MA ENERGY EFFICIENCY ADVISORY COUNCIL

→ CONSULTANT TEAM

CONSULTANT TEAM PRESENTATION ON PA Q3 2025 REPORT

▶ **December 17, 2025**

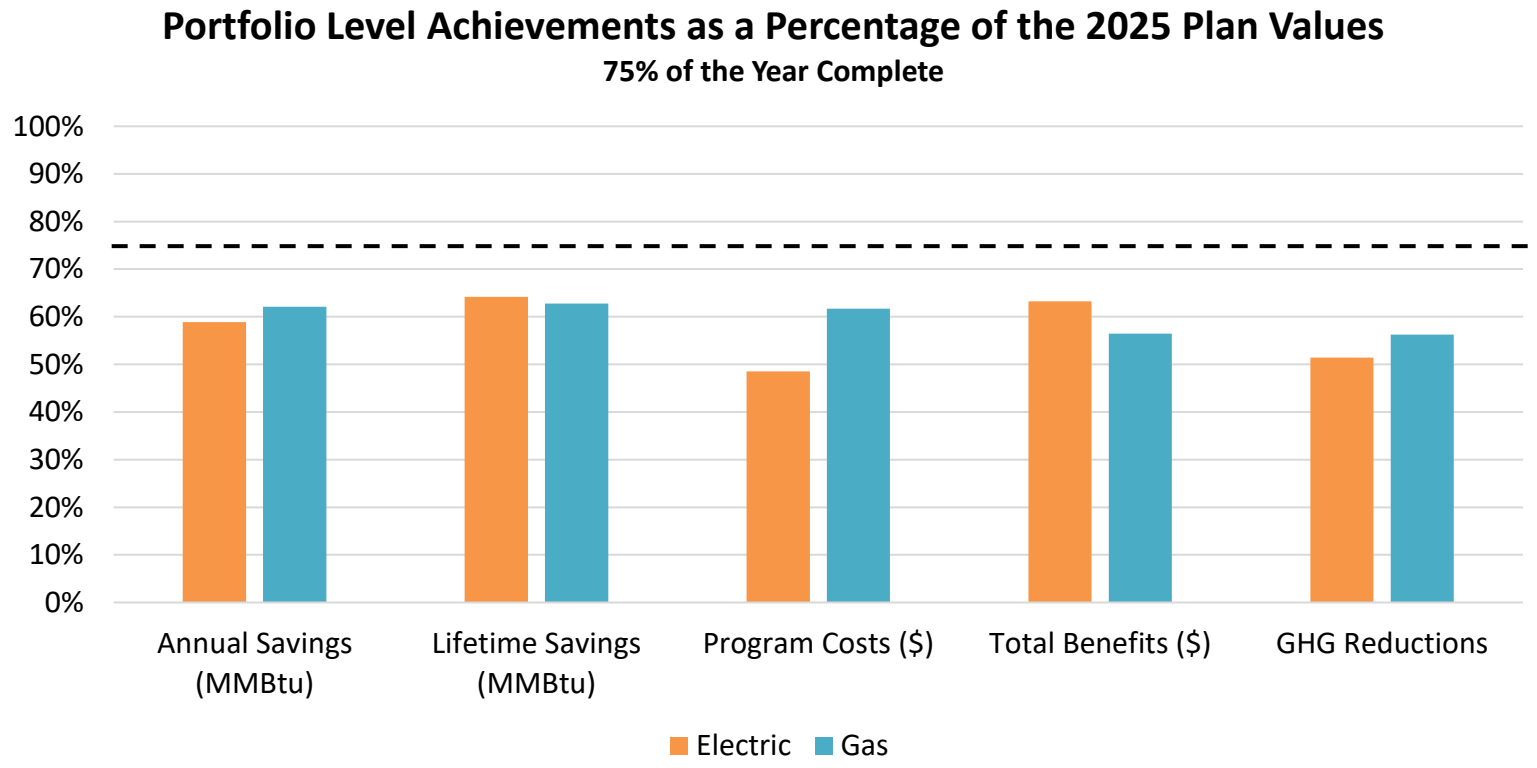
www.ma-eeac.org

INTRODUCTION

- **Quarterly report data provide key information to assess PA progress towards achieving Plan goals and Council's priorities**
  - New reporting including measure level data, PA budget reports, and revised KPIs provide useful insights
  - Important to keep in mind that quarterly data is a snapshot in time (Q3 data is through September)
- **Results in Q3 show progress in some areas and other still lagging behind**
  - Some offerings delayed in large part due to timing of final DPU order

PORTFOLIO RESULTS OVERVIEW

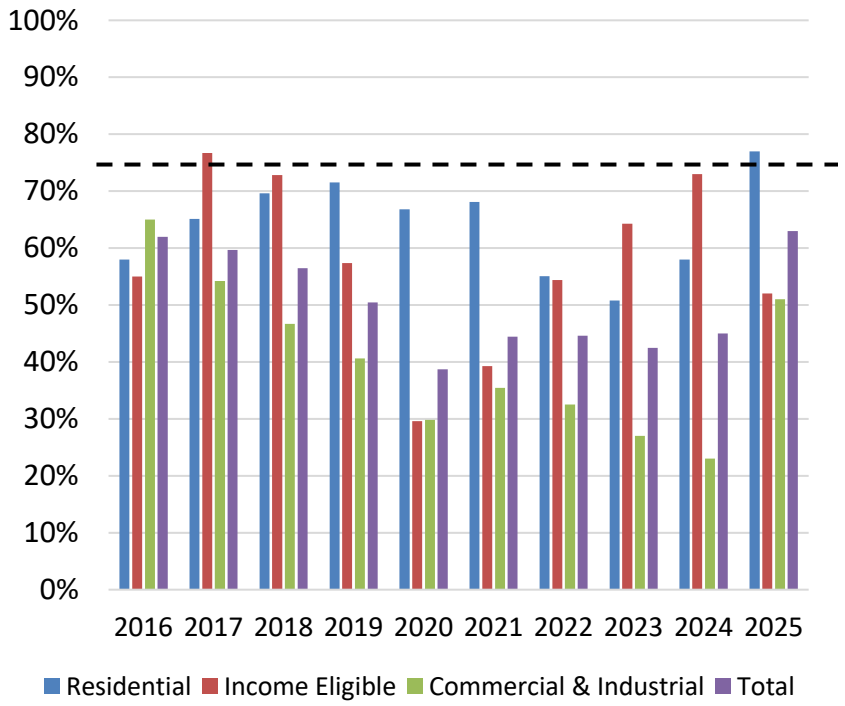
- **Q3 results show similar electric and gas performance on energy and GHG savings; gas program costs tracking higher than electric and electric benefits tracking higher than gas**



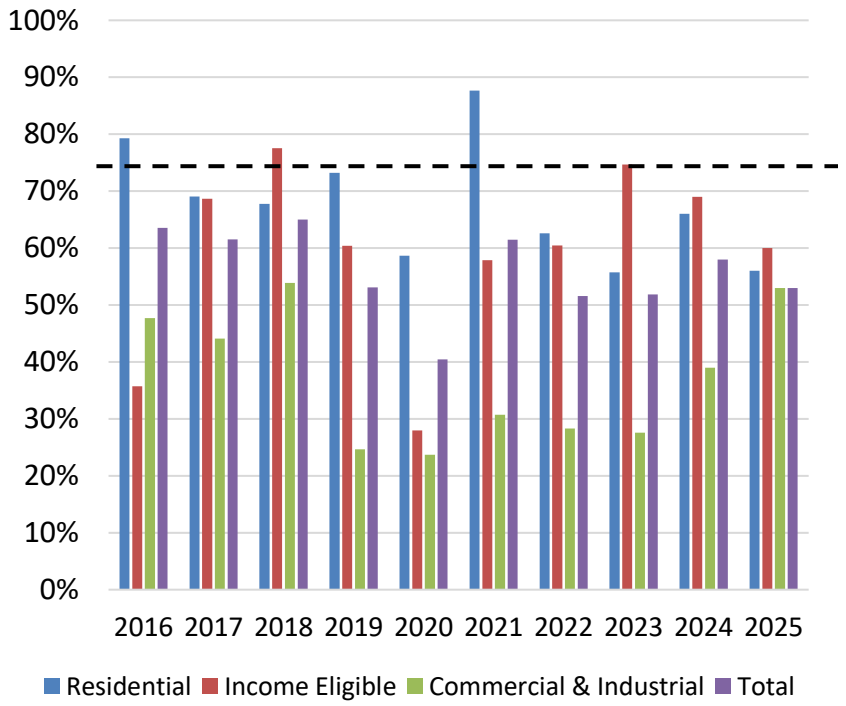
Q3 BENEFITS ACHIEVEMENT

- **Benefits tracking similar to Q3 achievement in recent years**
  - Notable increase in percent of C&I benefits achievement
  - Strong residential performance in the electric programs

