

Energy Efficiency Advisory Council's Equity Working Group's Comments on April Draft Plan 2022-2024

July 23, 2021

1. Introduction

The Energy Efficiency Advisory Council's Equity Working Group recognizes and commends the Mass Save® Program Administrators (PAs) for their work to include equity as a priority focus in the April Draft Plan.¹ The EWG reiterates support for the full list of recommendations² provided to the Council and Mass Save® PAs and included as a part of the EEAC resolution approved on March 24, 2021. The focus of the EWG's comments here are on the priorities and details the EWG deems most important for inclusion in the Final Plan submitted in October of this year.

The April Draft Plan presents a shift from prior statewide electric and gas energy efficiency plans. However, the EWG believes that the Final 2022-2024 Plan must go further than currently proposed in the April Draft Plan to ensure that transformative change happens. The April Draft Plan provides qualitative goals within its sections on strategic initiatives, and accompanying these goals are descriptions of barriers, example tactics, applicable incentives, and simplified timelines for implementation. Improving equitable outcomes in the statewide energy efficiency programs will take significant investments of time, effort, and resources in communities and customers that have been historically underserved. Achieving success with equity initiatives will also require investments in complementary initiatives such as partnerships and workforce development. The details included in the April Draft Plan provide important qualitative descriptions of initiatives that the PAs will undertake, but they do not provide the quantitative targets necessary to measure progress towards equity goals and lack some tactical detail necessary to assess whether program changes align with EWG recommendations from March 2021.

2. Focus on Equity - the Priorities

The PAs define equity in the context of energy efficiency as, "... the process of establishing more equal access to and participation in energy efficiency programs, particularly among those groups who have historically participated at lower rates, including renters/landlords, moderate-income customers, and English-isolated families."³ While access to and participation in energy efficiency programs is of primary importance, it is not the sole definition of equity and cannot be achieved without a broader view of and approach to equity.

Program participation provides one set of energy efficiency benefits. Other benefits that need to be more equitably distributed include 1) the geographic distribution of program investments and benefits

¹ Massachusetts Joint Statewide Electric and Gas Three-Year Energy Efficiency Plan, (April 30, 2021), <https://ma-eeac.org/wp-content/uploads/Mass.-Statewide-Energy-Efficiency-Plan-Submitted-April-30-2021.pdf>

² Council Approved Equity Recommendations, (February 24, 2021) <https://ma-eeac.org/wp-content/uploads/FINAL-Equity-Recommendations-APPROVED-2.24.21.pdf>

³ Massachusetts Joint Statewide Electric and Gas Three-Year Energy Efficiency Plan at 58, (April 30, 2021), <https://ma-eeac.org/wp-content/uploads/Mass.-Statewide-Energy-Efficiency-Plan-Submitted-April-30-2021.pdf>

and 2) the availability of and access to employment and procurement opportunities for individuals and businesses that are underrepresented in the clean energy economy. Furthermore, the Massachusetts legislature has explicitly called for equitable distribution of energy and environmental benefits and environmental burdens.⁴ The EWG feels strongly that the PAs continue developing and enhancing initiatives focused on equitable distribution of benefits.

The Commonwealth has established a goal of net-zero GHG emissions by 2050 and aims to do so equitably. In the April Draft Plan the PAs identified equity and electrification as two of their top priorities. The EWG firmly believes that any and all prioritization of electrification should be viewed with an equity lens as well. The EWG urges the PAs to ensure that the 2022-2024 Plan proactively paves the way to a just and clean energy transition. Over the next several years, hundreds of thousands of residences and businesses will need to be electrified to meet statewide GHG emissions reductions goals. The statewide energy efficiency programs present a significant opportunity to meet those goals equitably by centering equity and environmental justice in electrification policies from the start. This means that low- and moderate-income customers cannot be left behind in the clean energy transition. Designing policies and programs that do not actively promote electrification where economically feasible would force low- and moderate income customers to bear the financial burden of supporting fossil fuel infrastructure as the state transitions away from fossil fuels. The PAs and the Low-Income Energy Affordability Network (LEAN) should actively pursue electrification for low- and moderate-income customers using delivered fuels or inefficient electric heat, where energy burden will be reduced by converting to efficient electric heat pumps. While it may not be economically feasible for gas customers to convert now, the PAs and LEAN should have plans in place such that additional customers can be quickly and efficiently transitioned in the future.

