Introduction

On March 28, 2025, members of the Energy Efficiency Advisory Council (EEAC)and the Equity Working Group (EWG) were provided with a survey to provide feedback on which investments to prioritize in the 2025-2027 Mass Save residential program budget in light of the $500 million budget cut ordered by the Department of Public Utilities. This document summarizes survey responses from EEAC and then provides responses in their entirety. The responses have been anonymized and were previously provided to the Program Administrators for consideration as they prepare a draft of the April 30, 2025 compliance filing to be shared at the April 16, 2025 EEAC meeting.

The April 16th EEAC meeting will provide councilors the opportunity to discuss the survey responses, the draft compliance filing and to provide any additional feedback to the program administrators.

The EWG met on April 7th to discuss the EWG member survey responses. A document summarizing the EWGs responses and input for consideration by the EEAC is posted as part of the EEAC meeting materials.

Summary of EEAC survey responses

The following summarizes aggregated responses received from the EEAC. **We encourage EEAC members to review responses (provided in this document) in their entirety.**

In general, the weatherization of homes and business remains an EEAC priority as it saves energy, contributes to greenhouse gas reductions and saves customers' money. Barrier mitigation in connection with weatherization was also prioritized, as it is a key component of serving underserved customers. Finally, the EEAC, consistent with the EWG's input, prioritizes the approach in the DECs, which centers the residents in the DECs and begins to address systemic distributional inequity.

In general (Questions 1-3), a majority of EEAC members prioritize:

- preserving investments in equity over investments to achieve GHG reductions, recognizing that equity investments also reduce GHG emissions.
- maintaining investment in the Designated Equity Communities.
- preserving funding for weatherization over heat pumps, with several members emphasizing that heat pump investment should prioritize customers that heat with delivered fuel/electric resistance over gas-heat customers (prioritizing immediate customer bill savings).

The EEAC favored slightly a prioritization of future greenhouse gas (GHG) reductions over immediate customer bill savings. (Question 4).

When considering residential offers generally, the EEAC prioritized weatherization and barrier mitigation for renters, followed by weatherization and barrier mitigation for moderate income customers, recognizing that there is overlap between renters and moderate-income customers. The EEAC de-prioritized funding for the HEAT loan. (Question 5).

In response to what offerings should be cut (Question 10), changes to or elimination of HEAT loan was most frequently mentioned.

In response to prioritization of moderate-income customer offers (Question 6), there was a slight preference for serving moderate income customers within DECs, with several councilors focused on moderate-income renters in DECs and statewide. Targeting replacement of delivered fuels and electric resistance heating with heat pumps was most frequently mentioned.

In response to prioritization of renter customer offers (Question 7), serving renters within DEC communities was most frequently mentioned along with a priority for targeting replacement of delivered fuels and electric resistance heating with heat pumps.

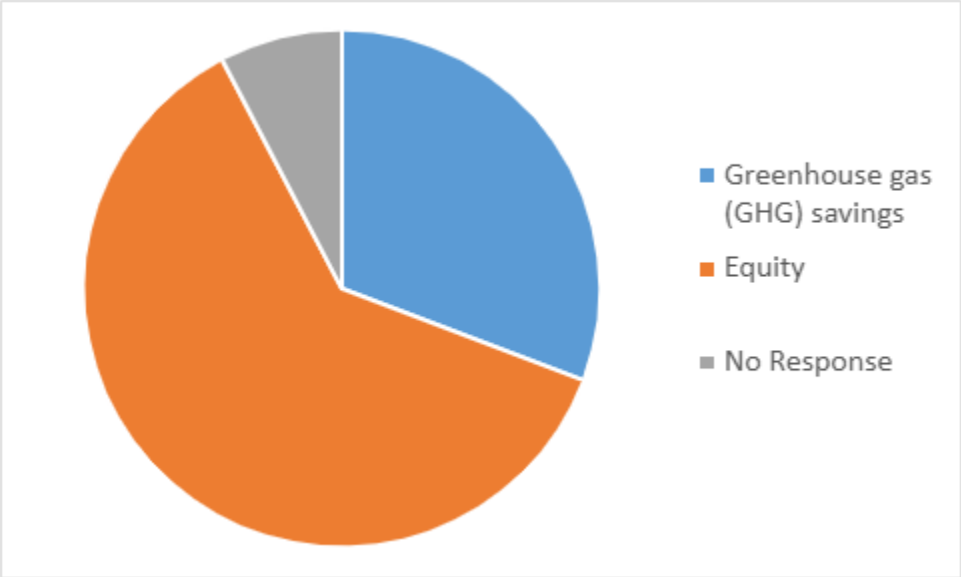
In response to prioritization of market rate customer offers (Question 8), most EEAC members de-prioritized market rate customer offers statewide and favored maintaining investment in market rate renters in DECs.