Q3 Electric Program Benefits Achievement

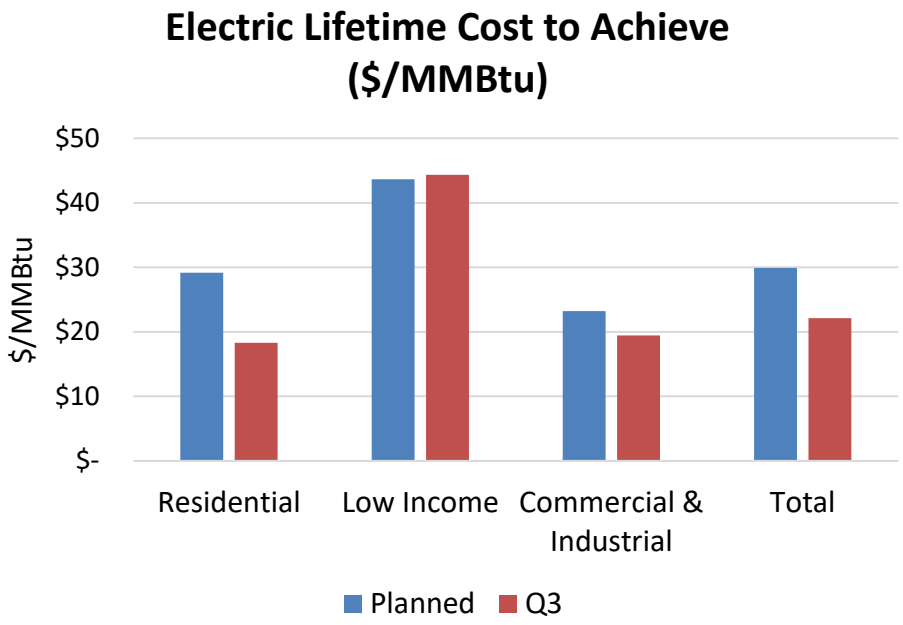


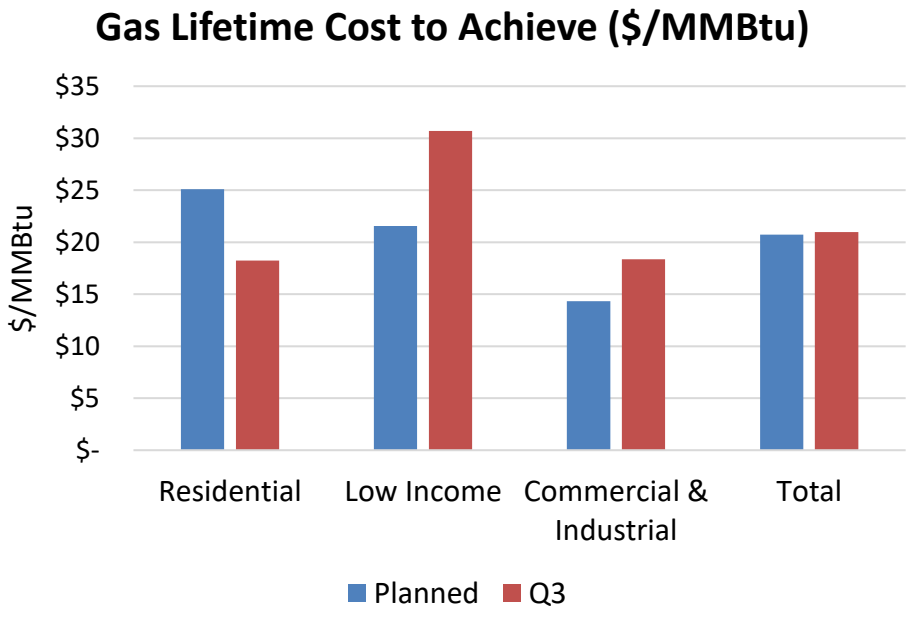
Q3 Gas Program Benefits Achievement



COST TO ACHIEVE

- Costs to achieve generally near or below planned
- Low income and C&I gas currently higher than planned

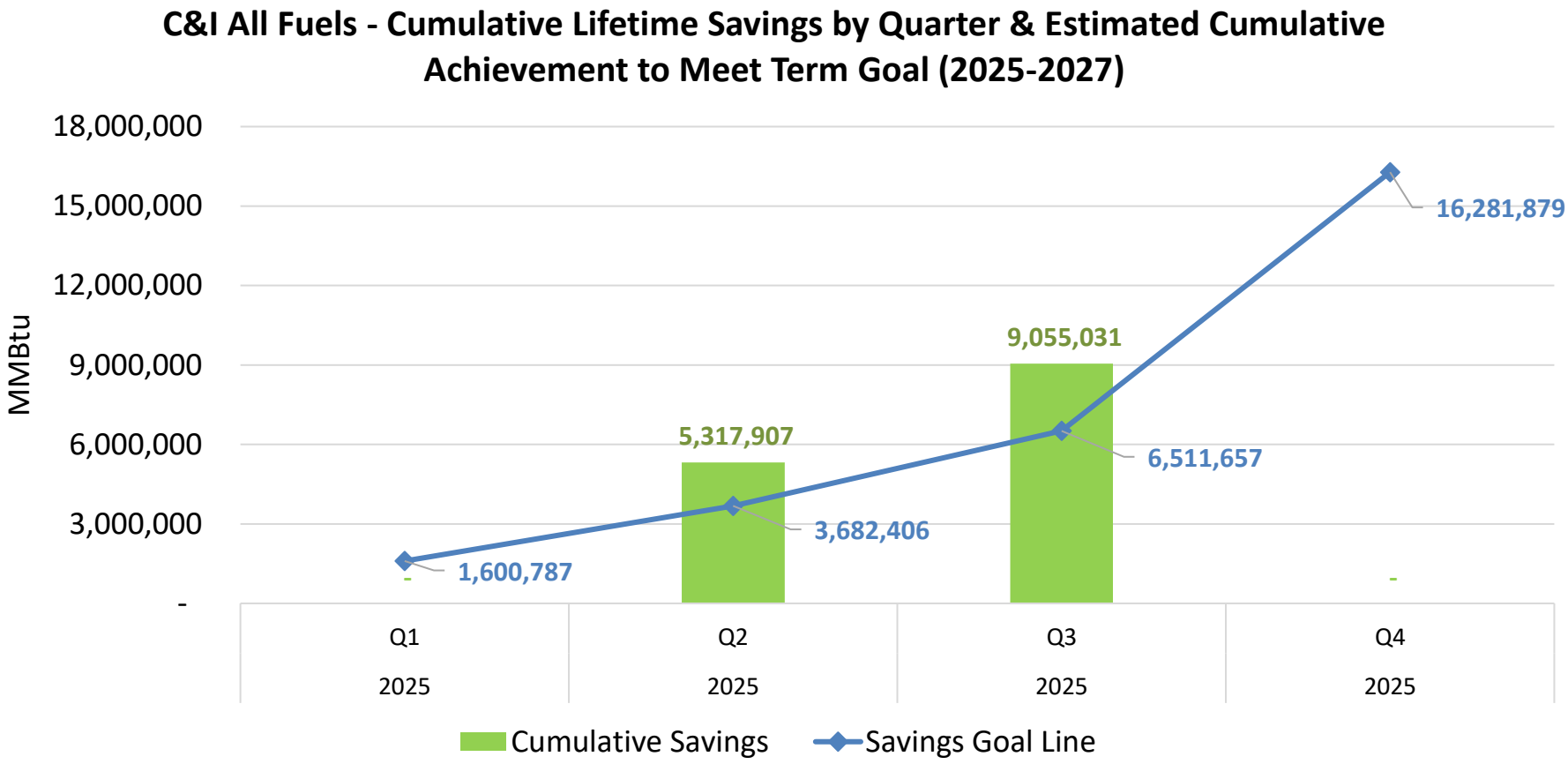




COMMERCIAL & INDUSTRIAL SECTOR

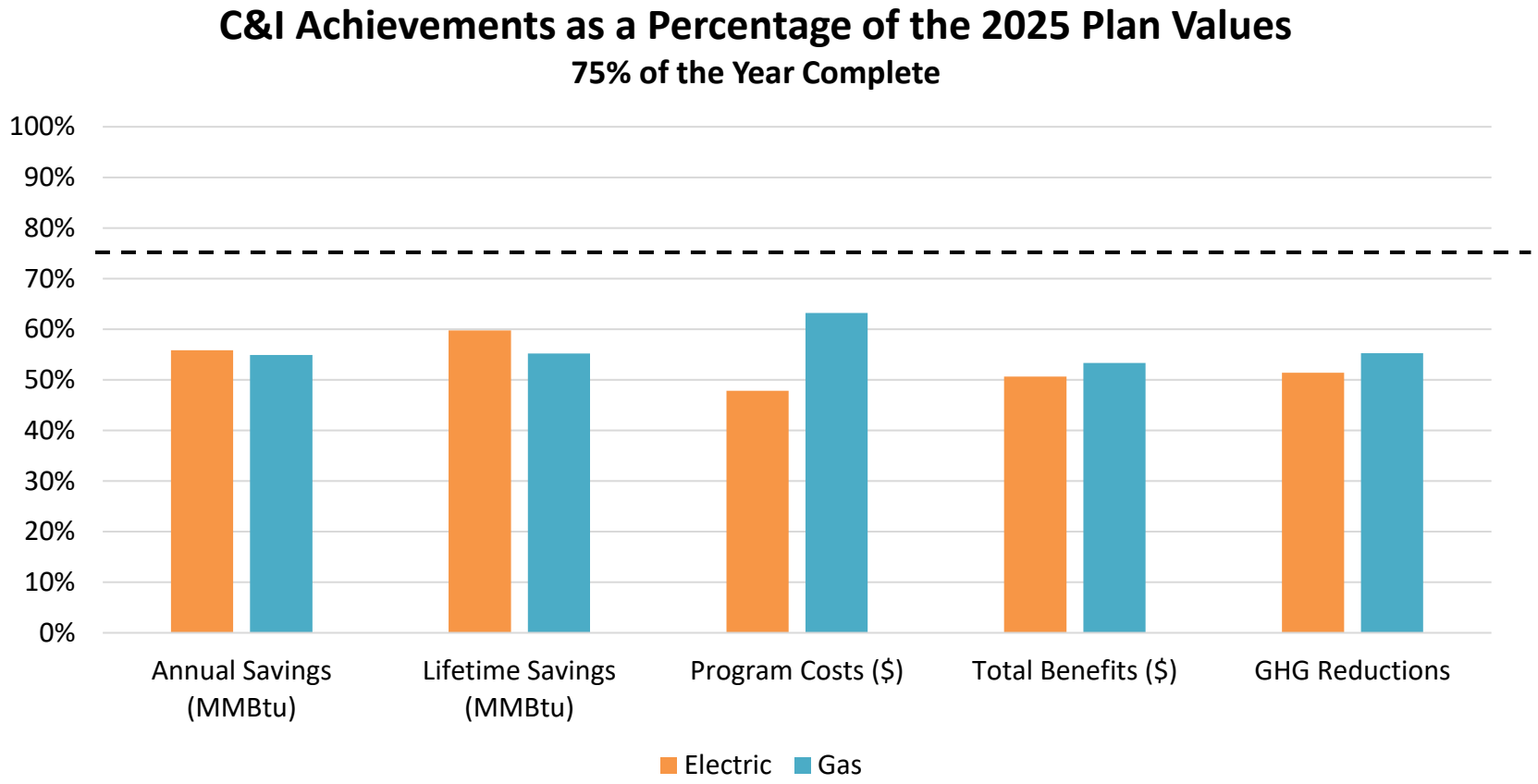
C&I RESULTS OVERVIEW

- **C&I Sector on pace exceed total lifetime savings goals for the 2025-2027 Term by nearly 40%**