With deliberate and inclusive actions, we can create a diverse set of solutions that bring us closer toward the Commonwealth's climate goals and at the same time further reduce social inequities related to energy.

3. Budgets, Benefits, and Participation

With increased focus on equity issues and equitable delivery of energy efficiency services, it is necessary to enhance transparency and understanding regarding the magnitude of PA financial investments and impacts in the 2022-2024 Plan. The EWG supports the increased investment that has been allocated for moderate-income customers. However, additional information is needed to adequately assess whether investments for the other equity priority areas are acceptably robust. Much of the information regarding equity-related budgets has been delivered to the EWG via its regular meetings; therefore the EWG strongly recommends that the PAs include a detailed budget for equity initiatives in the 2022-2024 Plan. These detailed budgets should include investment, planned number of participants served, and net lifetime MMBtu broken down by environmental justice communities, workforce development,

⁴ [An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy \(2021\)](#)

partnerships, moderate-income (including pre-wx barrier mitigation), renters and landlords (including income-eligible), language-isolated populations, and small business.⁵

4. Stakeholder Inclusion

Over the last year and a half the EEAC has implemented changes and process improvements to provide opportunities for more meaningful involvement in Three Year Planning. Much of the meaningful involvement has come through process improvements in the planning process, such as including stakeholder representatives as members of the Equity Working Group, inviting stakeholders to provide input during EWG hosted focus groups, and hosting virtual meetings and listening sessions which allowed for greater participation.

The EWG would like to highlight some of the key takeaways from comments received from stakeholders following the publication of the April 30th Draft Plan. In their comments, stakeholders have stressed the need for the following to be included in the final version of the 2022-2024 Plan.

- Additional quantitative and qualitative details, clarity, and transparency are needed throughout the plan to ease concerns about the achievability of the equity goals specified in the plan.
- Numerical targets and metrics are essential to assess progress on equity priorities throughout the plan. Relying on EM&V studies that are completed years later is insufficient for measuring progress in real time.
- Budgets should be clearly articulated for equity initiatives and commensurate with the needs of underserved customer groups such as moderate-income customers, renters and landlords, language-isolated populations, and small businesses.
- Enhanced communications are needed to ensure that customers, contractors, municipalities, and more are aware of the program offerings available and are able to effectively communicate those offerings to their peers.
- The climate benefits of electrification should be more accessible to all residences and businesses interested in participated in Mass Save[®]. This includes educating Mass Save[®] partners on electrification technologies and encouraging them to promote electrification opportunities among customers.

In effort to maintain informative stakeholder connections, the EWG recommends that the DOER, EEAC, and PAs continue with the successful stakeholder engagement practices identified during this planning process and that plans for maintaining continued engagement be included in the next version of the Plan.

5. Equity Targets and Metrics

The EWG firmly believes that committing to and making progress towards equity goals requires establishing targets and metrics. Without clearly defined numerical targets and metrics and timelines for

⁵ The PAs should indicate where there is overlap between priority areas (e.g. a moderate-income renter). For priority areas where the PAs cannot provide granular data, approximations should be made and detailed assumptions regarding those approximations should be shared as well.

implementation, the Council will be limited in its ability to track where progress has been made and where additional support is needed. In consultation with the PAs, the EWG has begun developing a framework for measuring equity in the areas of environmental justice communities,⁶ workforce development, partnerships, renters, moderate-income customers, language isolated populations, and small businesses. The framework uses metrics such as participation, benefits, and investment as means to track progress towards more equitable outcomes. Metrics are being carefully chosen based on available baseline data and feasibility for collecting new data. In addition, reporting requirements, including the frequency of reporting for each metric, are still under discussion. Examples of targets the EWG has discussed include, but are not limited to, the following:

- Environmental Justice Communities: Increase number of participants by PA in designated EJ communities Plan over Plan in selected EJ municipalities by a percent to be set for each PA individually.
- Workforce Development: At least 120 people will complete training and be placed in relevant industry positions through Clean Energy Pathways, with at least 75% being Women, Black, Indigenous, or People of Color, fluent in language(s) other than English, and/or from EJ block group at time of enrollment. PAs will report on 12-month retention, with a target of [XX] % of placed trainees retained.
- Moderate-Income: Increase the number of moderate-income weatherization jobs by [XX]% year over year (baseline to be established using 2021 actual data).