In response to prioritization of programs without direct GHG savings, the EEAC prioritized investment in Community First Partnership, home energy assessments and language access services, followed by workforce development. Investment in home energy scorecards was ranked last.

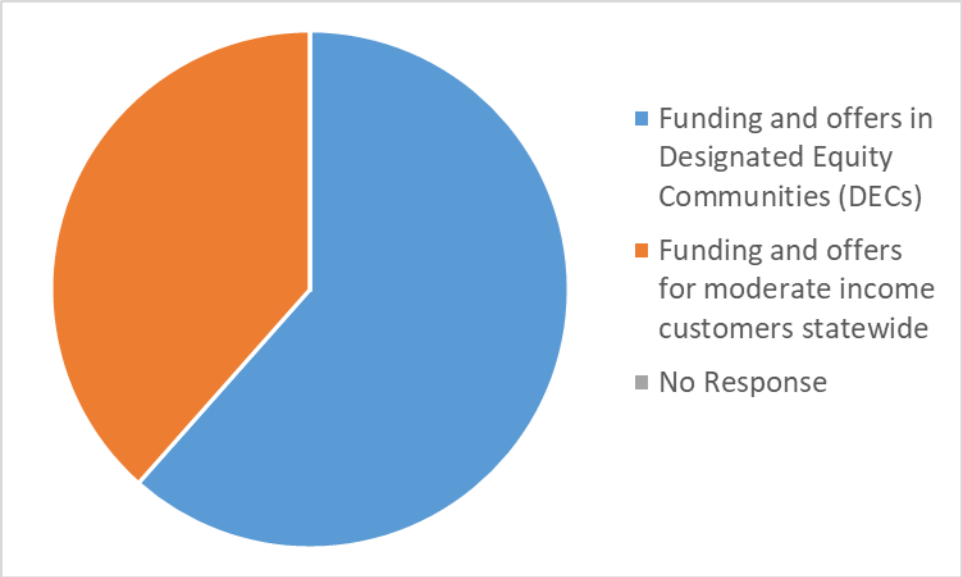
EEAC members provided a variety of responses in response to an open-ended question about what to prioritize (Question 11). We recommend reading these responses in their entirety.

Question 1: A. Greenhouse gas (GHG) savings OR B. Equity (14 Responses)

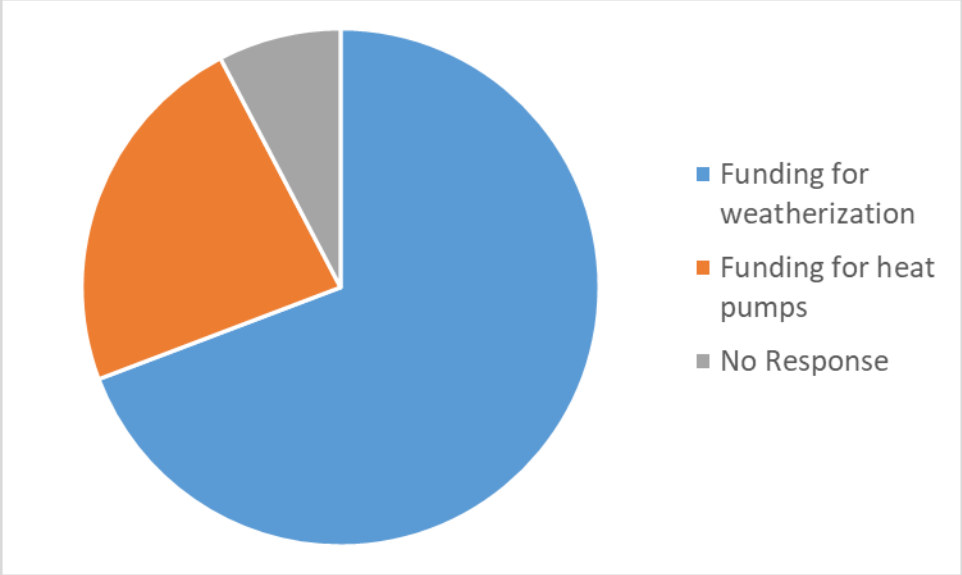
Note: No response indicates that a councilor responded to the survey, but did not respond to a particular question