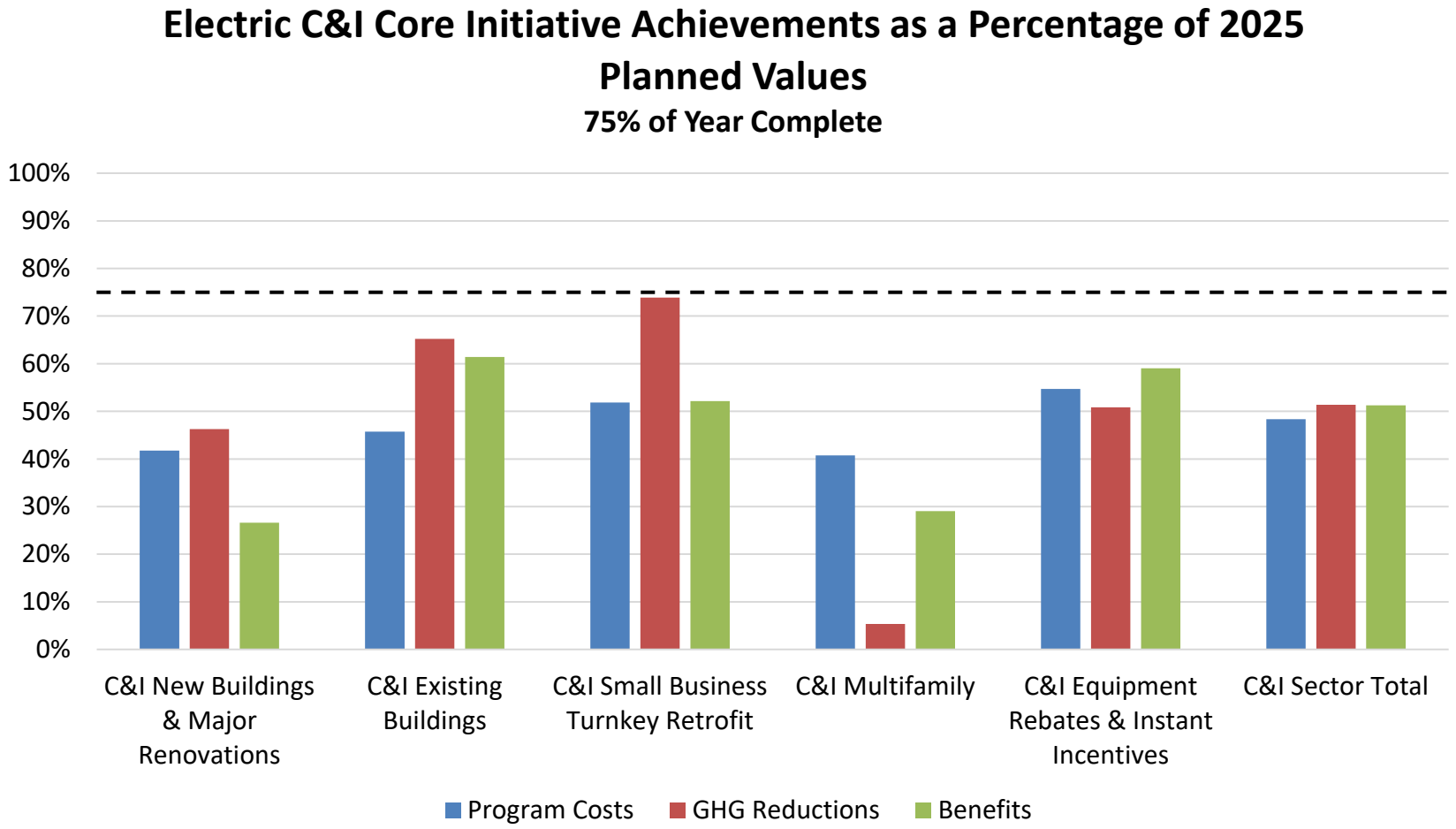


C&I RESULTS OVERVIEW

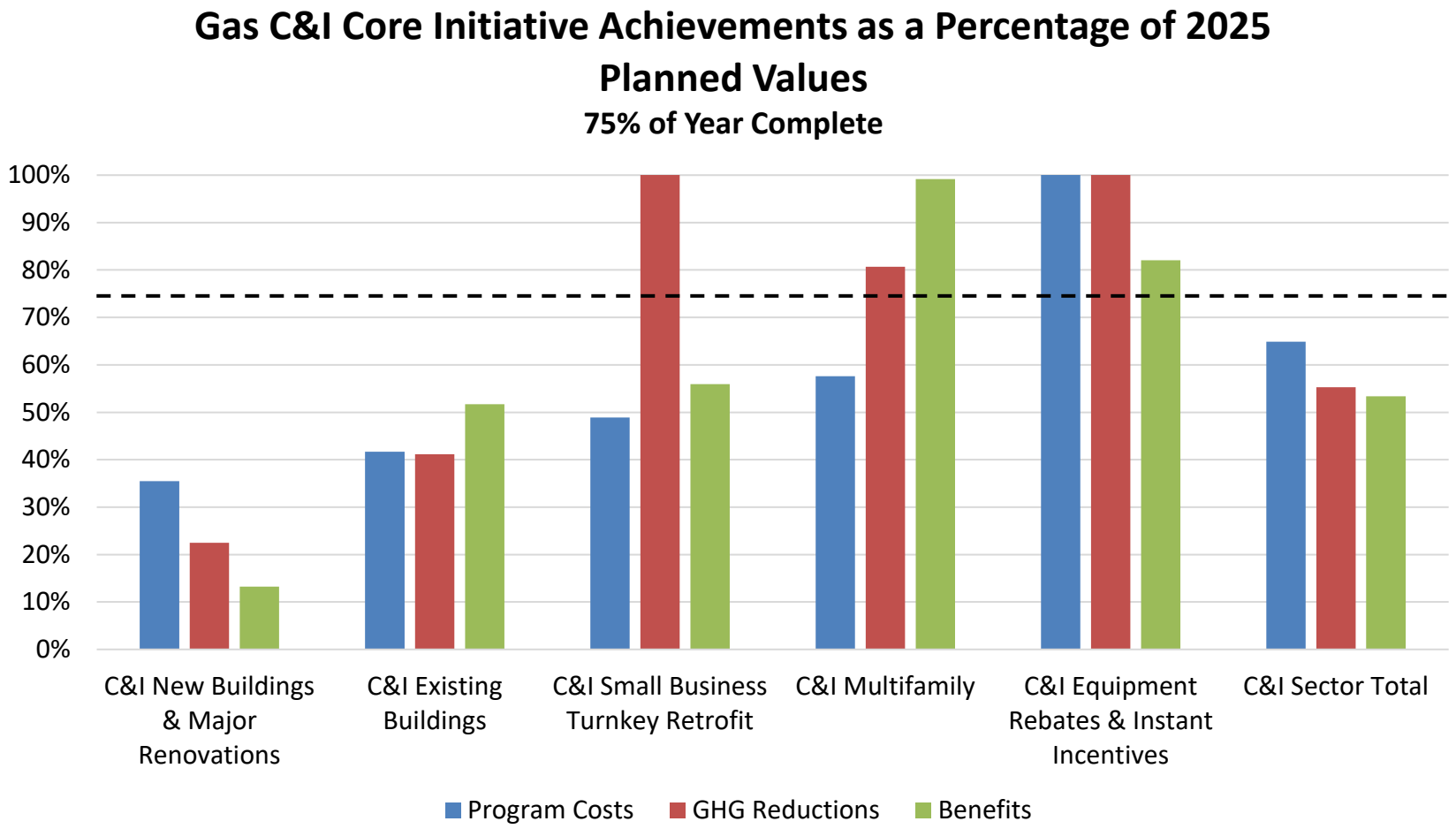
- **C&I Sector appears on pace to meet or exceed 2025-2027 Term goals across every primary metric for both fuels.**



C&I ELECTRIC CORE INITIATIVES



C&I GAS CORE INITIATIVES



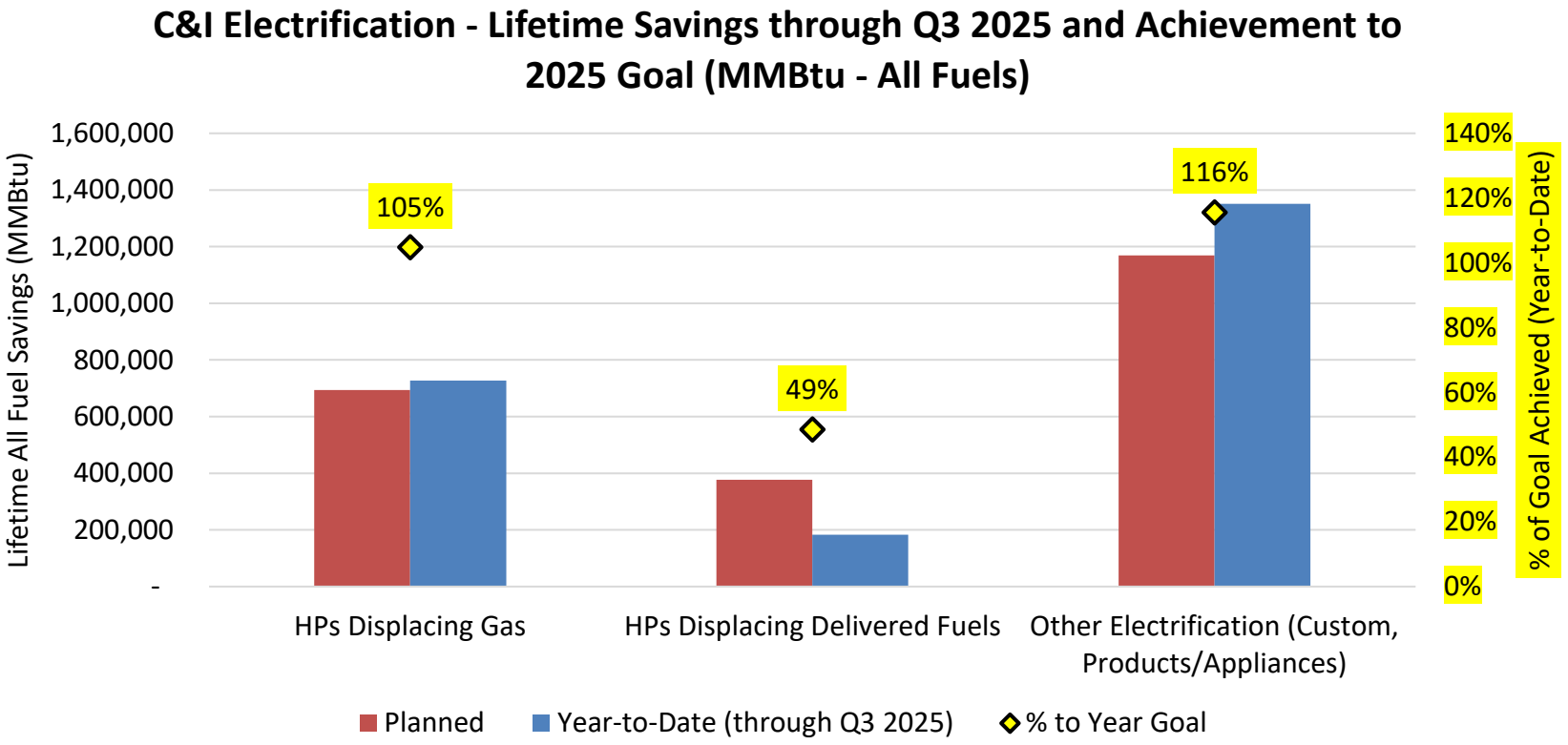
C&I TOP-SAVING MEASURES (ACTUAL – ALL FUELS)

