MA ENERGY EFFICIENCY ADVISORY COUNCIL

→ CONSULTANT TEAM

CONSULTANT TEAM PRESENTATION ON PA Q4 2025 REPORT

▶ March 25, 2026

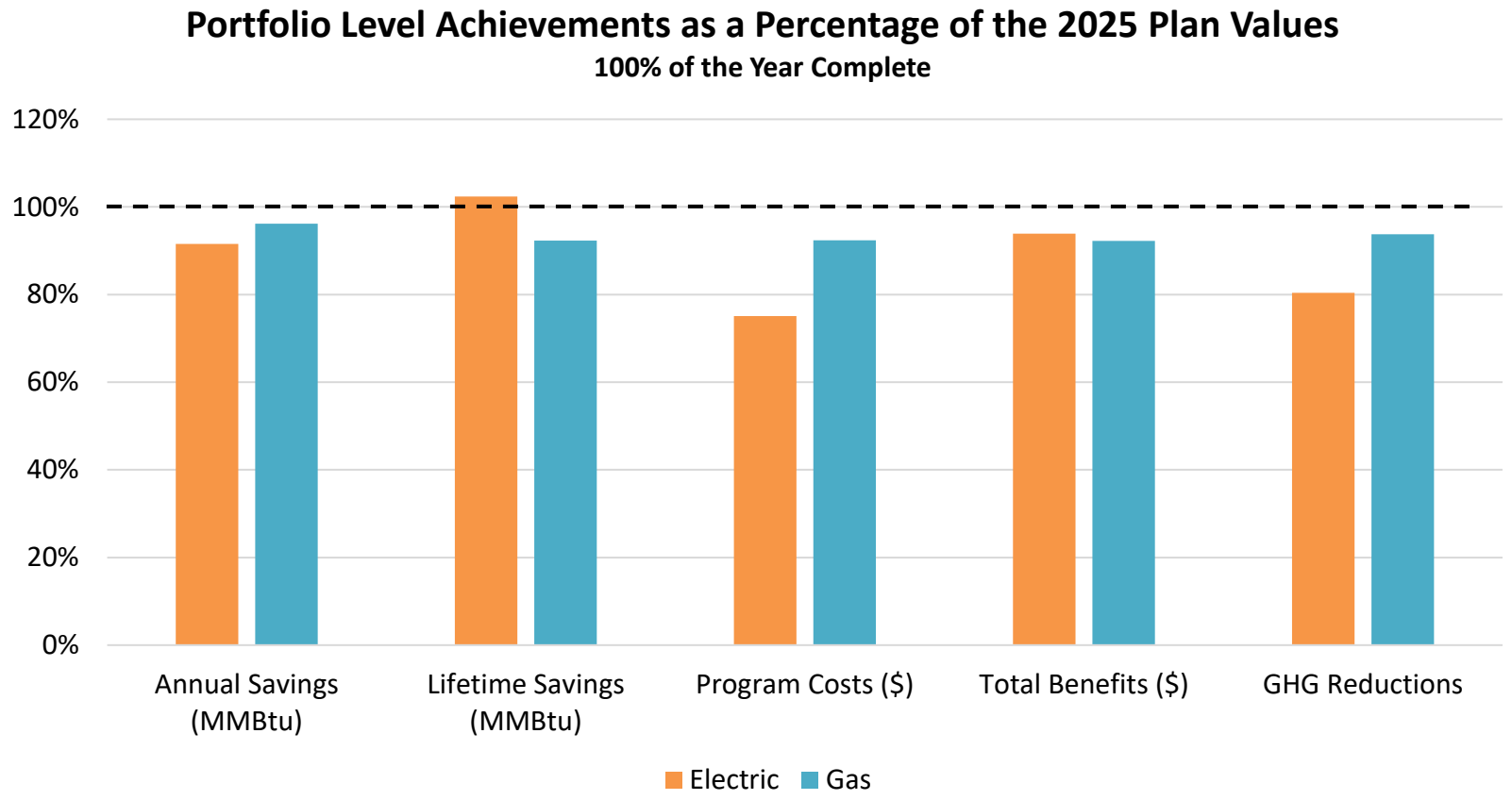
www.ma-eeac.org

INTRODUCTION

- **Q4 provides a first look at 2025 complete results**
  - Results are preliminary and will be refined for PA annual report in June
  - More work and analysis will be done when final evaluated results are available and presented in August
- **2025 overall results strong despite delayed rollout of several initiatives**
  - Nearly 100% of planned market rate res Wx jobs completed
    - Moderate income Wx over 130% of planned
  - New C&I offers launched (i.e. Existing Building Commissioning).
  - Electrification results strong for market rate residential and C&I in 2025
- **Equity results including low and moderate income will be presented at May EEAC meeting**

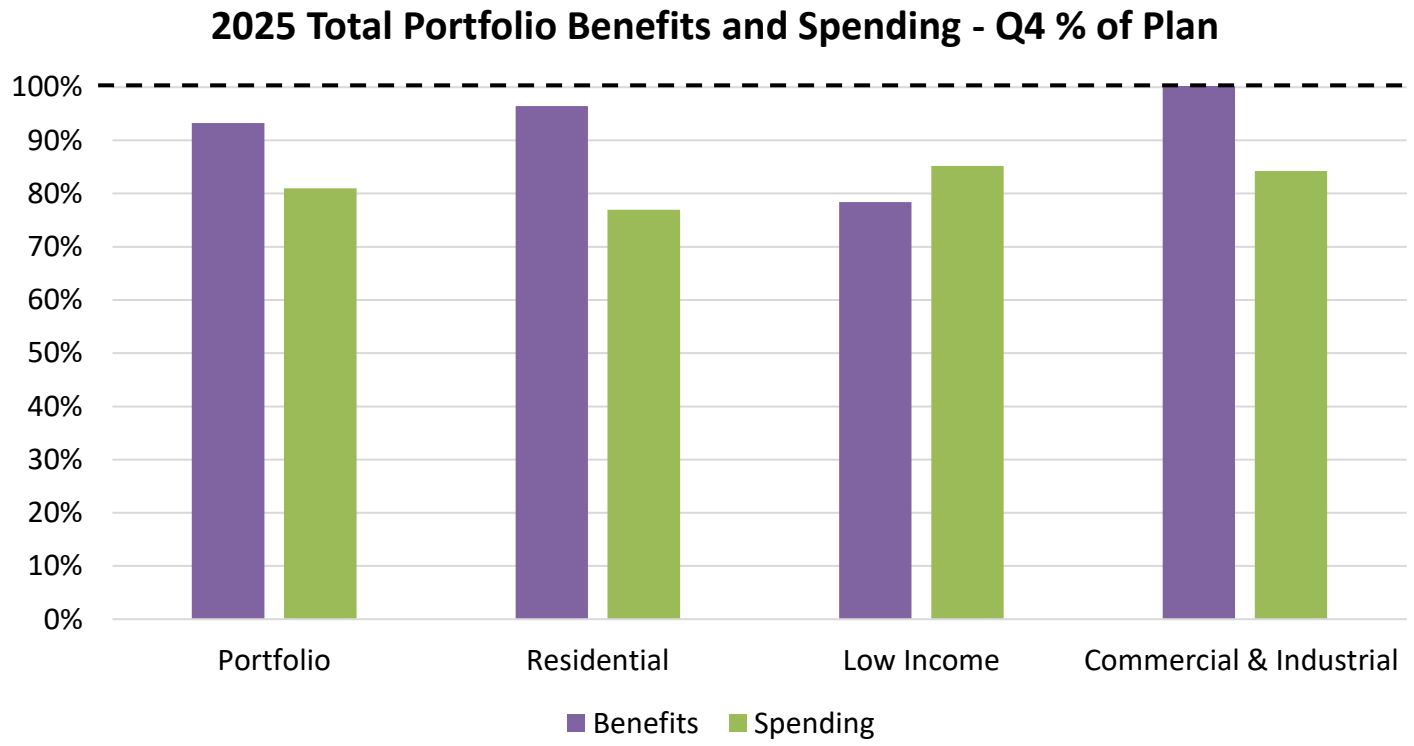
PORTFOLIO RESULTS OVERVIEW

- **Q4 savings metrics at or above 80% of planned for both electric and gas; spending under planned including < 80% for electric**



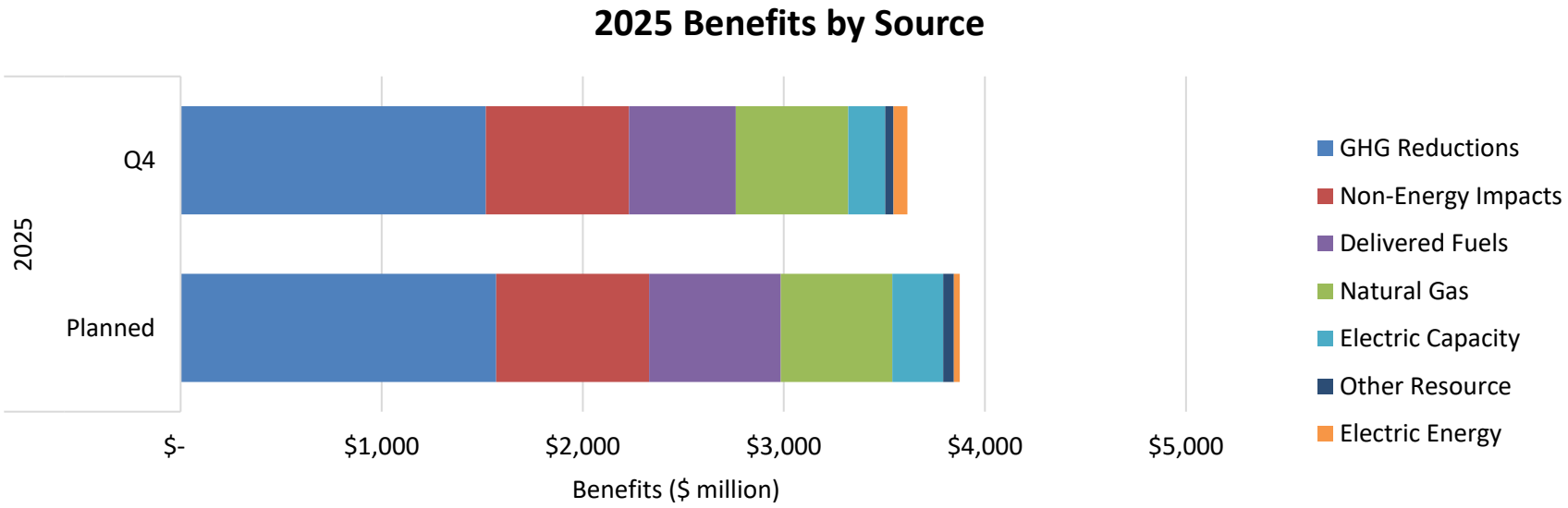
BENEFITS AND SPENDING – PORTFOLIO WIDE

- **Total benefits near goal for 2025, driven by strong residential and C&I sector results**
- **Spending below planned for all sectors**



