Green Justice Coalition**

**Alternatives for Community & Environment  
Appalachian Mountain Club  
Berkshire Environmental Action Team  
Boston Climate Action Network  
Cape Downwinders  
Charles River Watershed Association  
Clean Water Action  
Climate Action Now, Western Massachusetts  
Coalition for Social Justice  
Community Labor United  
Elders Climate Action  
Environmental League of Massachusetts  
Franklin County Continuing the Political Revolution  
GreenRoots  
Mass Audubon  
Mass Climate Action Network**

**Massachusetts PipeLine Awareness Network  
Massachusetts Sierra Club  
Marion Institute - SouthCoast Energy Challenge  
Mothers Out Front  
Neighbor to Neighbor  
NOAH (Neighborhood of Affordable Housing, Inc.)  
North Quabbin Energy  
No Fracked Gas in Mass  
No Sharon Gas Pipeline | Clean Energy Now  
Pipe Line Awareness Network for the Northeast, Inc.  
Salem Alliance for the Environment  
South Coast Neighbors United  
StopNED  
Toxics Action Center  
350 Mass For a Better Future  
2Degrees  
Youth on Board**