- **Only two Top-Planned measures appear "behind" in terms of uptake**

Measure Category	Planned Lifetime All Fuel Savings (MMBtu)	Actual Lifetime All Fuel Savings (MMBtu)	Percent Term Goal Achieved
Custom - HVAC	5,252,964	548,381	10.4%
Custom - Process	4,547,384	676,496	14.9%
Prescriptive - HVAC (Electrification)	3,881,531	897,141	23.1%
Custom - Electrification	**3,320,103**	**147,472**	**4.4%**
Building Management Systems	2,526,058	263,982	10.5%
Custom - HVAC (Electrification)	2,482,468	338,116	13.6%
Custom - Whole Building	2,323,975	215,471	9.3%
Prescriptive - Envelope	2,275,669	550,136	24.2%
NC Path 2 - EUI Approach	**2,267,805**	**790**	**0.0%**
Prescriptive - Motors & Drives	2,017,267	796,539	39.5%

C&I ELECTRIFICATION

- **Electrification data indicates programs have exceeded goals to date, consistent with PA forecasts**



C&I SUMMARY AND TAKEAWAYS

- **PAs anticipate that they will exceed statewide goals for the 2025-2027 Term**
  - Decarbonization Roadmaps still under development
  - Reduced incentives for electrification in order to manage to filed budgets
  - More electric-to-gas than delivered fuel-to-gas conversions to date

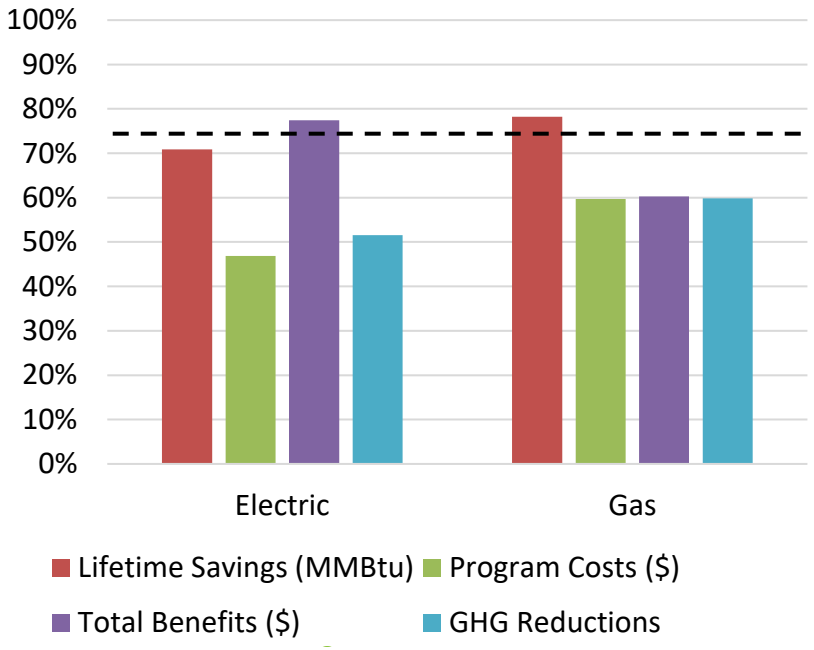
- **Existing Building Commissioning (EBCx)**
  - Significant delay in launch of enhanced EBCx offering
  - EEAC Consultants and PAs engaged in detailed discussion on strategy and launch plan
  - PAs reviewing feedback with lead vendor for the offering

RESIDENTIAL AND LOW INCOME SECTORS

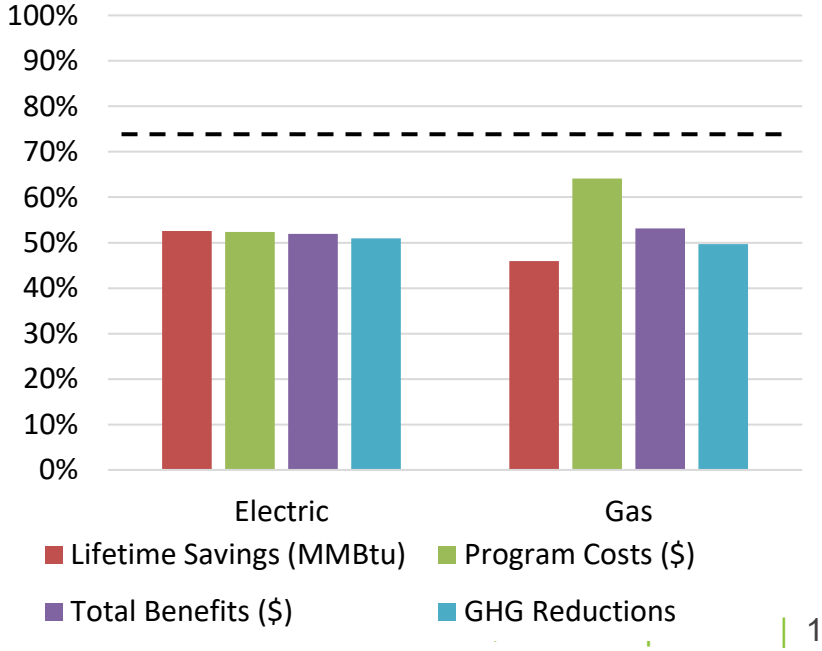
STATEWIDE Q3 RESULTS OVERVIEW

- The Residential Sector is generally outperforming the Low Income Sector relative to annual goals
- Low Income gas spending is outpacing performance

Residential Sector Achievements as a % of the 2025 Plan Values
75% of the Plan Year Complete



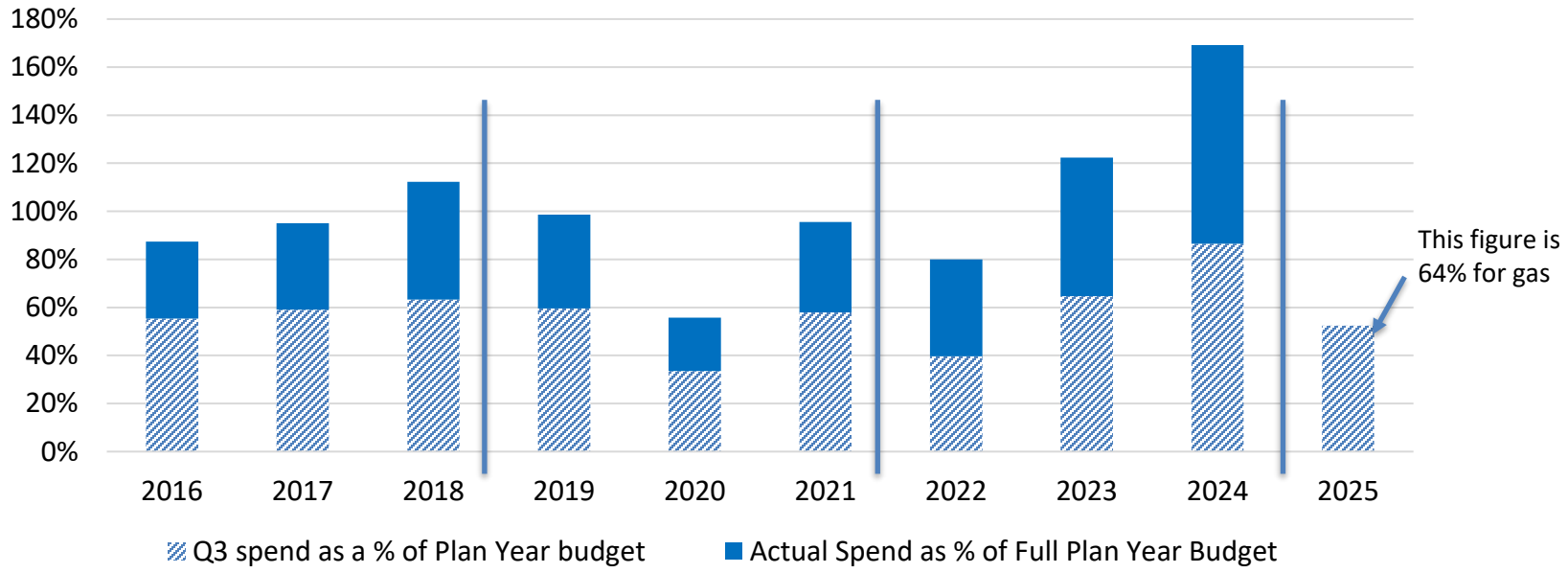
Low Income Sector Achievements as a % of 2025 Plan Values
75% of the Plan Year Complete