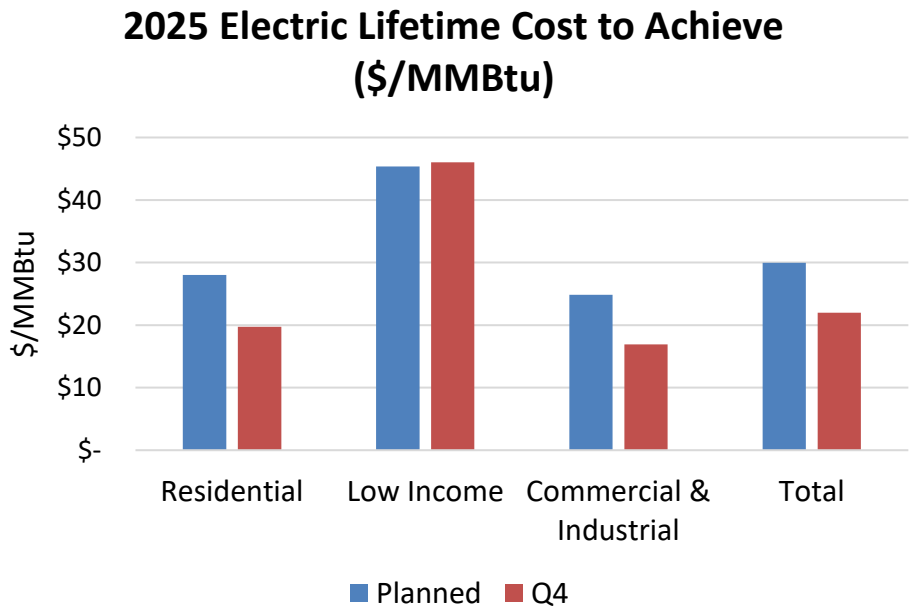
PORTFOLIO BENEFITS

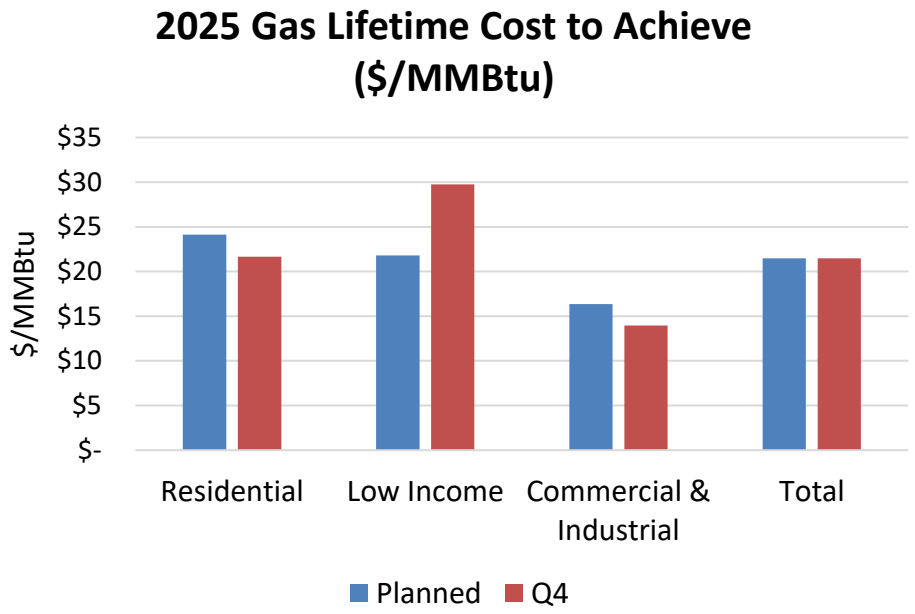
- **Distribution of benefits similar to planned**
  - Largest portion of benefits in 2025 from GHG reductions and non-energy impacts (NEIs)
- **More benefits from electric energy, and other resources than planned, less from delivered fuels and electric capacity**



COST TO ACHIEVE

- Costs to achieve generally near or below planned
- Low income currently higher than planned

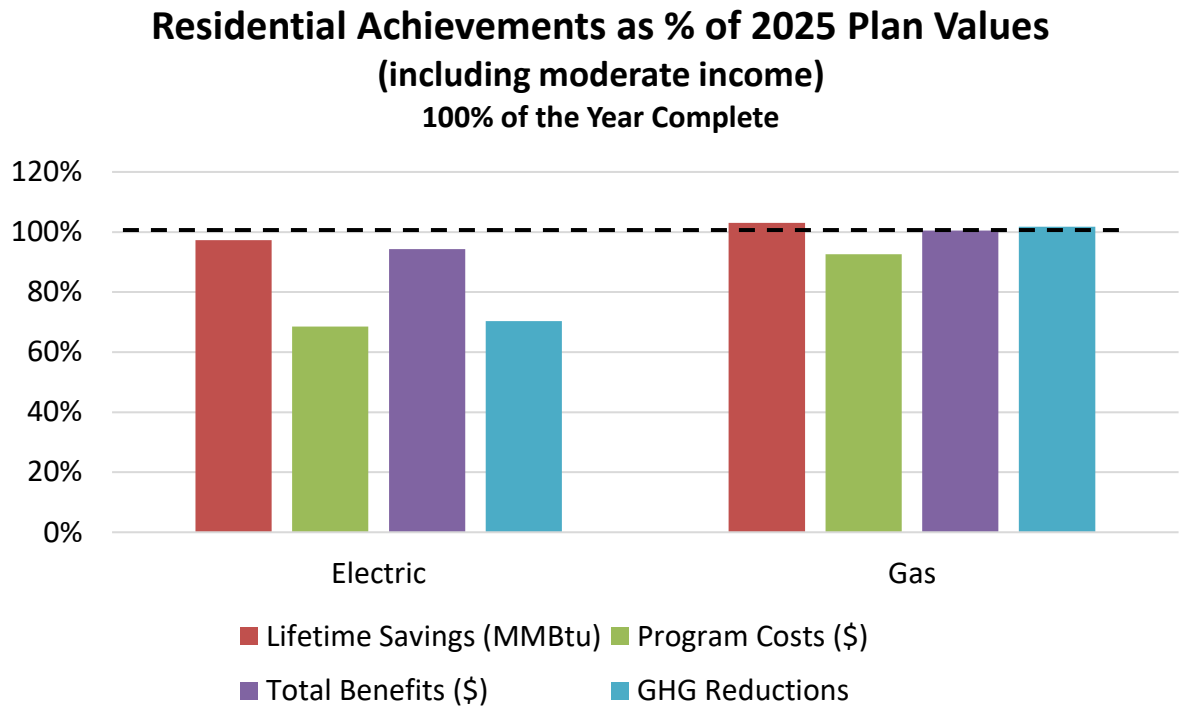




RESIDENTIAL

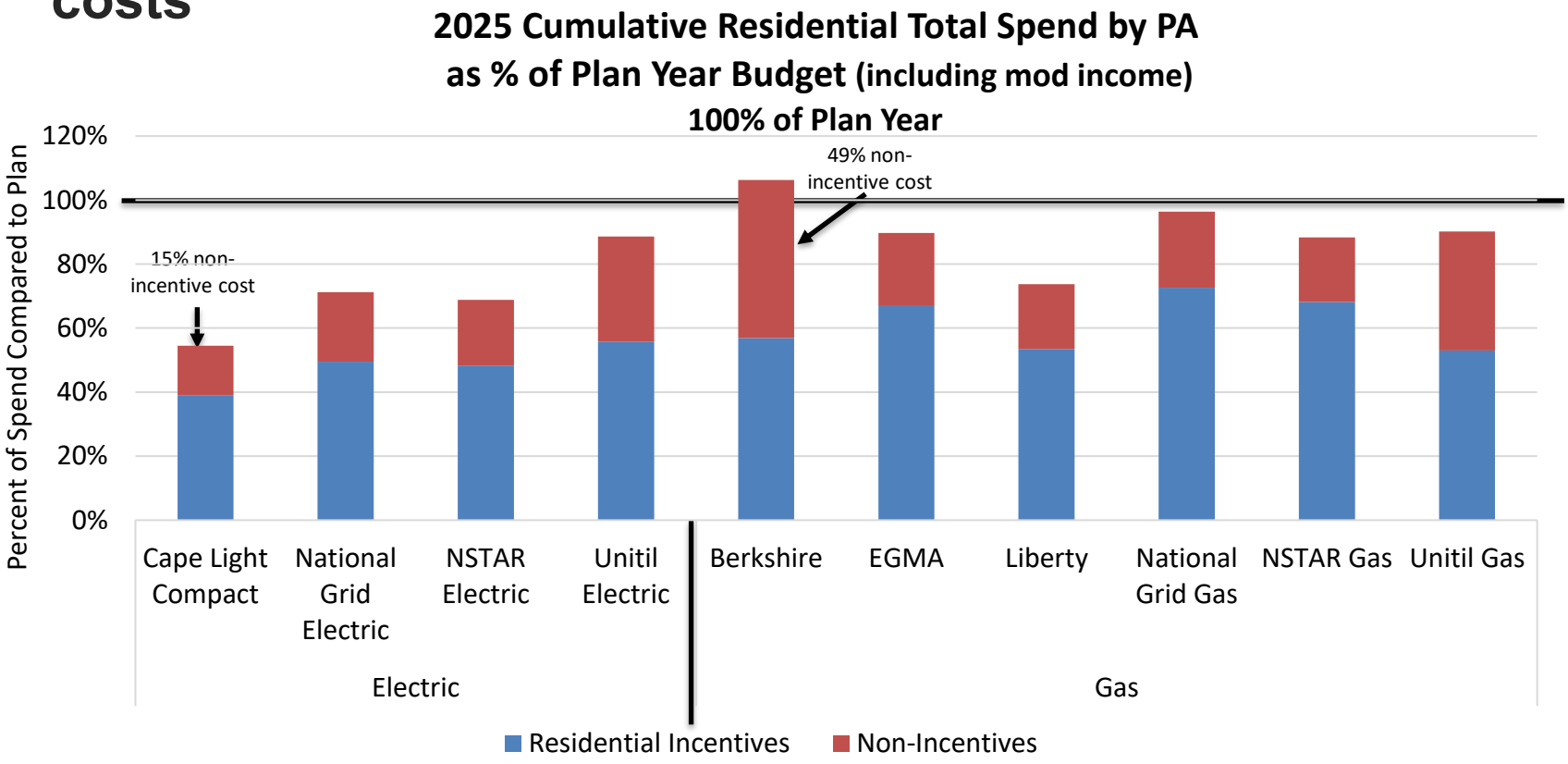
STATEWIDE Q4 RESULTS OVERVIEW

- **Major goals met statewide for gas sector at lower cost than planned**
- **Significant underspend in electric sector due largely to underachievement in weatherization and heat pumps**



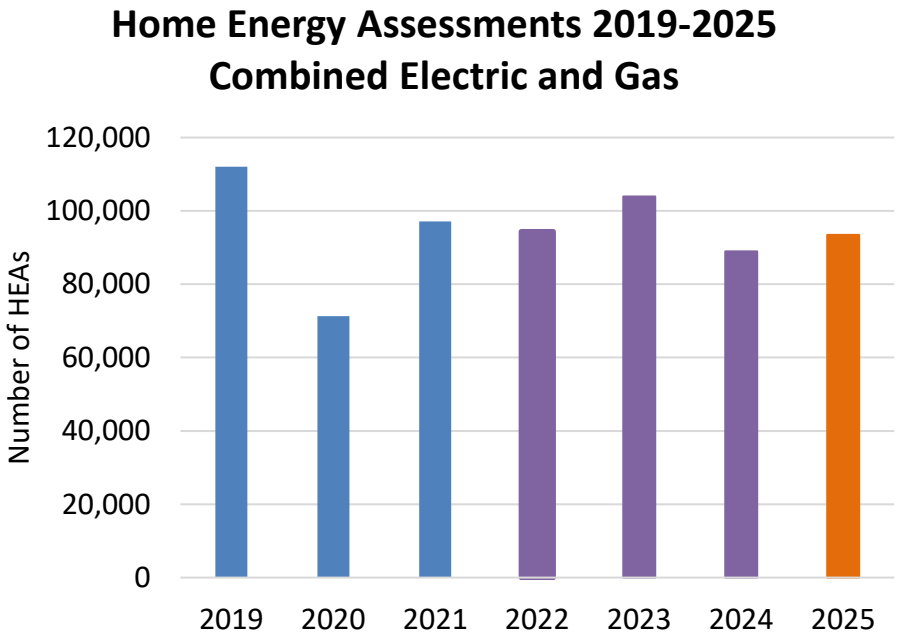
RESIDENTIAL SPEND BY PA

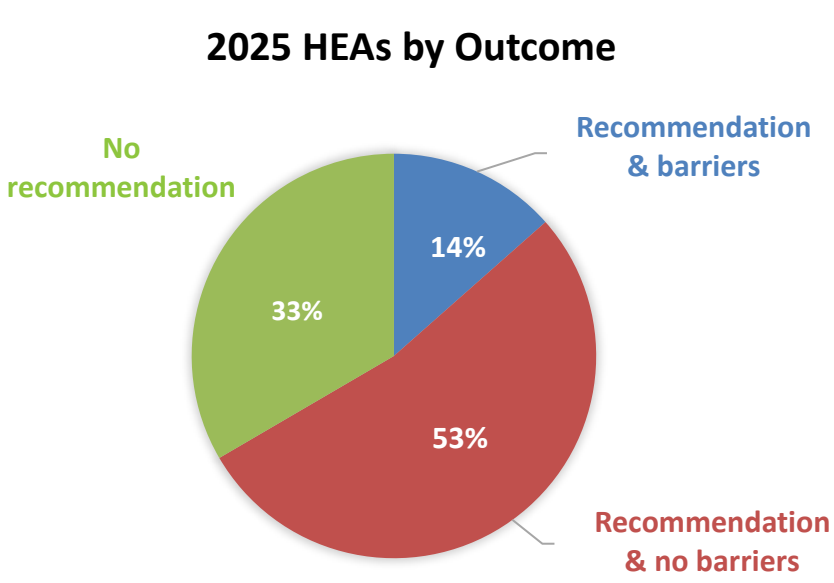
- **Most PAs did not spend their full budget for 2025**
- **PAs differ in relative share of incentive and non-incentive costs**



HOME ENERGY ASSESSMENTS (HEAs)

- **2025 HEA volume was 5% higher than 2024**
- **1/3 of HEAs resulted in no recommendations; could be:**
  - Required for the whole house heat pump incentive
  - Repeat HEAs, new home and/or no work required, other