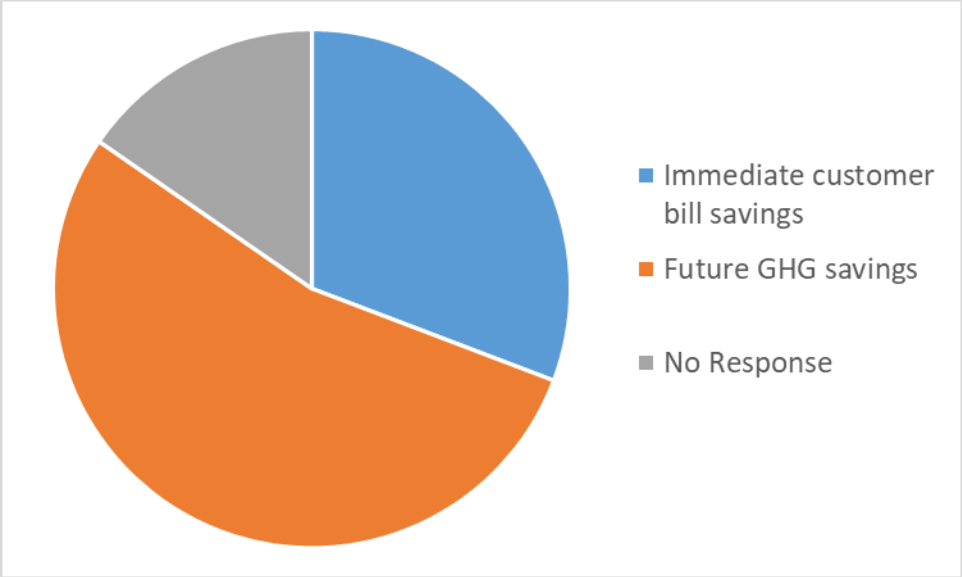
Question 2. A. Funding and offers in Designated Equity Communities (DECs) OR B. Funding and offers for moderate income customers statewide (15 Responses)



Question 3. A. Funding for weatherization OR B. Funding for heat pumps (14 Responses)



Question 4. A. Immediate customer bill savings OR B. Future GHG savings (13 Responses)



Question 5. After reviewing the full list below, please rank the priorities in order of those you would like to see maintained as much as possible as budgets are cut (1 = top priority, 10 = lowest priority). (15 Responses)

Question 6. Please provide any additional input you have on prioritizing budget for moderate income customer offers including the following: In DECs, outside DECs, owners, renters, 1-4 units, 5+ units, electric resistance/oil/propane displacing heat pumps, gas displacing heat pumps.

- The list is a bit difficult to prioritize as some of them are equally important. But as a general rule, if we continue with heat pumps, we should be concentrating on converting oil/wood/resistance to heat pump rather than gas or propane, unless the gas system is in need of replacement. Also, incentives for heat pumps should be lowered if the customer is getting AC when they did not have it before. Why are we paying for AC? Weatherization is the biggest bang for the dollar and should be encouraged at all income levels (which it is for the most part now). Weatherization should not be cut. Few really care about GHG savings - particularly at the cost/per ton we are paying. There are far better options to reduce GHG if that is society's goal - public transit for one. We need to stop over promising the program - using the amount of money we spend) or the amount of heat pumps we install) as measure of success and push back that maybe this program should be seriously cut back as it has become a decarbonization effort, not EE. I am not even sure it is reducing carbon all that much.
- I would generally prioritize MI customers in DECs ahead of MI customers outside DECs; where MI customers are also renters, I'd prioritize those MI renters ahead of MI non-renters (regardless of 1-4 or 5+ units). In terms of heating sources for HP conversions, I would prioritize delivered fuel customers and electric resistance customers (regardless of income level) over any gas customers (regardless of income level).
- I'm of the opinion that mod inc. customers would need to be the second, or middle priority of the three categories when compared to renters and market rate customers in DEC communities and outside of DEC communities. I believe mod inc. customers within DEC communities ought to receive higher priority than those residing outside of DEC communities. A continued focus on properly addressing the building shell and displacing fossil fuels and electric resistance baseboard should continue to be top priorities.
- When allocating budget for moderate-income customer offers, it is important to recognize the significant implementation challenges these programs face compared to market-rate or renter-focused programs. Due to bureaucratic hurdles, long processing times, and the difficulty of verifying measures in the field, these programs require a much higher investment per successful project while delivering uncertain results. Contractors frequently struggle to move customers through the process, losing many along the way due to the complexity and unpredictability of approvals. This makes it difficult to achieve scale and meet program targets efficiently. Additionally, programs focused on displacing electric resistance, oil, and propane heating face an even steeper uphill battle, as they are still nascent and require substantial upfront investment before they can gain traction. Given these factors, prioritizing budget toward more effective and scalable programs—such as market-rate or renter-focused initiatives—would likely yield greater impact per dollar spent. While moderate-income programs serve an important need, their structural challenges make them less cost-effective in the near term, and a lower priority for funding compared to programs with clearer paths to implementation and success.
- Statewide efforts to support moderate-income customers have often fallen short, as seen in various plans implemented over the years. Data from 2022 to 2024 suggest a need for a