LOW INCOME SECTOR SPENDING TREND

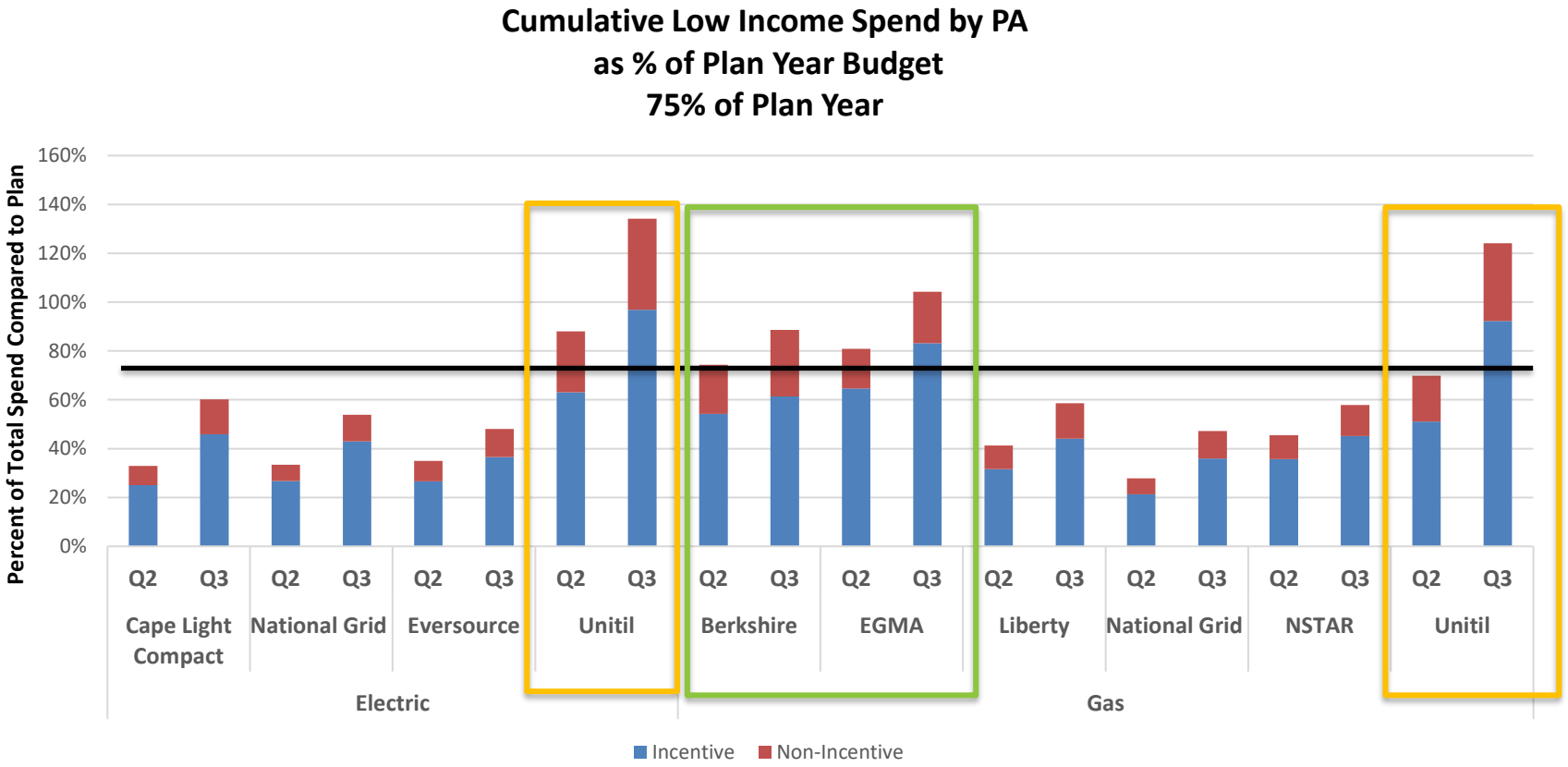
- **Review of LI Sector spending trends for electric sector shows "hockey stick effect" of 4th quarter spend**
  - In the 2022-24 Term, this effect was especially pronounced
    - An average of 49% of annual spent in Q4 for electric and gas

Comparison of Low Income Electric Q3 statewide spend as % of Plan Year budget to actual spend as % of Plan Year budget



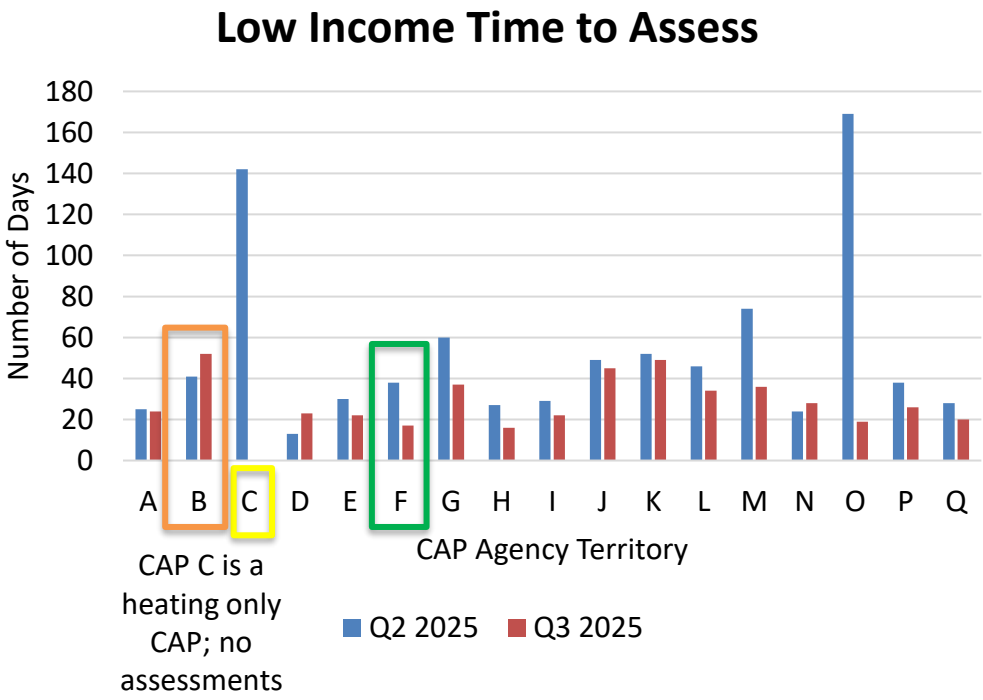
LOW INCOME SECTOR SPEND BY PA

- **Review of Q3 against Q2 shows a significant slowing of total spend for Berkshire and EGMA; less so for Unitil**



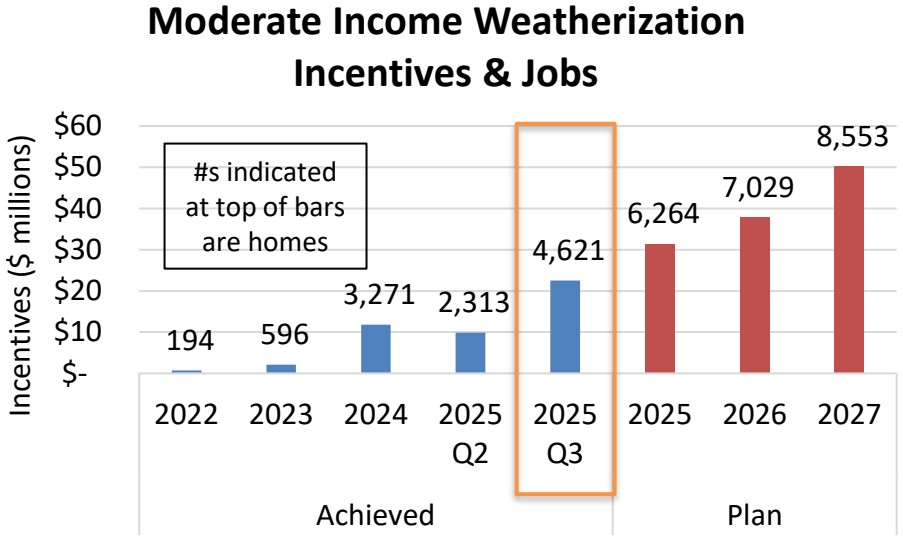
LOW INCOME SECTOR TIME TO ASSESS

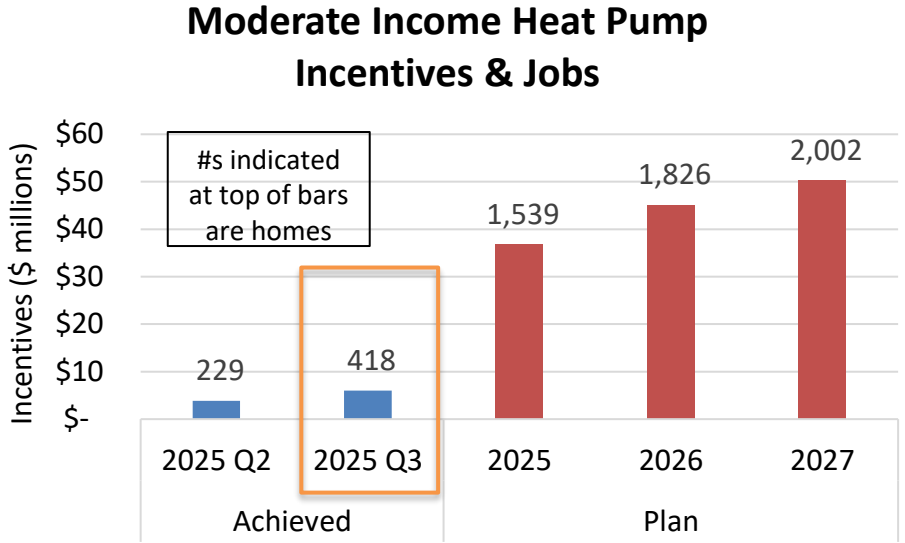
- **Time to assess reduced in most CAP territories relative to Q2**
  - Longest time 52 days in territory served by Action, Inc. (greater Gloucester)
  - Shortest time 16 days in territory served by Community Teamwork, Inc. (greater Lowell)
- **Consultants working with PAs and LEAN to understand and address inconsistencies in reporting from Q2 to Q3**



Time to assess is calculated as a 3-month rolling average

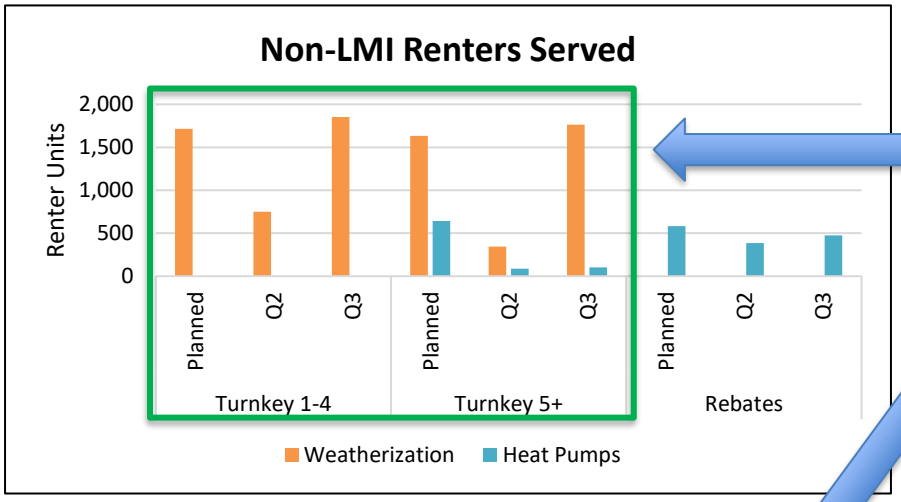
MODERATE INCOME





- **Moderate income weatherization incentives largely on track to meet the 2025 goal; $204,000 of $23 million in 2025 budgeted barrier incentives has been spent at an average incentive cost of $900/job**
- **258 of 418 moderate income HP installs (62%) were outside of the Turnkey offer—need further examination of customers' reasoning**
  - Non-Turnkey customers receive 80% rather than 100% incentives
  - 78% of non-Turnkey installs were outside Designated Equity Communities