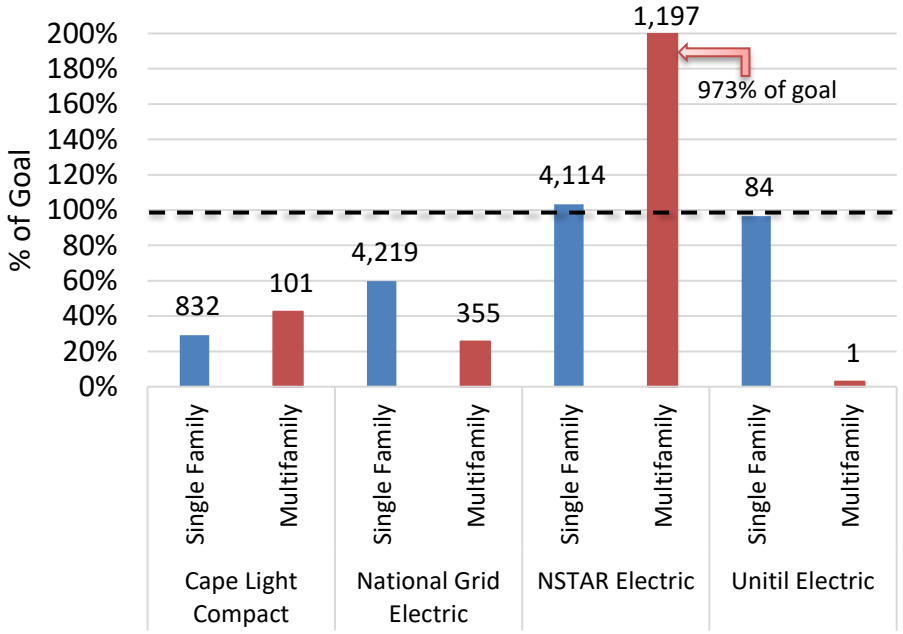




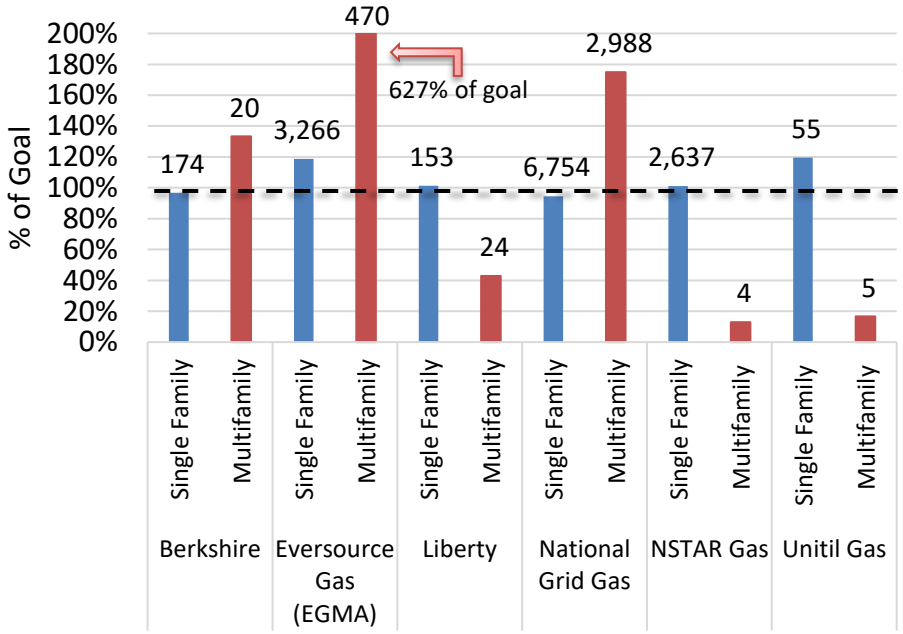
RESIDENTIAL INSULATION PRODUCTION

- **Through Q4, electric insulation units are lower relative to 2025 goals than gas**
  - Actual statewide res (non-LMI) insulation units were 69% of planned electric and 112% of planned gas units in 2025

2025 Electric Non-LMI Insulation Units

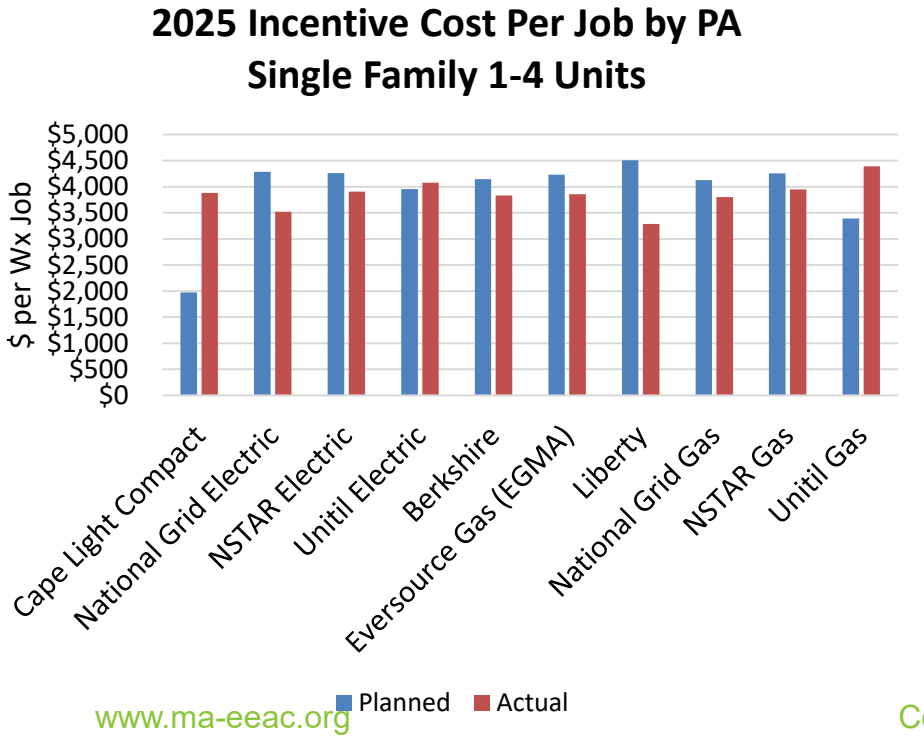


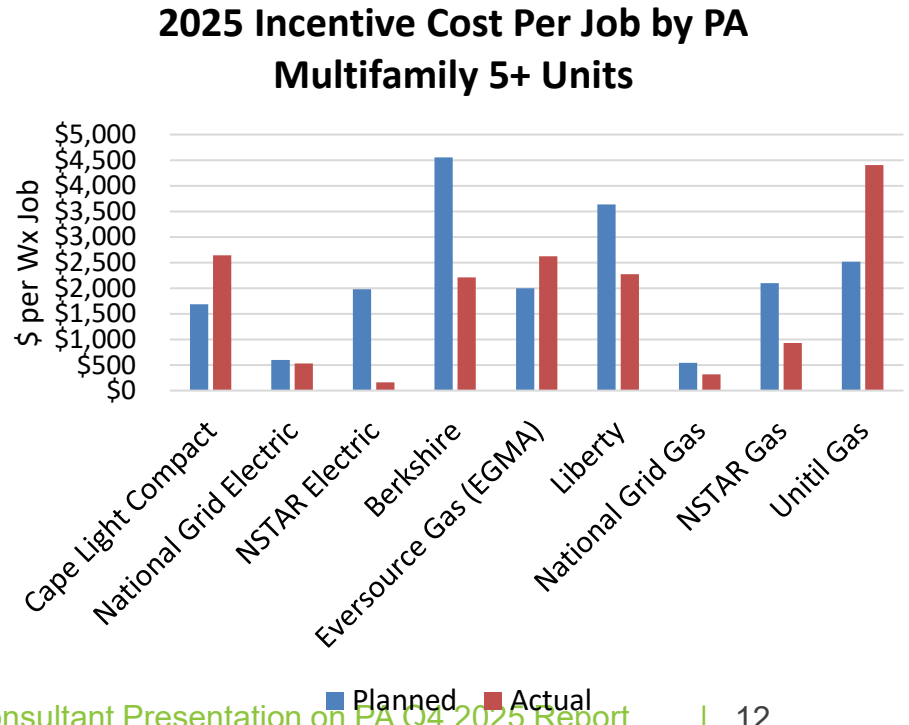
2025 Gas Non-LMI Insulation Units



RESIDENTIAL INSULATION COSTS

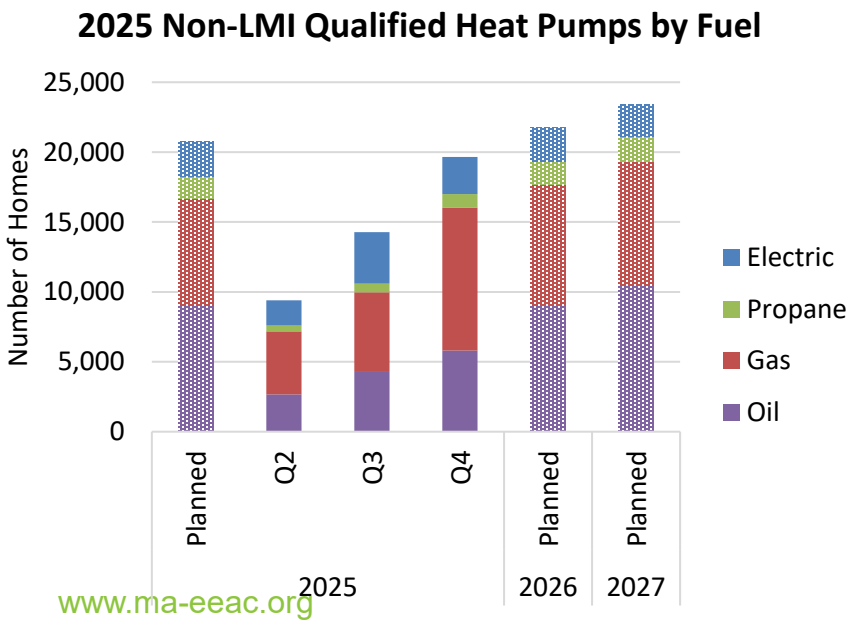
- For most PAs, actual single family insulation costs were lower than planned
- Per unit multifamily insulation costs lower than single family (e.g., EGMA MF per unit cost 2/3 cost of SF)

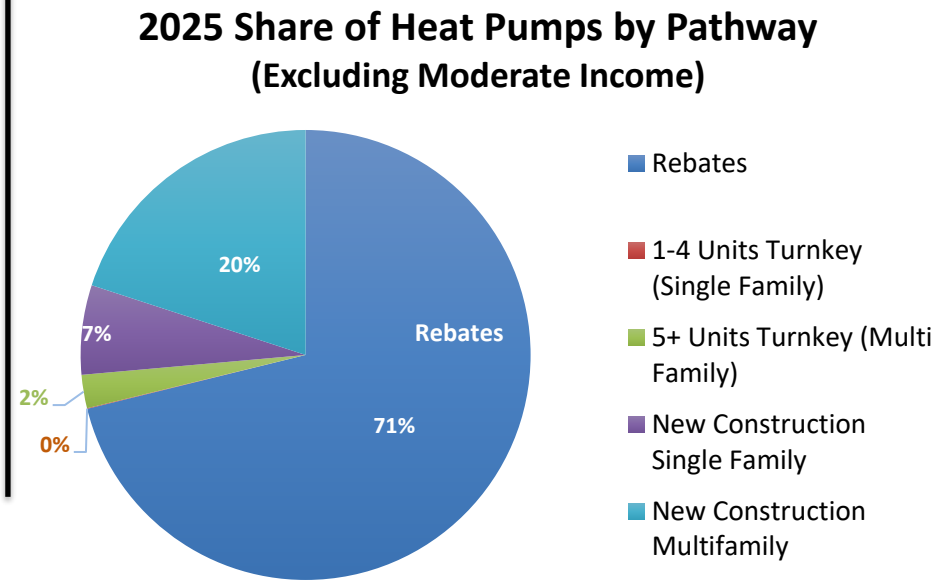




HEAT PUMPS

- **2025 non-LMI heat pump installs 95% of planned goal**
  - Gas units higher than planned, oil and propane lower
  - Heat pump water heaters were 86% of goal
- **More than 25% of heat pump installs were new construction**
- **55% were full displacements, in line with 2024**





EQUITY COMING ATTRACTIONS (MAY)

- **8,235 weatherization jobs were completed for qualified moderate income customers**
  - Half in Designated Equity Communities (DECs)
  - 131% of 2025 planned units and more than 200% higher than 2024 actuals
- **PAs achieved 91% of rental unit weatherization goals even with delayed rollout of DEC offers**
- **More than $2.5 million was awarded to Community First Partners working in 52 communities**

