Dasso, Ina (ENE)

To: MA-EEAC (ENE)
Subject: Due 4/3: Councilor Survey on Residential Budget Cuts
Attachments: Res budget data for full EEAC 3_28_25 final.xlsx

CAUTION: This email originated from a sender outside of the Commonwealth of Massachusetts mail system. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Dear Councilors,

As part of its February 28, 2025 Order approving the 2025–2027 Energy Efficiency Plans, the DPU directed the PAs to reduce the total residential sector budget by $500 million—split evenly between gas and electric programs. It also directed the cuts to be allocated **proportionally** across Program Administrators based on the size of their originally filed budget. Although the DPU did not provide specific guidance around where the budget reductions should come from, it emphasized minimizing impacts to core goals and outcomes, specifically, "preserving as many of the **GHG emissions reductions** and **equity aspects** of the Three-Year Plans as **practicable**." To support the PAs in their efforts to reduce the residential budget, DOER, as chair of the EEAC, is soliciting feedback from Councilors to identify which aspects of the 2025-2027 Plan the PAs should prioritize. Please complete the survey at the following link by **Thursday, April 3rd at 5pm** to provide your input on the 2025-2027 Plan residential budget cut process:
https://forms.office.com/Pages/ResponsePage.aspx?id=QWoBUdGBJ0i5wAI1Ga1679f1uCV6gA5PoJJ8bAVA7JpUMlFVWUhYNlRJTFRaUUI2OVNaNkZPNjA1Ty4u

The Consultant Team has also compiled the attached data to help Councilors understand the potential magnitude of budget cuts available from key initiatives, measures, and offers and the potential impacts to GHG reductions and equity populations. We provide references to specific cells in the survey where relevant. We note that PA budgets do not specify planned expenditures within **Designated Equity Communities** for moderate income customers or renters. In the interest of simplicity, the data include only opportunities for the most significant budget cuts. As a reminder, prescriptive heat pumps offered through the residential rebates initiative and HEAT Loans are part of the **pooled electrification approach**, which allows gas and electric PAs to jointly fund and administer heat pump incentives across service territories through a shared statewide budget. If any Councilor would find it helpful to walk through the spreadsheet and/or the survey, please let us know and we will be happy to schedule some time.

Within the key budget areas, there are four primary levers the PAs can use to reduce spending: reducing per unit incentive levels, reducing production volumes, narrowing eligibility requirements, and eliminating measures or offerings altogether. These strategies are closely interrelated and often function in tandem. For example, lowering incentive levels may naturally reduce demand, leading to lower production volumes. Informed by the directional input from Council, review of the most recent data and participation trends, and their implementation and planning judgments, the PAs will use these levers to achieve budget reductions strategically—minimizing customer disruption while preserving core objectives around GHG reduction, equity, and customer access.