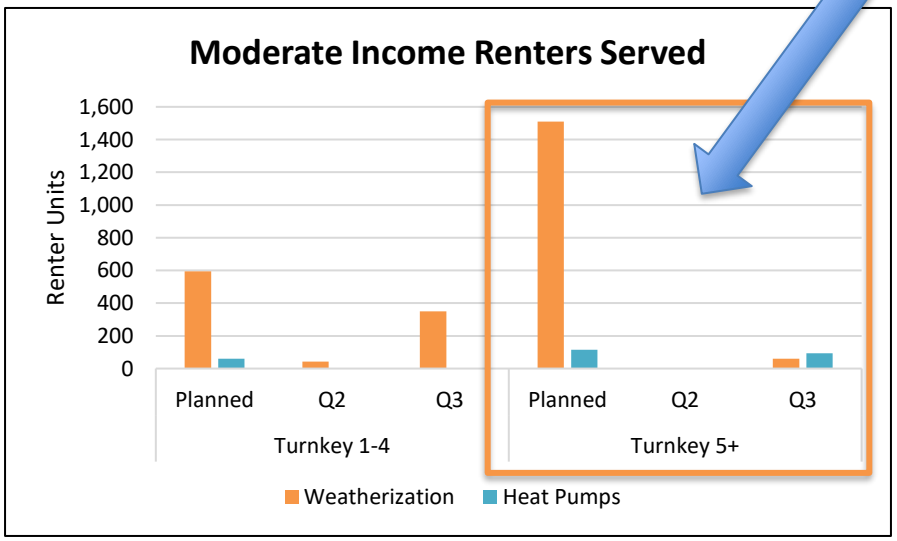
RENTER UNITS SERVED

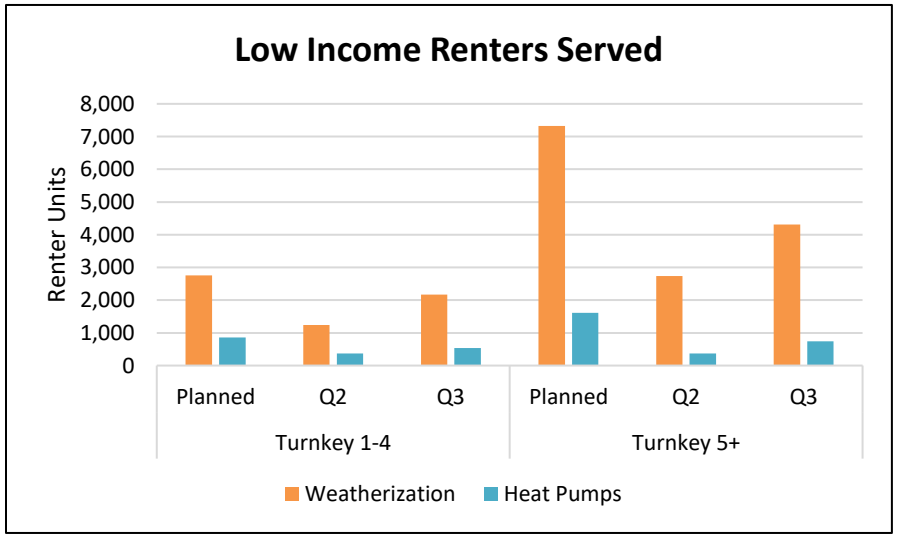


Non-LMI renter unit weatherization goals for the year have already been exceeded for the 2 Turnkey initiatives

Service to **moderate income** renters in 5+ unit buildings only began in earnest Oct. 1 with finalization of the landlord agreement

Low income appears generally on track to goal





Quarterly results shown are cumulative

EQUITY INVESTMENTS

Total Equity Investment ($Millions)

Customer Segment	Planned (2025–27)	2025 Q2 Actual	2025 Q3 Actual	Q2 % of Planned	Q3 % of Planned
Low Income Incentives	$884.8	$90.3	$179.8	10%	20%
Moderate Income Incentives	$348.9	$15.8	$28.8	5%	8%
Renter Incentives	$589.0	$59.8	$102.4	10%	17%
--Non-LMI Renter Incentives	$72.8	$9.3	$14.3	13%	20%
Small Biz Turnkey Incentives	$96.8	$12.2	$19.5	13%	20%
Workforce Development	$78.5	$6.0	$12.6	8%	16%
Community Engagement	$19.0	$1.7	$3.0	9%	16%
Language Access	$21.9	$0.0	$0.1	0%	0%
Small Biz Turnkey Program Support	$35.2	$2.8	$6.5	8%	13%
Low-Income Program Support	$211.6	$28.8	$37.1	14%	18%

Quarterly results shown are cumulative

- **Segments lagging the most in Q2 continue to do so:**
  - Moderate income
  - Language access
- **Spending for the Res and IES sectors as a whole shown for comparison (25% through Term):**
  - Res electric: 15%
  - Res gas: 19%
  - LI electric: 17%
  - LI gas: 21%

DESIGNATED EQUITY COMMUNITIES (DECS)

Q3 HEAT PUMPS

	Low Income		Moderate Income		Non-LMI		TOTAL		% of TOTAL	
	DEC	Non-DEC	DEC	Non-DEC	DEC	Non-DEC	DEC	Non-DEC	DEC	Non-DEC
HOMES										
1-4 Units Turnkey (Single Family)	660	1,182	44	22	3	-	707	1,204	37%	63%
5+ Units Turnkey (Multi Family)	376	410	94	-	115	35	585	445	57%	43%
Rebates			52	206	1,742	12,367	1,794	12,573	12%	88%
Total Homes	**1,037**	**1,592**	**190**	**228**	**1,860**	**12,402**	**3,086**	**14,222**	**18%**	**82%**
DEC % of Total Homes by Segment	**39%**	**61%**	**45%**	**55%**	**13%**	**87%**				
INCENTIVES										
1-4 Units Turnkey (Single Family)	$ 16,233,465	$ 28,174,896	$ 946,284	$ 505,955	$ 68,580	$ -	$ 17,248,329	$ 28,680,851	38%	62%
5+ Units Turnkey (Multi Family)	$ 5,874,676	$ 7,340,423	$ 370,420	$ -	$ 584,325	$ 708,646	$ 6,829,422	$ 8,049,069	46%	54%
Rebates			$ 769,497	$ 3,390,171	$ 13,448,324	$ 78,017,991	$ 14,217,821	$ 81,408,162	15%	85%
Total Incentives	**$ 22,108,141**	**$ 35,515,319**	**$ 2,086,202**	**$ 3,896,126**	**$ 14,101,229**	**$ 78,726,637**	**$ 38,295,572**	**$ 118,138,082**	**24%**	**76%**
DEC % of Total Incentives by Segment	**38%**	**62%**	**35%**	**65%**	**15%**	**85%**				

Cumulative results shown

- **Heat pump installations in DECs accounted for 18% of homes served and 24% of Mass Save incentives paid**
  - An estimated 32% of all MA households are in DECs (total households # includes Muni territories; % in DECs will be higher for PA only households)
- **DEC share of both homes and incentives was higher in Low Income and Moderate Income segments**

RES AND LOW INCOME SECTORS SUMMARY AND TAKEAWAYS

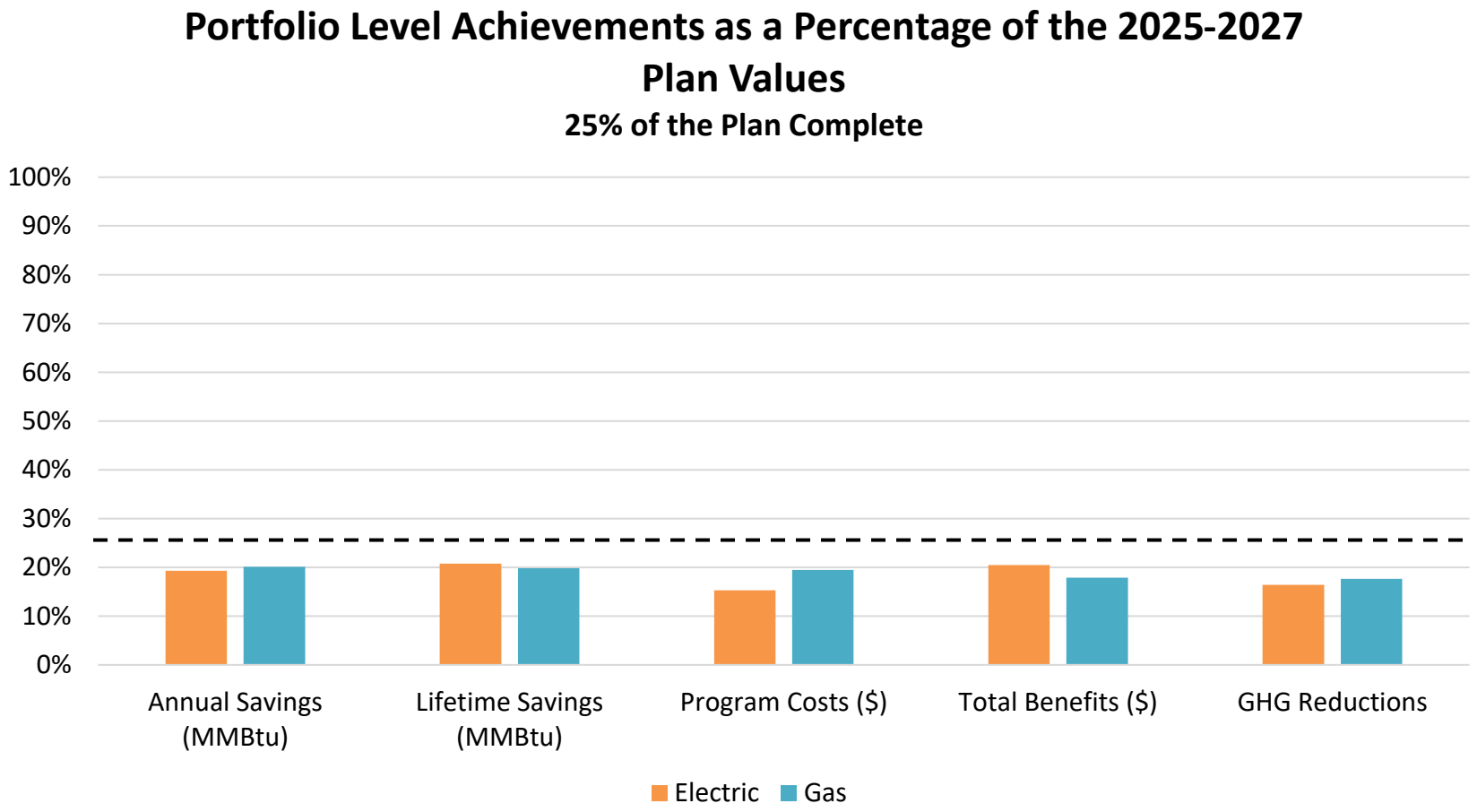
- **Quarterly energy efficiency workbook and BCR tables allow for very granular analyses**
  - Given relative early point in Term and delayed launch of some key offers, many of the data points presented today can be a baseline to compare with future results
- **Slow start for priority offers such as renter units in DECs means higher than planned production in 2026 & 2027 will be needed to make up for any 2025 shortfalls**
- **Unplanned for outcomes such as comparatively high participation in moderate income rebates instead of turnkey provide an opening for exploration of underlying causes and program design implications**
  - The Residential Management Committee is proving to be a fruitful forum for discussions of this nature between the PAs, Consultants, and DOER