WHAT WE'RE WATCHING IN 2026

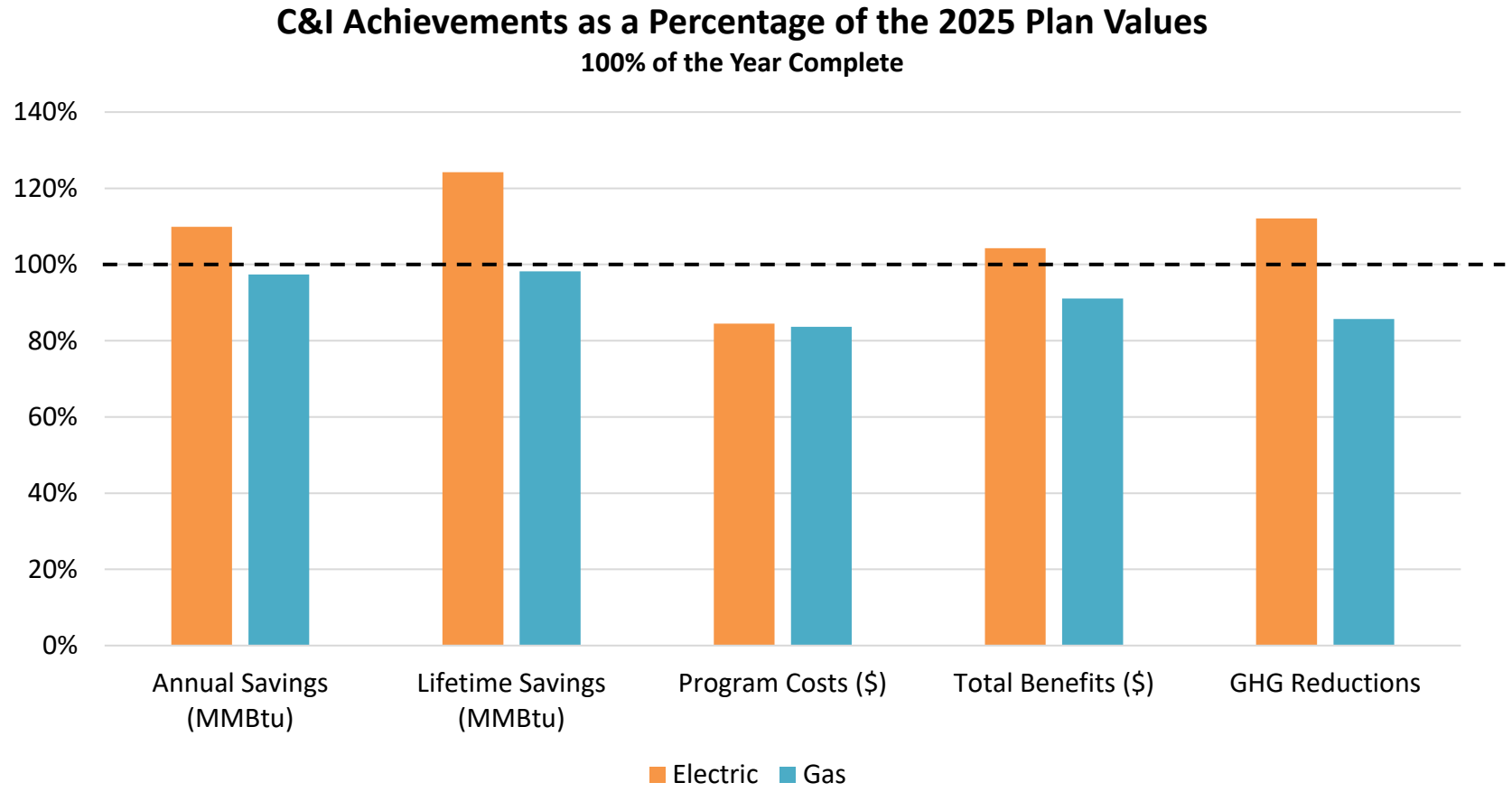
- **Electric sector activity**
  - Increased focus on weatherization for homes heated with electricity, oil or propane
  - Seeking uptick in heat pump installations in existing oil heated homes

- **Budget management for gas PAs**
- **Performance of online Heat Pump Water Heater Marketplace**
- **Multifamily production, including multifamily electrification**
- **Cost issues, including planned vs. actual, incentive vs. non-incentive, and PA differences**

COMMERCIAL & INDUSTRIAL SECTOR

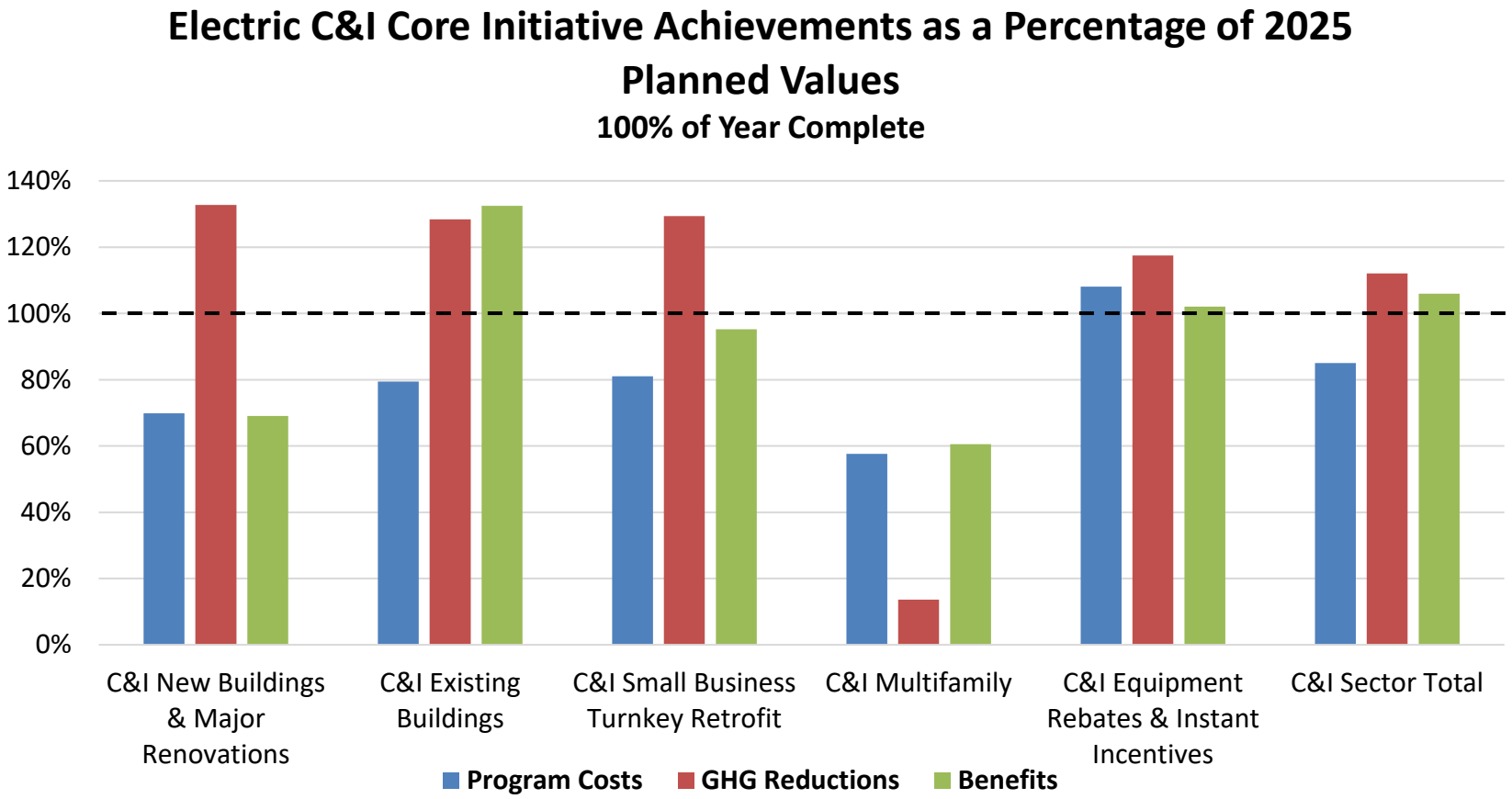
C&I RESULTS OVERVIEW

- **Strong performance for C&I Sector across most primary metrics for both fuels, especially considering lower costs**



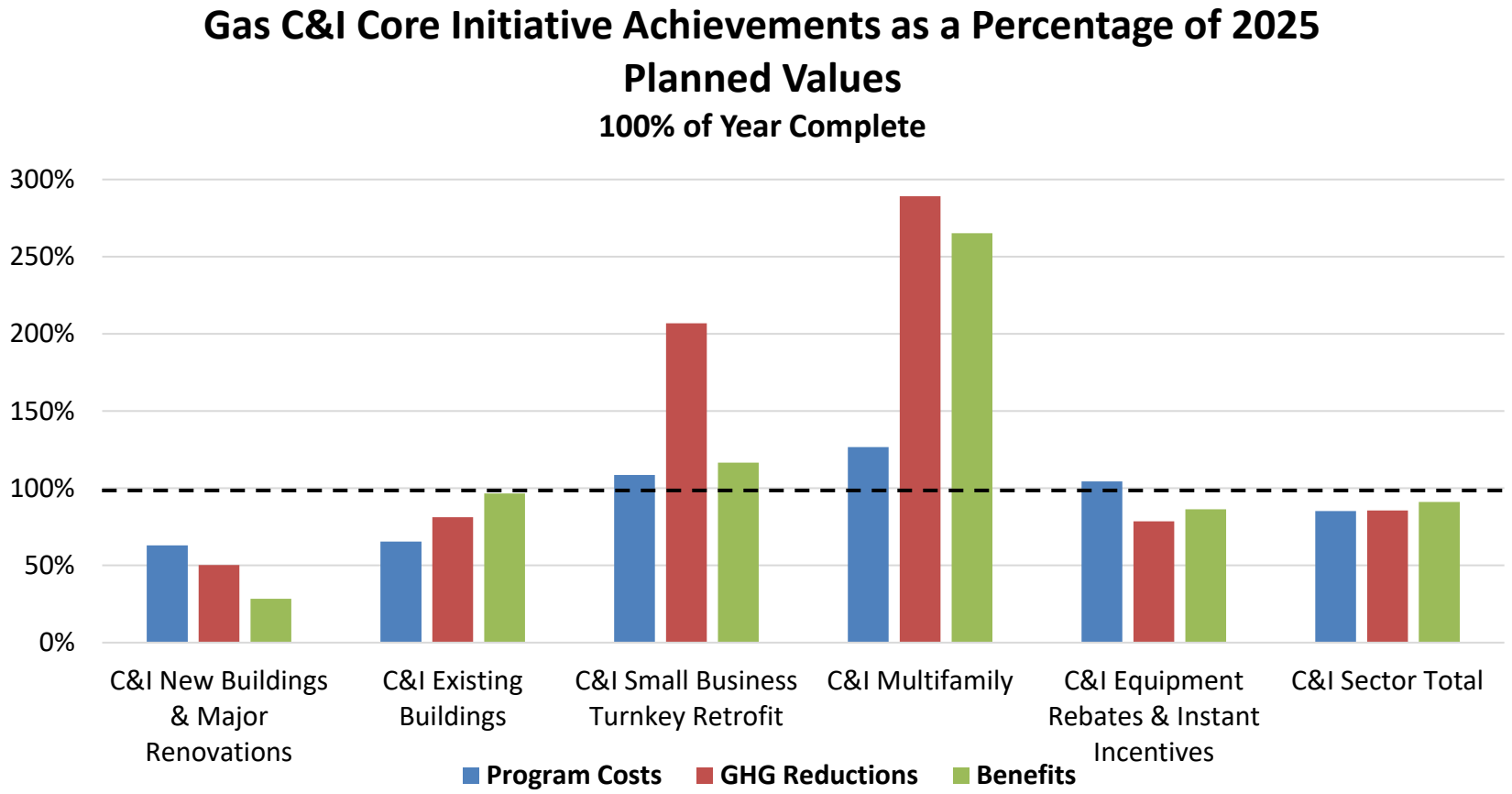
C&I ELECTRIC CORE INITIATIVES

- **Electric cost to achieve GHG reductions and benefits significantly lower than planned for 2025**