The EWG has been clear through this process that the framework is a first step in a longer journey, and that the targets and metrics framework will continue to be updated as needed. The EWG expects that the PAs will continue to work with the EWG to develop an Equity Targets Framework including details around reporting frequency and bring the framework to the Council for review in August 2021.

6. Data, Tracking, and Reporting Toward Equity Targets

The EWG views data, tracking, and reporting as a core component of making progress towards improved equity in the Mass Save® programs. The EWG recognizes the significant upgrades that have been made to increase access to Mass Save® Data including developing interactive data mapping tools and Customer Profile Dashboards for the Residential and Commercial and Industrial sectors.⁷ These new tools provide enhanced access that formal and informal Mass Save® partners can access to help develop targeted outreach strategies that will hopefully direct program resources to customers who need them most and customers that have been historically underserved. The EWG expects the PAs to continue to host outreach sessions on these new tools to increase awareness among interested stakeholders, improve these data tools and resources over time, and expand these tools to additional municipalities.

⁶ As defined by the Executive Office of Energy and Environmental Affairs *Environmental Justice Policy* (June 24, 2021) <https://www.mass.gov/doc/environmental-justice-policy6242021-update/download>

⁷ The Massachusetts Energy Efficiency Database, <https://www.masssavedata.com/public/home>, (last visited June 28, 2021)

In the recommendations provided to the Council earlier this year, the EWG recommended several reporting criteria for the PAs to consider.⁸ The EWG views reporting towards equity targets to be critical. More frequent and granular reporting of participation by underserved customer groups is necessary to ensure progress. By providing data more frequently, the EEAC and the PAs will be better equipped to review and act with necessary urgency, rather than waiting years for comprehensive evaluation studies to be completed. Furthermore, more detailed reporting would allow the EEAC and the PAs to understand how certain priority areas and customer segments within a sector are making progress towards equitable outcomes and reassess if there are changes that should be made to improve outcomes. The EWG understands that this process will take time and that it will require a serious overhaul of data tracking and reporting systems for some of the newer metrics. The EWG encourages the PAs to view this as a long-term investment in equity as reaching a more just and equitable future will require more time than the next plan term. The EWG recommends that all reporting systems for equity targets should be in place by the end of the second quarter of 2022.

7. Programmatic Priorities

The Three Year Plan and accompanying documents typically have been strategic —rather than tactical— documents. The EWG strongly suggests that additional tactical detail is needed to address adequately issues of inequity. There are two reasons : 1) to ensure that the extensive work that the EWG and stakeholders have made is utilized to implement the EEAC’s equity recommendations and 2) to see implementation strategies in sufficient detail to have confidence that equity targets will be met. In this next section, the EWG provides more detailed comments regarding areas where the EWG supports the PAs plans, where the EWG believes additional detail is needed to make a fair assessment, and changes the EWG expects to see in the Final Plan. In each of the below areas addressed in the Three-Year Plan, the EWG recommends that the PAs define critical points of review to ensure that new strategies and tactics are bringing about the desired results. Such review should include stakeholder participation for input and problem solving. Building into the Plan review and recalibration of programs will ensure the strong forward momentum on goals that the EWG, PAs, and stakeholders want to see in these areas.