THANK YOU

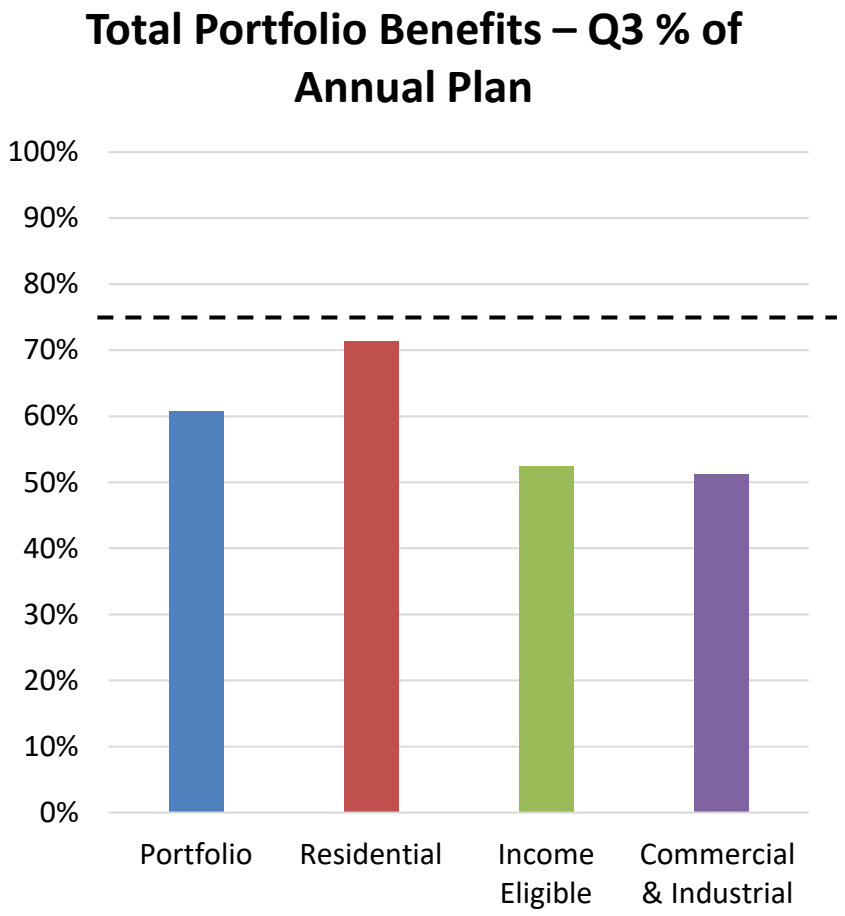
Questions?

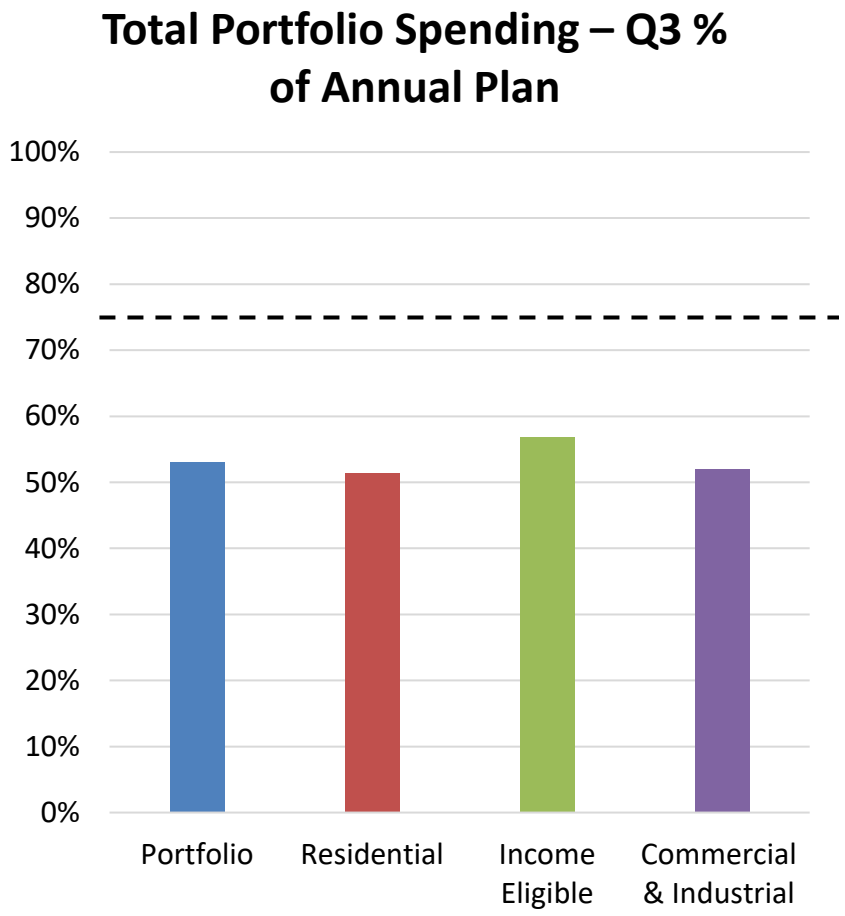
APPENDIX

PORTFOLIO RESULTS OVERVIEW



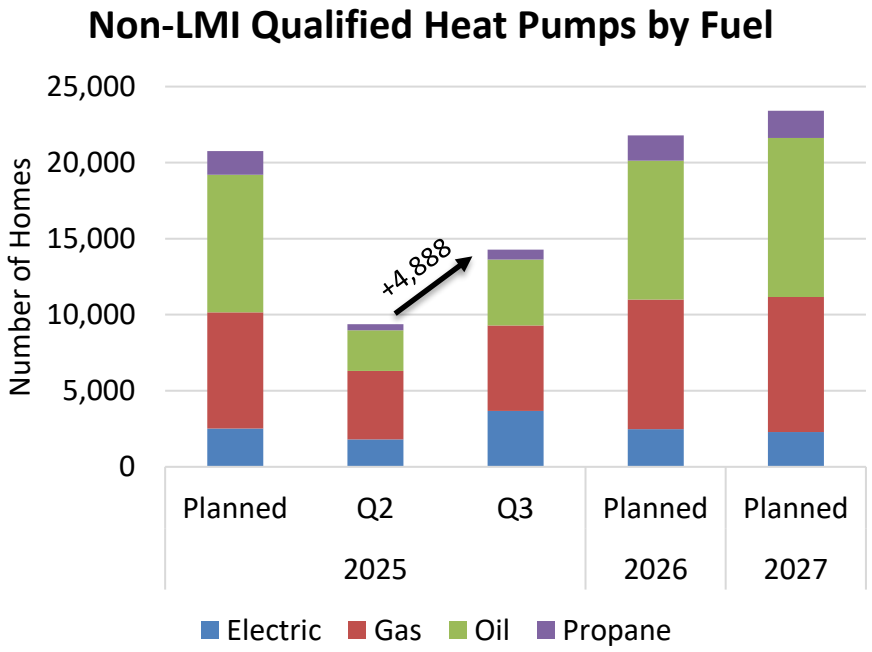
BENEFITS AND SPENDING – PORTFOLIO WIDE

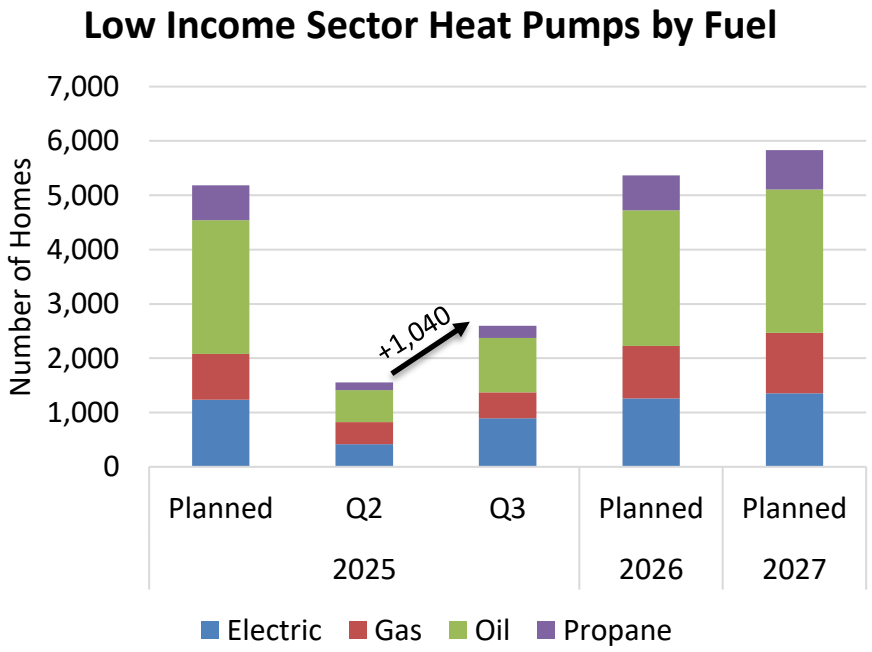




HEAT PUMPS

- **Heat pump installs continue at a good pace, with the Low Income Sector a bit behind**
  - Slow start for LI is in part reflective of budget mgmt. practices
- **Installs in gas homes are the largest non-LMI category; oil is the largest for Low Income**