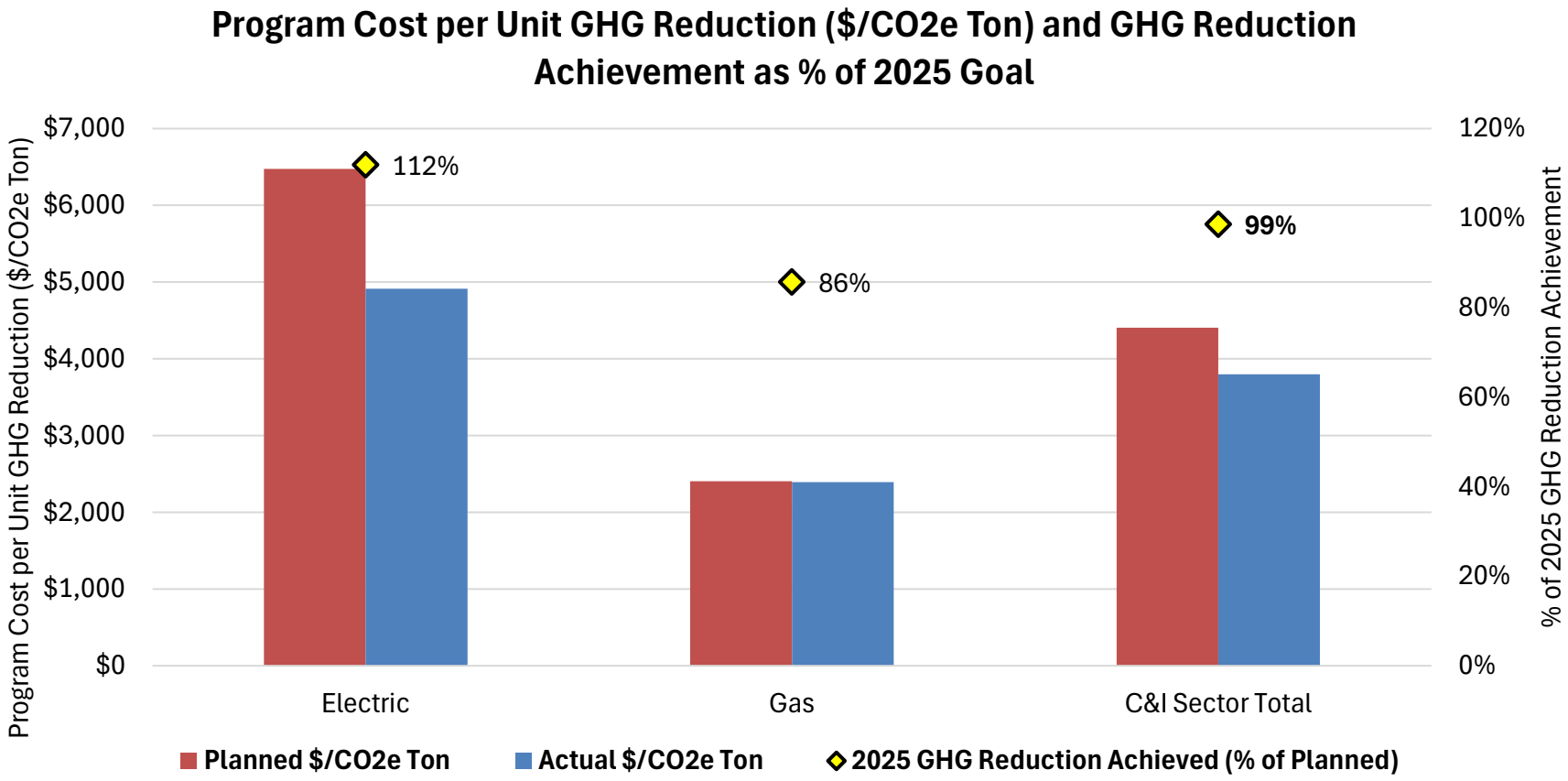
C&I GAS CORE INITIATIVES

- **New Buildings & Major Renovations underperforming; PAs do not drive New Construction market**



BUDGET AND COST TO ACHIEVE

- **C&I sector achieved 2025 GHG emissions reductions target at cost that was 14% lower than planned**



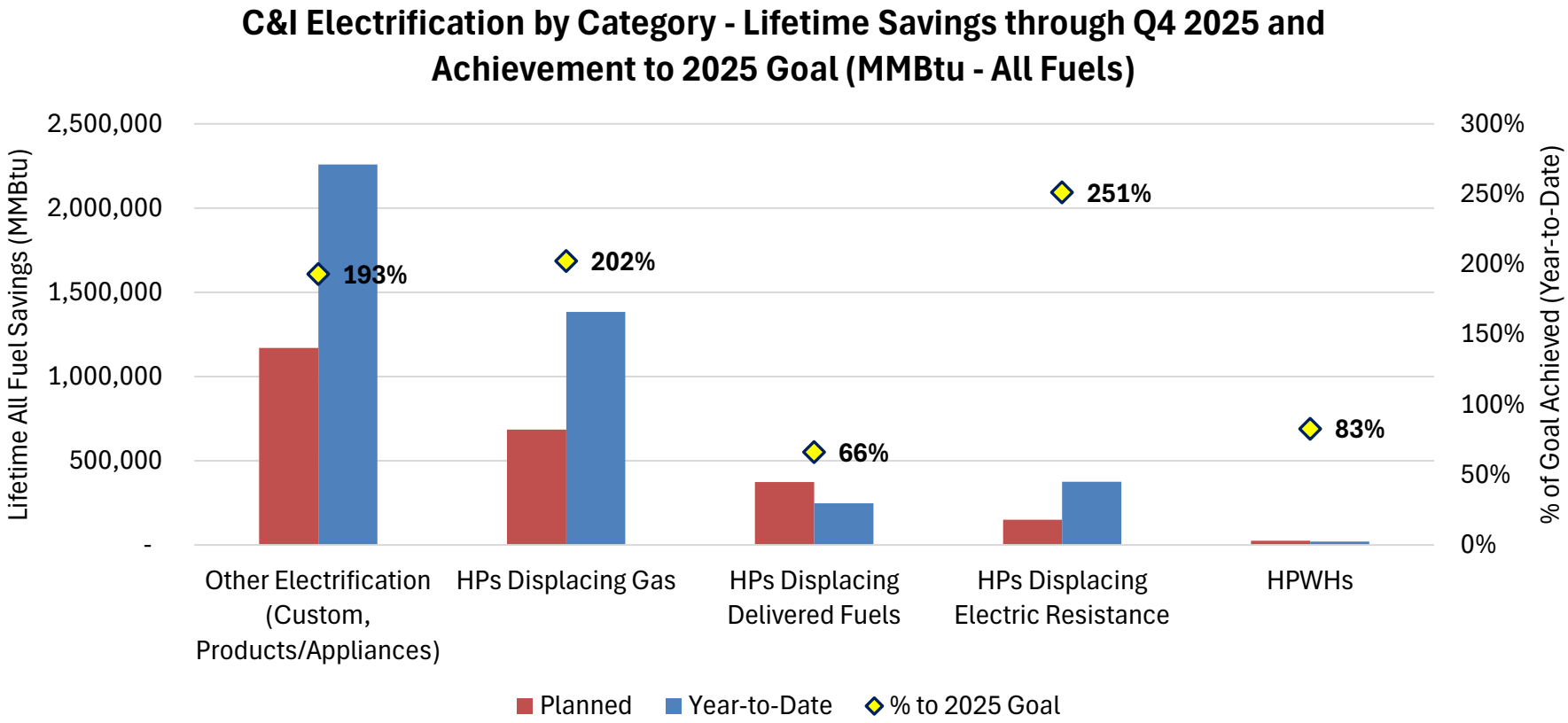
TOP-SAVING C&I MEASURES

- **Top-7 Measures (50% of achieved lifetime savings in 2025)**

Measure	Planned Savings	Actual Savings	% 2025 Savings Achieved	Planned Incentive $/Lifetime MMBtu	Actual Incentive $/Lifetime MMBtu
Custom - HVAC	**1,782,480**	**1,633,689**	**92%**	**$7.83**	**$6.46**
Prescriptive - Motors & Drives	**679,982**	**1,429,659**	**210%**	**$4.47**	**$2.34**
Custom - Process	**1,593,500**	**1,375,782**	**86%**	**$5.96**	**$4.22**
Prescriptive - Envelope	**687,083**	**1,285,089**	**187%**	**$21.83**	**$12.10**
Custom - Process (Electrification)	**76,548**	**1,223,779**	**1,599%**	**$14.90**	**$0.87**
Prescriptive - HVAC (HP Displacing Gas)	619,166	1,047,521	169%	$36.92	$38.11
Prescriptive - Lighting	724,001	1,003,587	139%	$20.67	$23.51

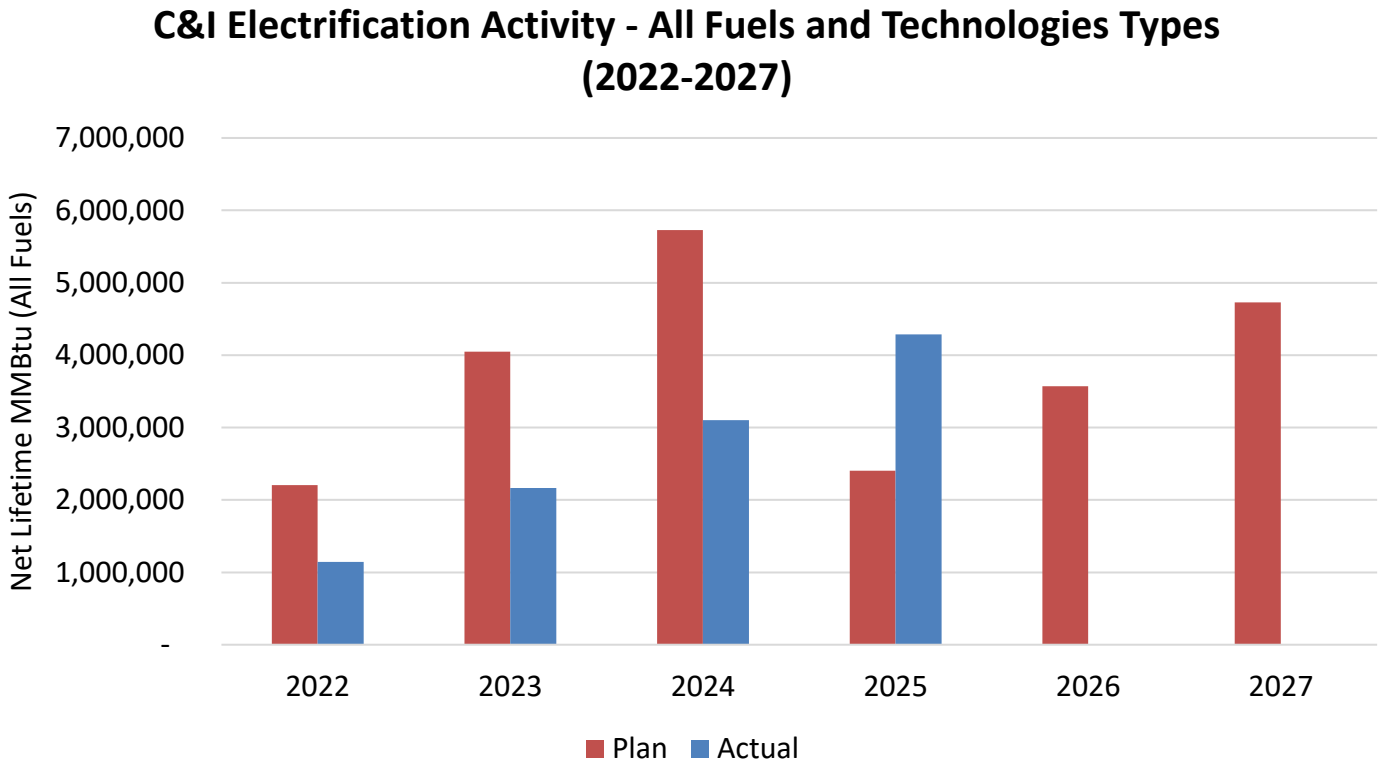
C&I ELECTRIFICATION ACTIVITY

- **PAs achieved over 175% of 2025 lifetime savings from electrification, with gas displacement as a lead contributor**



C&I ELECTRIFICATION ACTIVITY

- **Actual 2025 electrification activity continuing upward trend observed throughout 2022-2024 Term**



C&I SUMMARY AND TAKEAWAYS

- **Programs on good pace to meet planned Term goals for savings and GHG reductions**
  - PAs forecast spending about 90% of planned C&I budget

- **Continuous ramp in electrification activity building on 2022-2024 Term**
  - Reduced incentives may or may not cause a comparable reduction in activity

- **Lower cost-to-achieve savings in 2025 than planned**
  - About 100% of planned incentive spend but only 60% of non-incentive spend across all categories
  - Monitoring the effects this may have on the remainder of the Term