Table 1. Equity Working Group Programmatic Priorities

	<i>The EWG Supports...</i>	<i>More Information Needed on...</i>	<i>Areas Where Changes Are Needed...</i>
Partnerships	<ul style="list-style-type: none"> • Option for multi-year partnerships • Increased focus on EJ communities for Municipal Partnership Program • Municipal Partnership funding structure that is more guaranteed and predictable 	<ul style="list-style-type: none"> • Budget for Municipal Partnership Program and partnerships more broadly • Metrics that will be used to evaluate partnership performance 	<ul style="list-style-type: none"> • Increase in the number of partnerships, including how those partnerships will be distributed throughout the Commonwealth • Definition of partnerships

⁸ Council Approved Equity Recommendations, (February 24, 2021) <https://ma-eeac.org/wp-content/uploads/FINAL-Equity-Recommendations-APPROVED-2.24.21.pdf>

Workforce Development	<ul style="list-style-type: none"> • Increase in budget for WFD efforts • Creation of the Clean Energy Pathways program 	<ul style="list-style-type: none"> • PAs’ plan to collaborate with MassCEC on \$12 million/year for energy efficiency workforce development • Workforce development investments outside of the Hard To Measure budget • Efforts to improve Diverse Business Enterprise participation in PA procurements 	<ul style="list-style-type: none"> • Additional workforce efforts beyond Clean Energy Pathways in residential, income eligible, and C&I sectors
Moderate-Income	<ul style="list-style-type: none"> • Increase in funding for barrier mitigation and HVAC incentives which can be tracked at the measure-level • Commitment to improving and simplifying the income verification process 	<ul style="list-style-type: none"> • Implementation strategy for serving moderate income customers such as streamlining the income verification process and timeline for implementation • Barrier mitigation budget and tracking and reporting of barriers 	<ul style="list-style-type: none"> • Increase the value of HVAC incentives for heat pumps • Differentiate incentives for electric and fossil fuel heating systems such that heat pumps are competitive up-front • If Wx is included as a requirement for enhanced HVAC incentives, the PAs must develop a coordinated and streamlined delivery model that reduces the number of contacts for a customer
Renters and Landlords	<ul style="list-style-type: none"> • Continuation of enhanced incentive for residential 1-4 unit and attached low-rise individually metered buildings 	<ul style="list-style-type: none"> • Implementation strategies for directly engaging with residential and commercial landlords • Details on the Mixed-Income Protocol, including framework and timeline for implementation 	<ul style="list-style-type: none"> • Include more innovative approaches for reaching landlords • Develop participation goals by building size, particularly for smaller multifamily buildings with 3-9 units • Develop plans for serving rental C&I properties, particularly small- and micro-business • Include plans for integrated service delivery and one point of contact for landlords
Language Isolated Populations	<ul style="list-style-type: none"> • Commitment to improving access for 	<ul style="list-style-type: none"> • Details on how language assistance will be provided across PAs 	<ul style="list-style-type: none"> • Provide an implementation timeline for Language Access Plan, which should

	<p>Spanish and Portuguese-speaking households</p> <ul style="list-style-type: none"> • Commitment to developing a Language Access Plan 	<ul style="list-style-type: none"> • Details describing how comprehensive language access will be fully integrated through all aspects of the PA portfolio, including outreach, intake, assessment, installation, and quality assurance for residential, income eligible, and commercial and industrial customers • Details for how the PAs will serve small businesses where English is not the primary language spoken by the business owner 	<p>include details for language access for households with a primary language other than Spanish or Portuguese</p>
Small Business	<ul style="list-style-type: none"> • Allowing eligible customers to sign up online for turnkey small business audits 	<ul style="list-style-type: none"> • Details on outreach strategies for small business in addition to the Main Streets Program • Provide details on how Wx and HVAC installations are being scaled up from current levels • Address how the PAs will reach different industries within the small business sector such as non-profits 	<ul style="list-style-type: none"> • Define small business or adopt definition used in the C&I non-participant study • Develop participation goals for upstream and downstream initiatives specifically for Wx, HVAC, and non-lighting measures

8. Conclusion

The EWG is grateful for the opportunity to collaborate closely with the PAs on equity. It is the EWG’s goal to continue this close collaboration moving forward. Creating a Three Year Plan that not only prioritizes equity but leads to equitable outcomes is the ultimate goal of the working group. The non-participant studies and stakeholder feedback has shown that statewide energy efficiency programs have left customers underserved. This plan signals a change and a commitment to investing in those communities. Ensuring that underserved communities have equitable access to program benefits will require us to try and try again when we don’t succeed, but the goal will remain the same: to ensure more just and equitable access and outcomes.