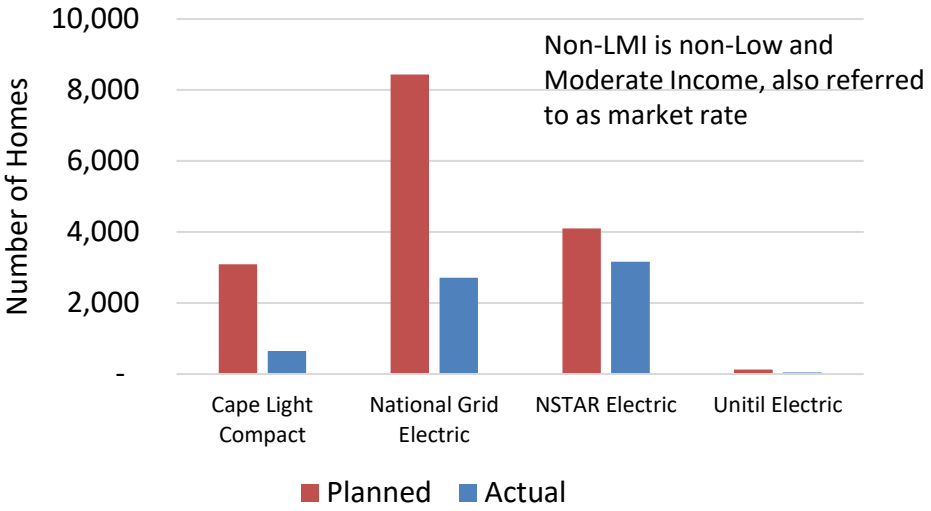




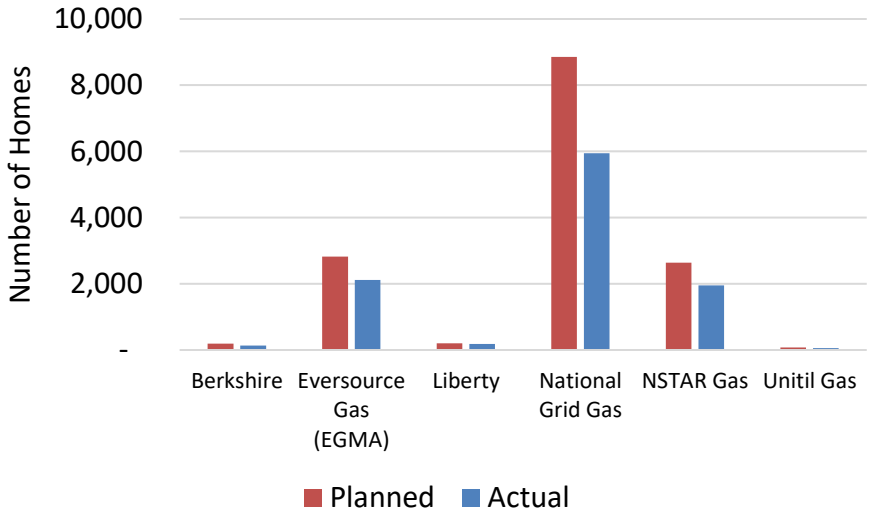
RESIDENTIAL INSULATION

- **Through Q3, electric insulation units are lower relative to 2025 goals than gas**
  - National Grid (32% of annual goal) and Cape Light Compact (21% of annual goal) are unlikely to meet their 2025 unit goals
- **National Grid Gas and Berkshire have implemented policies to manage demand and associated budget**

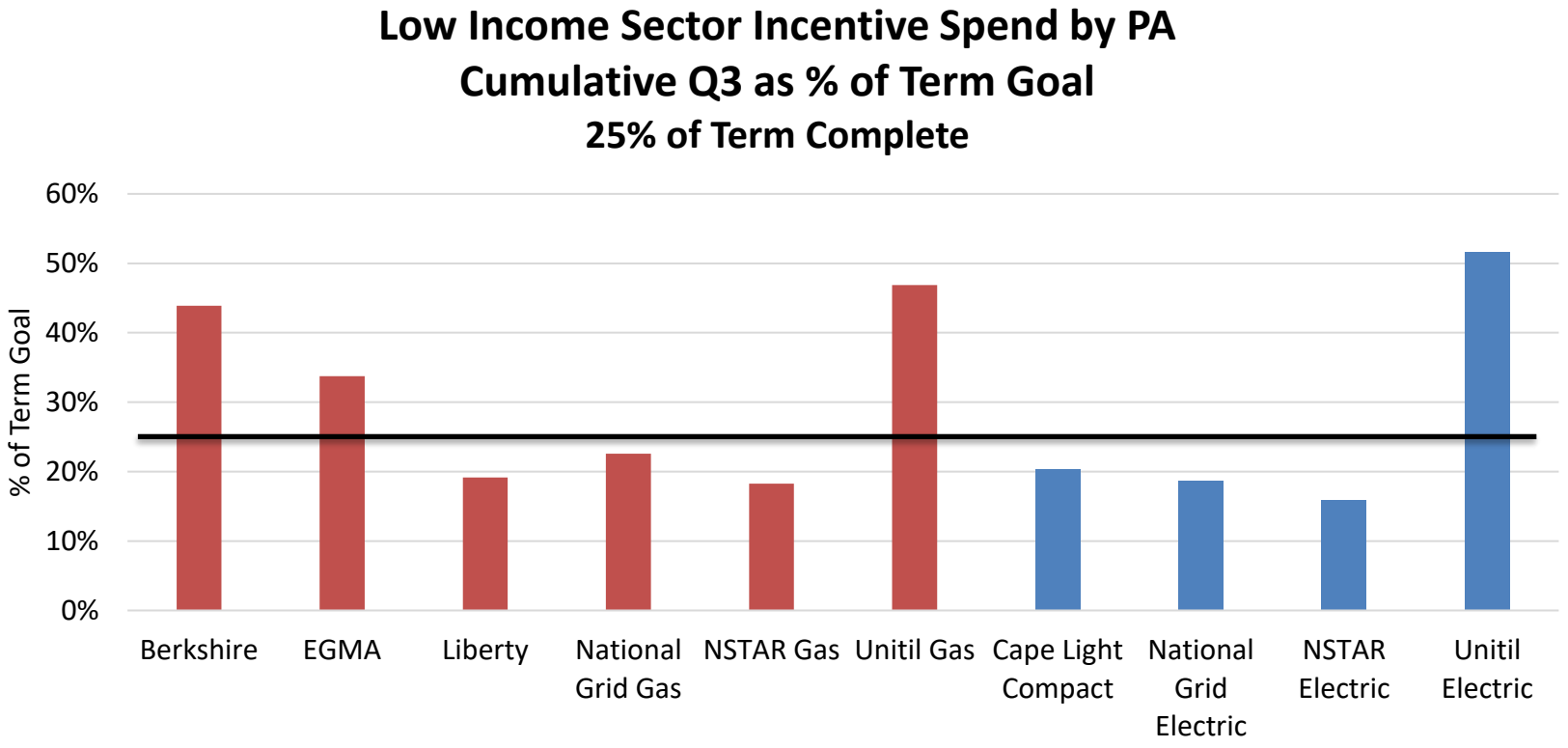
Electric Non-LMI Insulation Units

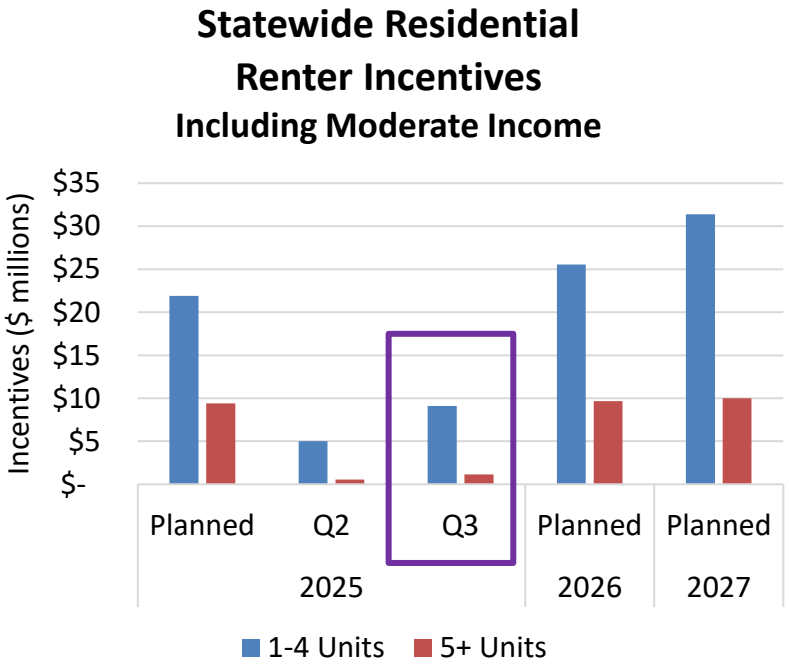
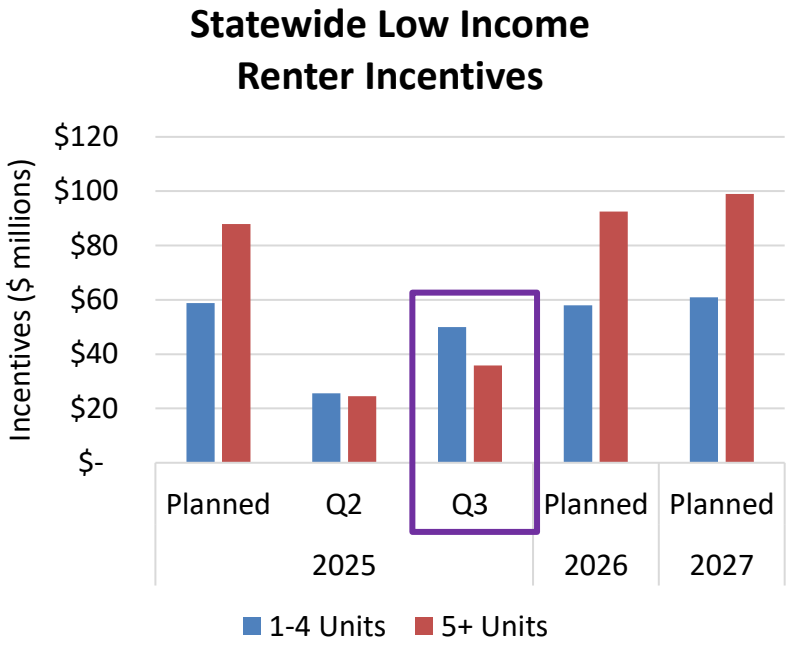


Gas Non-LMI Insulation Units



LOW INCOME SECTOR INCENTIVE SPEND BY PA



RENTER SPEND

- Renter incentives are slow to roll out in the Residential Sector, especially for 5+ unit buildings, though there was a meaningful increase between Qs 2 and 3
- Low income renter spend is especially strong for 1-4 units