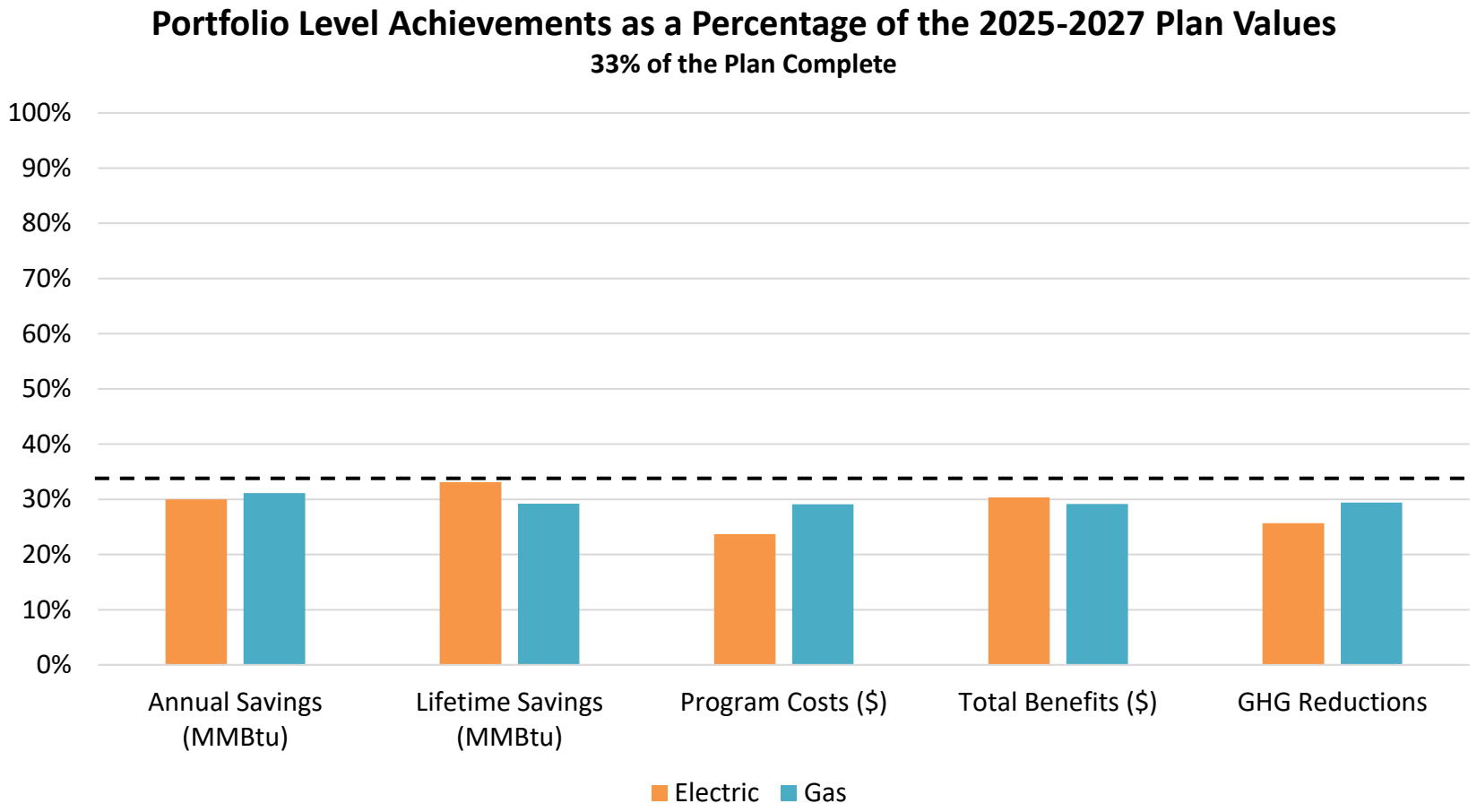
THANK YOU

Questions?

▶ March 25, 2026

APPENDIX

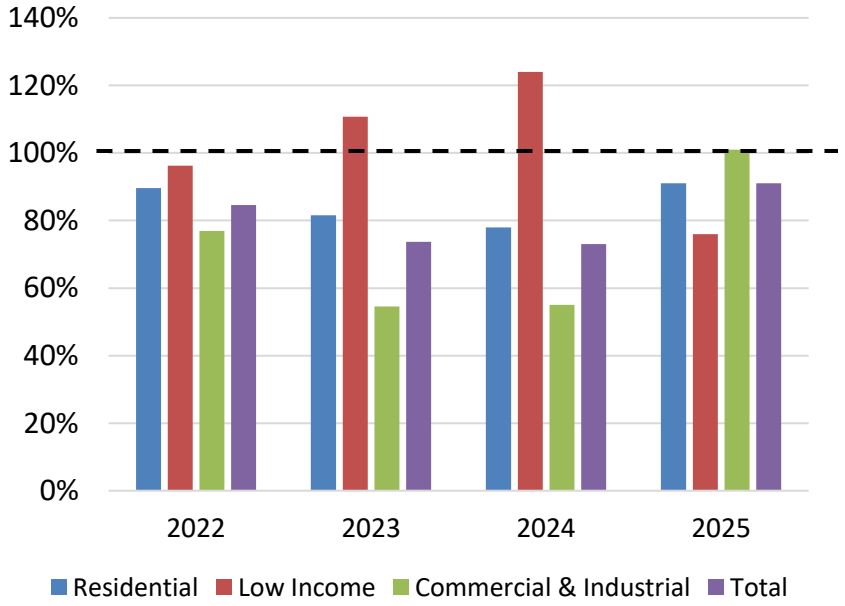
PORTFOLIO RESULTS OVERVIEW



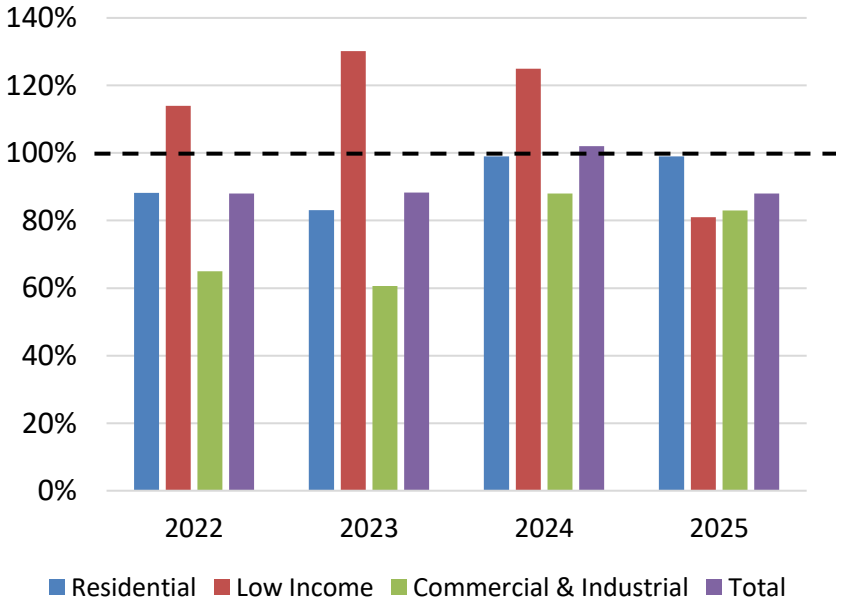
Q4 BENEFITS ACHIEVEMENT

- **Benefits tracking similar to Q4 achievement in recent years**
  - Notable increase in percent of C&I benefits achievement
  - Strong residential performance in the electric programs

Q4 Electric Program Benefits Achievement



Q4 Gas Program Benefits Achievement



RESIDENTIAL TIME TO ASSESS

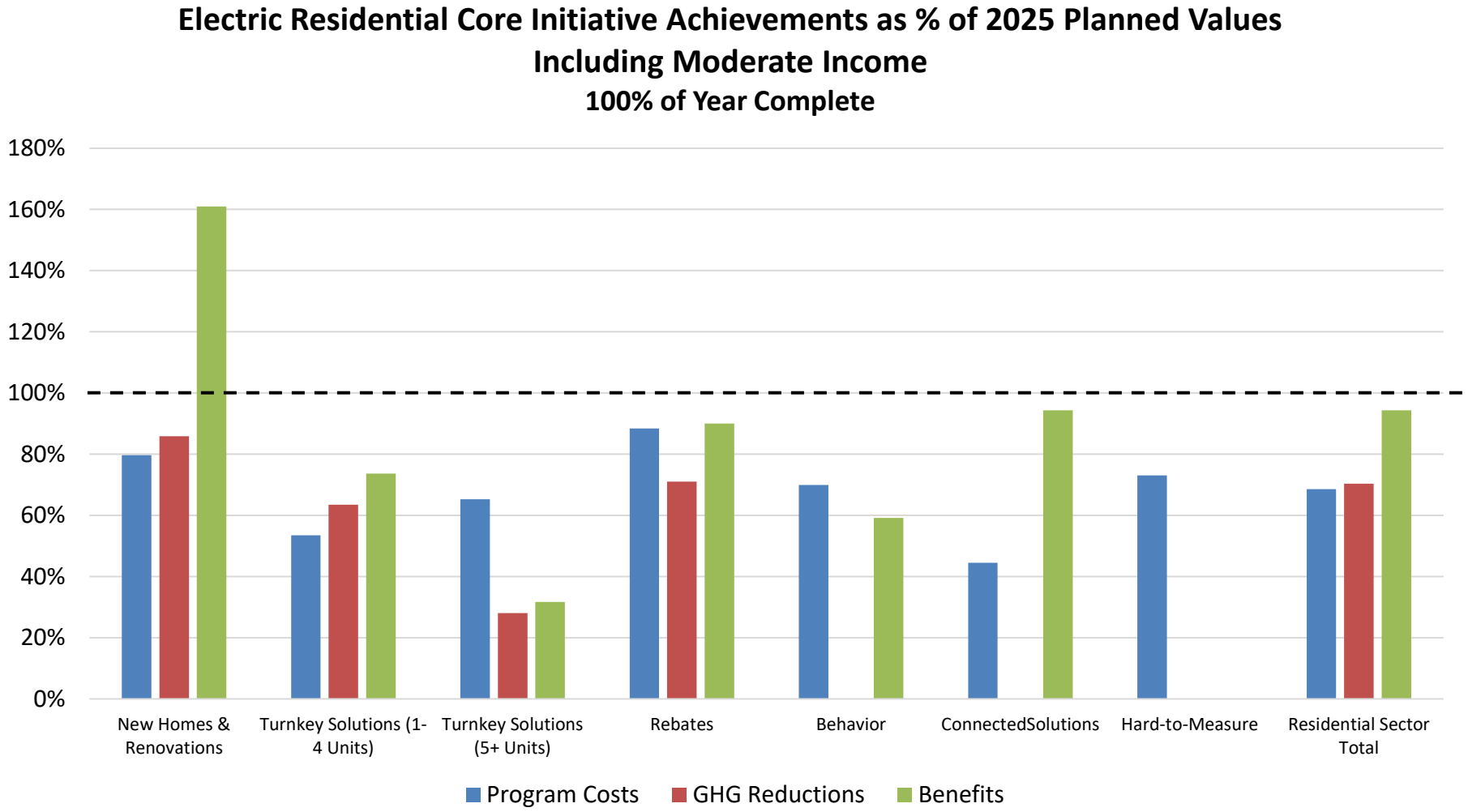
- **In Q4, residential time to assess has increased in a number of counties, with generally longer wait time for customers served by Lead Vendors vs. HPCs**
  - Reasons vary, including seasonal demand, lost days due to weather events, and vendor transition (Eversource)

MA County	Served by Lead Vendor			Served by HPCs		
	Q2	Q3	Q4	Q2	Q3	Q4
Barnstable County	2-3 weeks	2 - 3 weeks	1 - 2 weeks	2-3 weeks	1 - 2 weeks	1 - 3 weeks
Berkshire County	4-5 weeks	4 - 5 weeks	2 - 4 weeks	2-3 weeks	1 - 2 weeks	3 - 5 weeks
Bristol County	2-3 weeks	2 - 3 weeks	3 - 5 weeks	2-3 weeks	2 - 3 weeks	2 - 4 weeks
Dukes County	8 weeks	1 week*	5 weeks*	NA	NA	NA
Essex County	2-3 weeks	2 - 3 weeks	5 - 7 weeks	2-3 weeks	1 - 2 weeks	2 - 4 weeks
Franklin County	3-4 weeks	4 - 5 weeks	2 - 5 weeks	2-3 weeks	1 - 2 weeks	3 - 5 weeks
Hampden County	4-6 weeks	4 - 5 weeks	1 - 3 weeks	2-3 weeks	2 - 3 weeks	3 - 5 weeks
Hampshire County	4-6 weeks	4 - 5 weeks	1 - 3 weeks	2-3 weeks	2 - 3 weeks	3 - 5 weeks
Middlesex County	3-4 weeks	2 - 3 weeks	5 - 7 weeks	2-3 weeks	2 - 3 weeks	2 - 4 weeks
Nantucket County	6 weeks	4 weeks*	6 weeks*	NA	NA	NA
Norfolk County	2-3 weeks	2 - 3 weeks	4 - 6 weeks	2-3 weeks	2 - 3 weeks	2 - 4 weeks
Plymouth County	3-4 weeks	2 - 3 weeks	5 - 7 weeks	2-3 weeks	2 - 3 weeks	2 - 4 weeks
Suffolk County	2-3 weeks	2 - 3 weeks	5 - 7 weeks	2-3 weeks	2 - 3 weeks	2 - 4 weeks
Worcester County	2-3 weeks	2 - 3 weeks	3 - 5 weeks	2-3 weeks	2 - 3 weeks	2 - 4 weeks

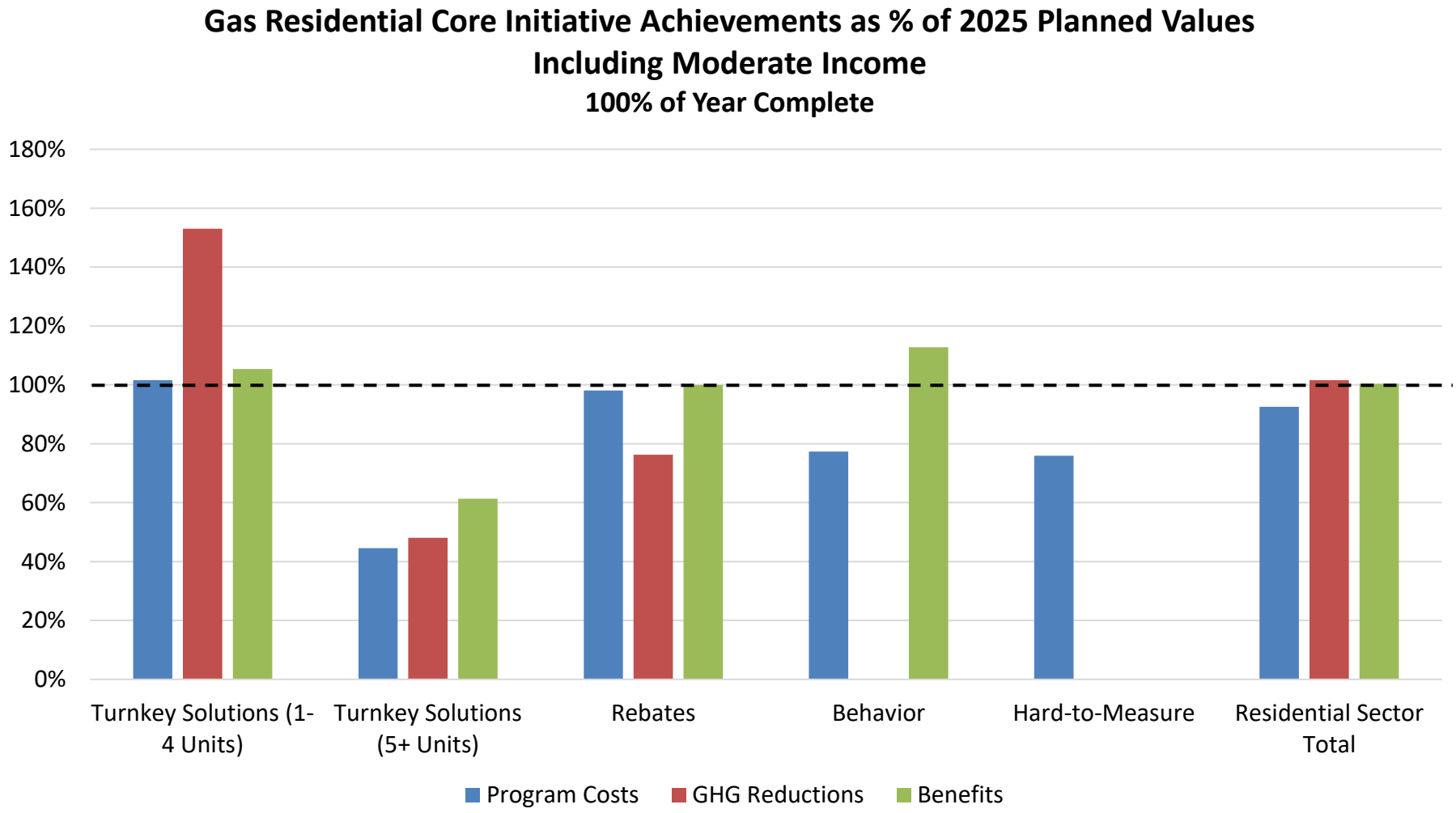
RESIDENTIAL TOTAL PROGRAM COSTS

	Electric			Gas		
	2025 Planned (Millions)	2025 Actual (Millions)	Actual as % of Planned	2025 Planned (Millions)	2025 Actual (Millions)	Actual as % of Planned
Residential Sector	$446.6	$306.0	69%	$242.7	$224.5	93%
Residential Offerings	$369.0	$249.4	68%	$186.5	$181.9	98%
Residential New Homes & Renovations	$52.5	$41.8	80%	-	-	N/A
Residential Turnkey Solutions (1-4 Units)	$168.9	$90.3	53%	$104.8	$106.5	102%
Residential Turnkey Solutions (5+ Units)	$10.5	$6.9	65%	$8.0	$3.6	45%
Residential Rebates	$109.0	$96.4	88%	$71.6	$70.2	98%
Residential Behavior	$6.1	$4.3	70%	$2.2	$1.7	77%
Residential ConnectedSolutions	$21.9	$9.8	45%	-	-	N/A
Residential Hard-to-Measure Program	$77.6	$56.7	73%	$56.1	$42.6	76%
Residential Conservation Services	$20.8	$12.3	59%	$18.2	$13.7	75%

RESIDENTIAL ELECTRIC CORE INITIATIVES



RESIDENTIAL GAS CORE INITIATIVES



RESIDENTIAL INSULATION PRODUCTION

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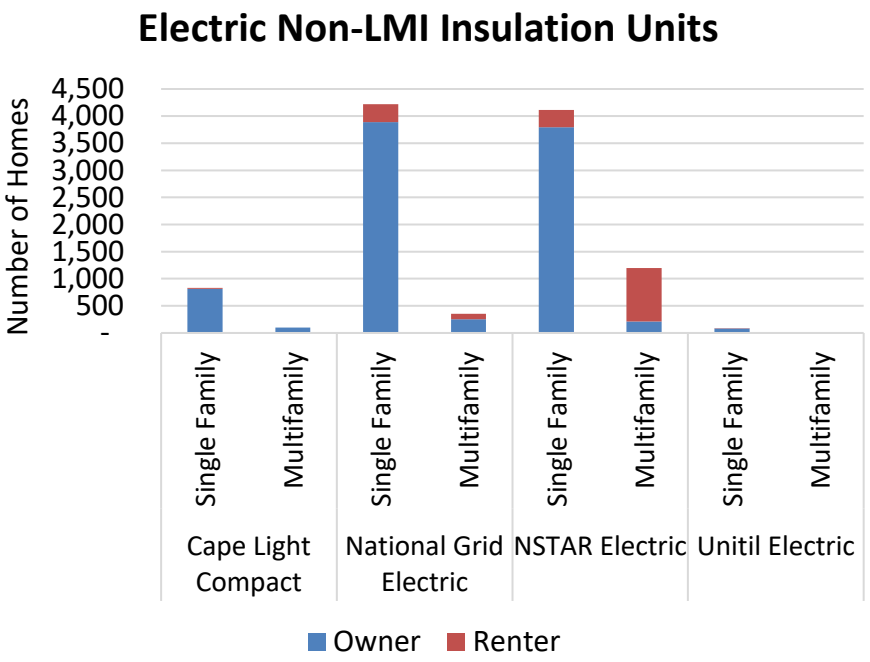
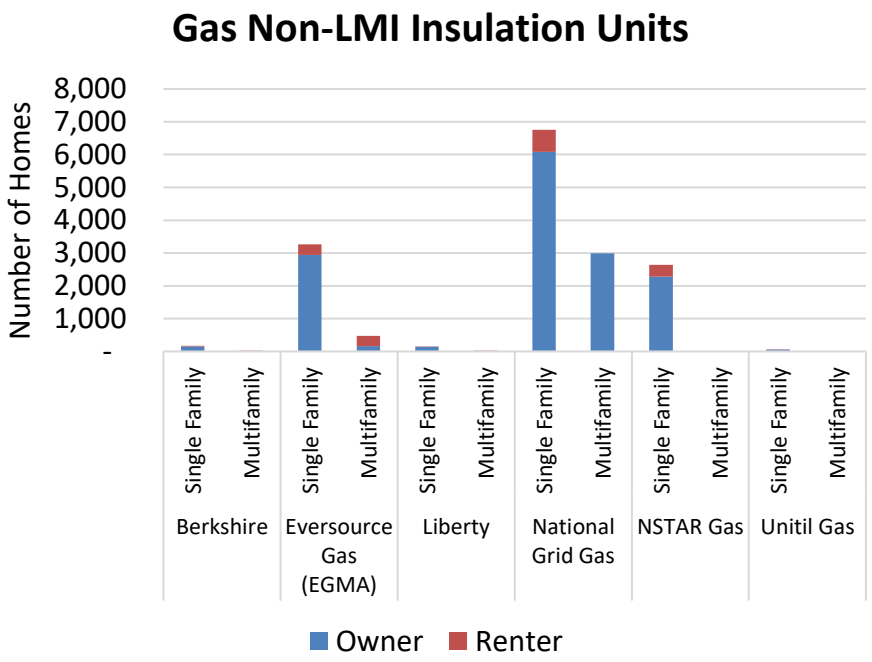
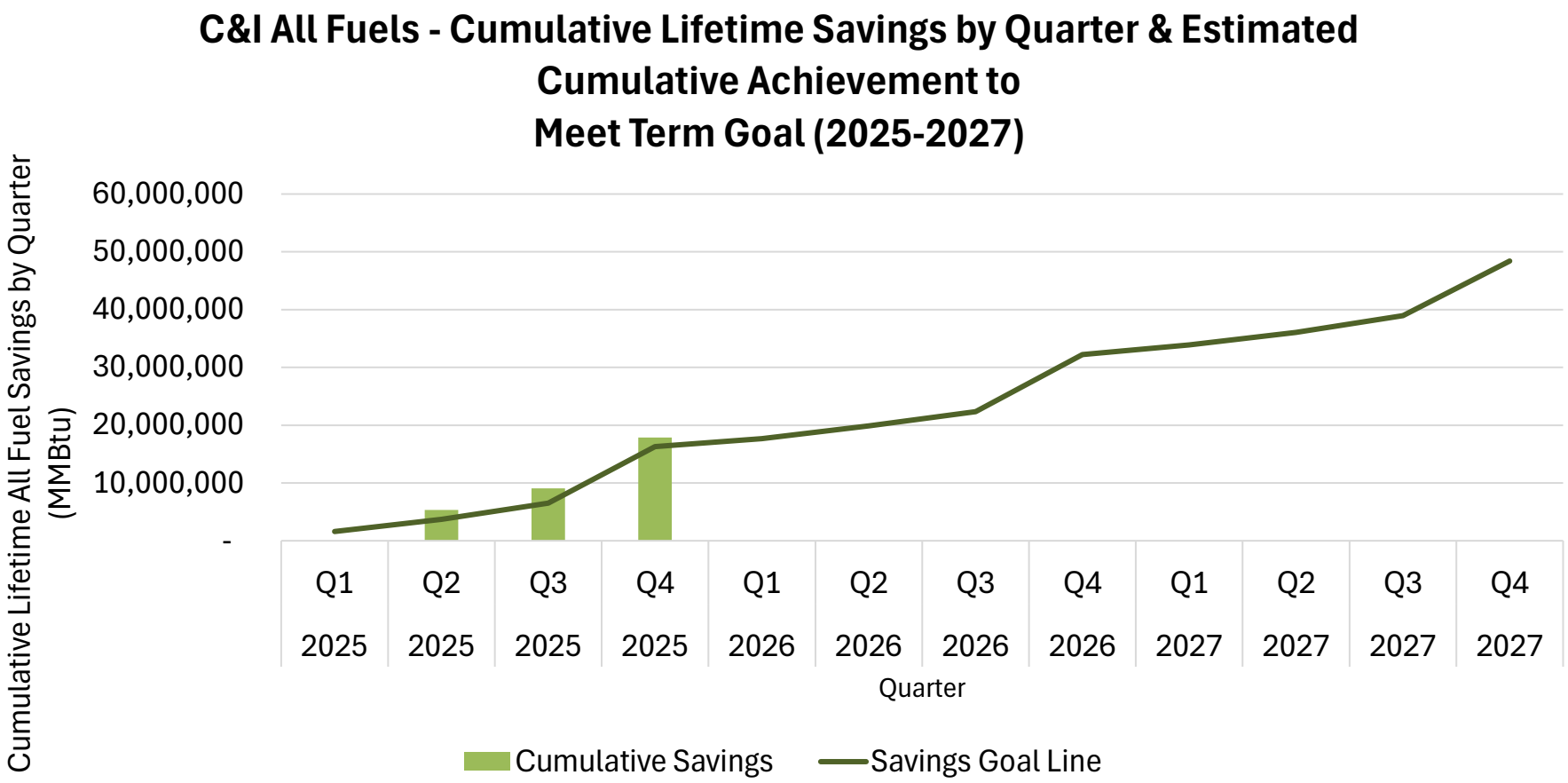
  - Actual statewide res (non-LMI) insulation units were 69% of planned electric and 112% of planned gas units in 2025





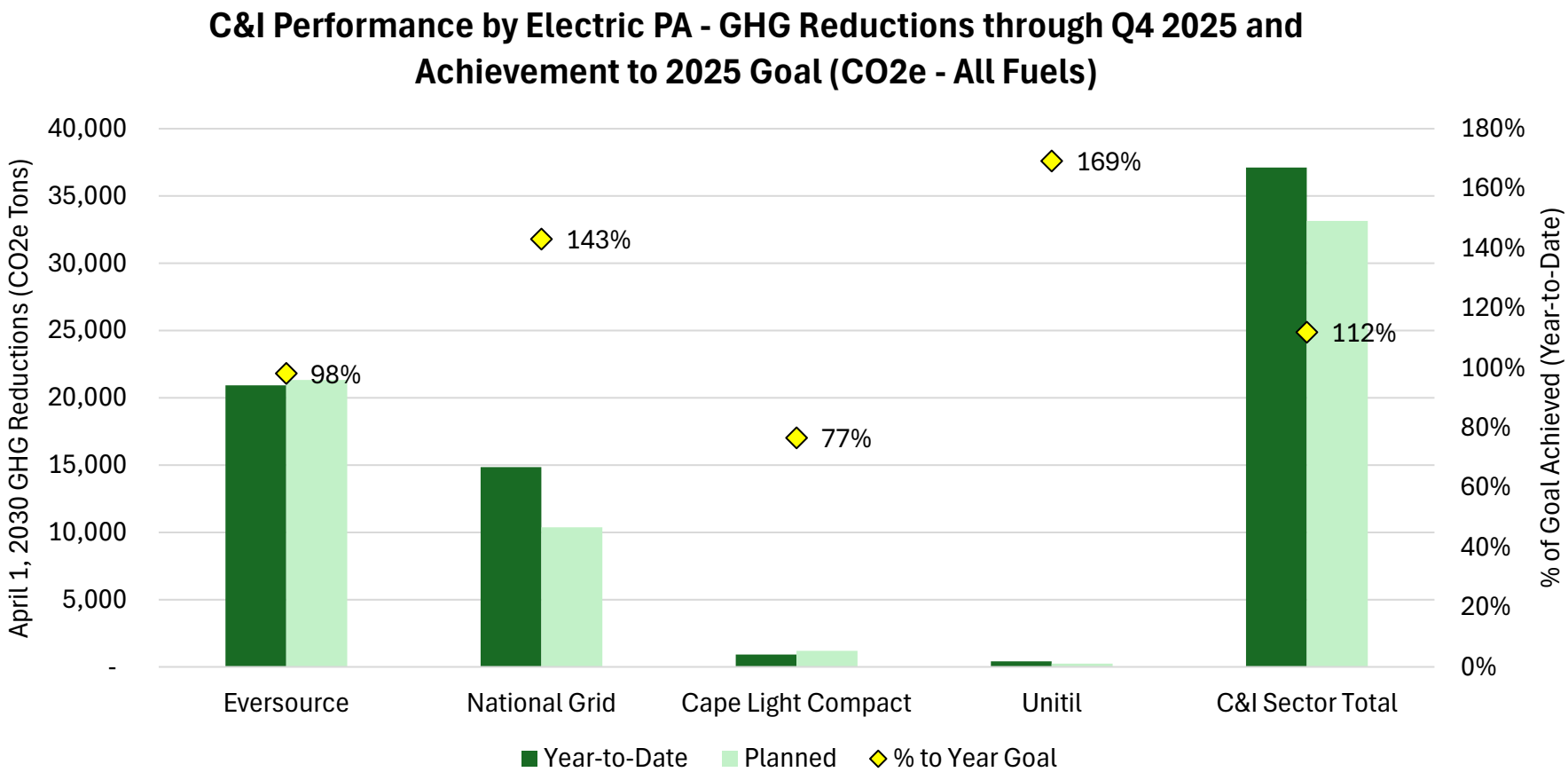
C&I PERFORMANCE FORECAST

- **PAs will exceed Term goals if they maintain current pace**



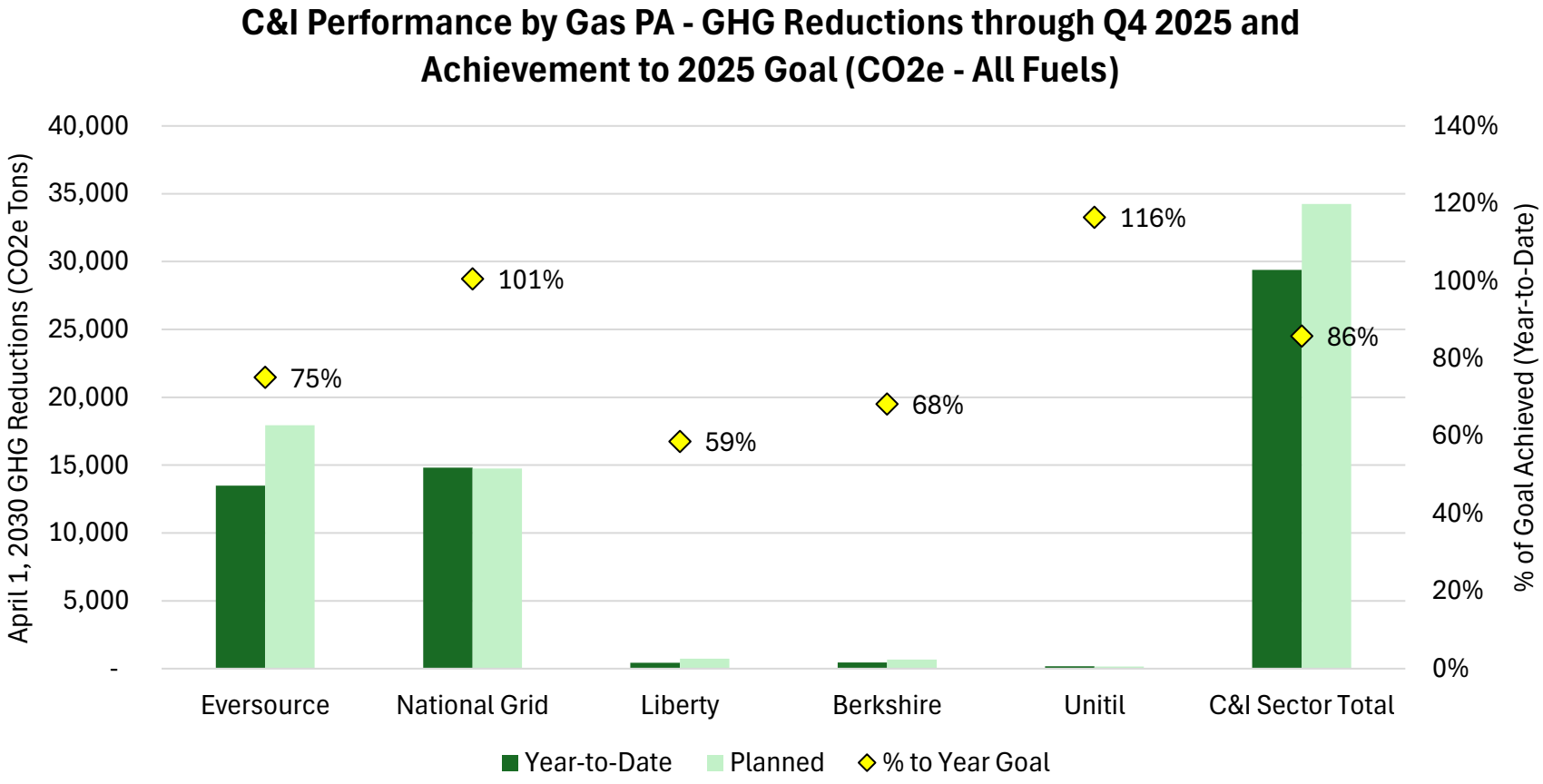
C&I ELECTRIC PERFORMANCE BY PROGRAM ADMINISTRATOR

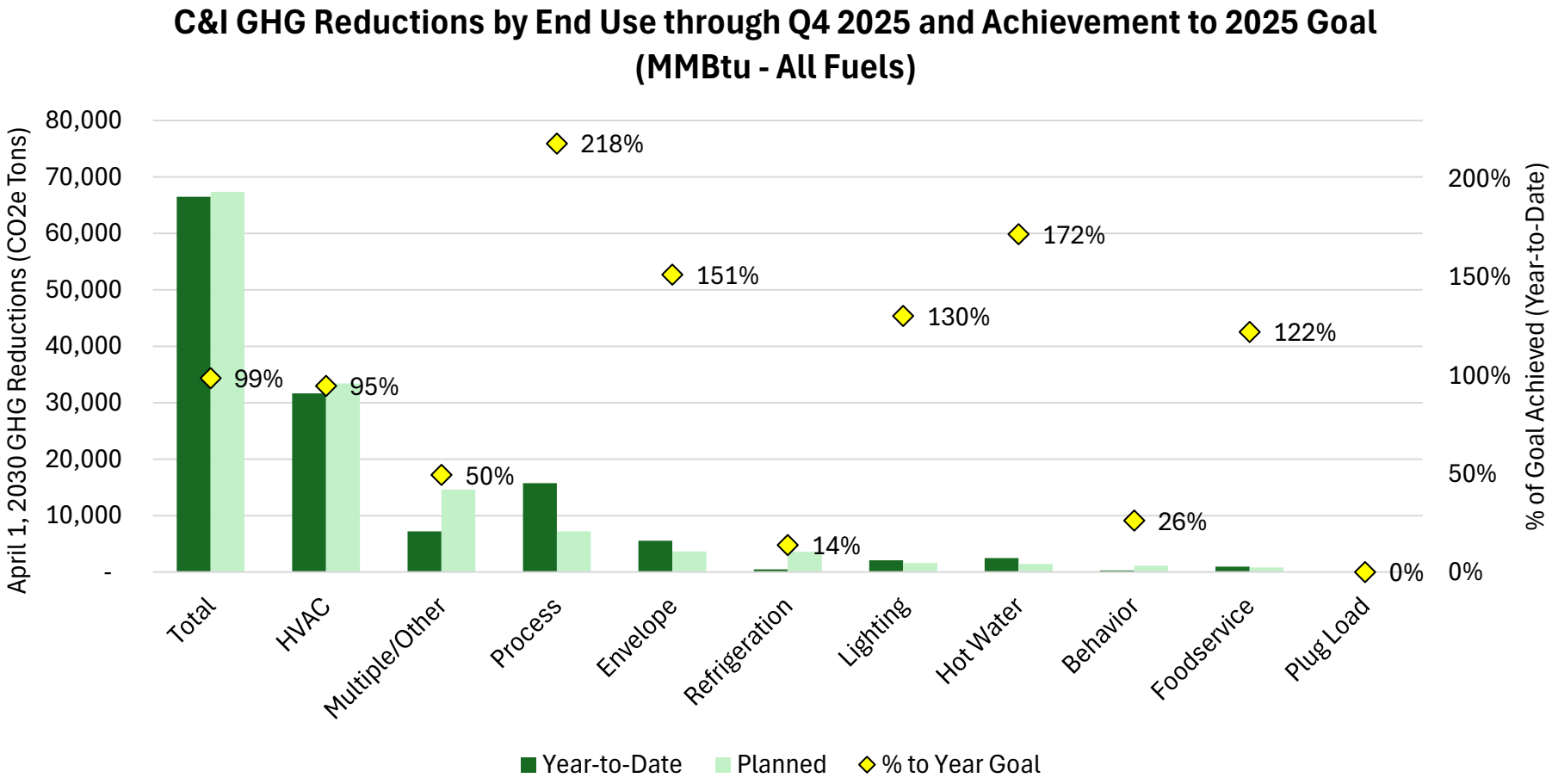
- **Electric PAs exceeded 2025 planned GHG reduction goal by 12%**



C&I GAS PERFORMANCE BY PROGRAM ADMINISTRATOR

- **Gas PAs achieved 86% of planned 2025 GHG reductions**



C&I PERFORMANCE BY END USE

- **Nearly every end use met or exceeded 2025 goals**