strategic shift. DECs, new markets, and priority areas are integral to our new strategy to increase participation among this demographic. DECs are locations with a high proportion of moderate-income residents. We should aim to retain the approximately 4,000 heat pumps in the plan, focusing on fuel switching for moderate-income customers to replace electric resistance heating, as well as oil and propane systems, with heat pumps.

- Standardize moderate income offer statewide to improve ease of marketing and target outreach efforts heavily in the DECs.
- would equally prioritize retaining budget for moderate income customers whether or not in DEC or 1-4 units or 5+ units. would retain budget for electric resistance/oil/propane displacing heat pumps more than gas displacing heat pumps.
- Heat pumps should be prioritized for electric resistance/oil/propane heat. Also, for this initial increased push in moderate, I think it makes sense to focus efforts, so let's focus on the DECs, and then can spread further from there. DECs will cover a mix of owners and renter, and variation in unit numbers.
- We need to focus on serving moderate income customers in DECs. The approach to designating equity communities was designed to improve service to moderate income customers because the statewide approach hasn't worked. Focusing on the DECs will allow us to build on the momentum from 2024. Let's do this!
- Turnkey should be open to all communities not just dec communities. I believe owner occupied should come before renters because the landlord reaps most of the benefits and I do not trust they will not raise the rents once the heat pump is installed in their buildings. And the renters will be stuck with sky high electric bills.

Question 7. Please provide any additional input you have on prioritizing budget for renter offers including the following: In DECs, outside DECs, owners, renters, 1-4 units, 5+ units, electric resistance/oil/propane displacing heat pumps, gas displacing heat pumps.

- Similarly to the above, I'd prioritize renters in DECs over those outside DECs and would prioritize renters over owners generally (but particularly in DECs). In terms of heating sources for HP conversions, I would prioritize delivered fuel customers and electric resistance customers (regardless of income level) over any gas customers (regardless of income level).
- I'm of the opinion that rental customers would need to be the top priority of the three categories when compared to mod inc. and market rate in DEC communities and outside of DEC communities. That said, I believe rental customers within DEC communities ought to receive higher priority than those residing outside of DEC communities. A continued focus on properly addressing the building shell and displacing fossil fuels and electric resistance baseboard should continue to be top priorities.
- When prioritizing budget for renter-focused offers, it is important to recognize that while these programs are relatively well-structured and understood, they are still less cost-effective than market-rate programs on a per-unit savings basis. The ability to identify renter status upfront helps streamline implementation compared to moderate-income programs, reducing some of the barriers seen in other targeted initiatives.
- However, renter programs still face inherent challenges, particularly in multifamily settings (5+ units), where split incentives between property owners and tenants can limit uptake. Programs targeting electric resistance, oil, and propane displacing heat pumps also require higher

investments to achieve results. While these programs remain important, their higher costs and lower overall impact per dollar spent suggest that budget should be prioritized toward market-rate programs, which are more efficient and scalable.

- That said, renter-focused programs should still receive meaningful support, as they provide value and are relatively easier to implement compared to other income-qualified programs. Ensuring continued investment while maintaining a budgetary preference for market-rate initiatives will help maximize overall program impact.
- Statewide efforts to support renters have frequently underperformed, as evidenced by various plans implemented over the years. DEC's new markets and priority areas are key components of our new strategy aimed at increasing participation among this demographic. DECs are areas with a high percentage of moderate-income renters, primarily due to the presence of Naturally Occurring Affordable Housing.
- would equally prioritize retaining budget for renters whether or not in DEC or 1-4 units or 5+ units. would retain budget for electric resistance/oil/propane displacing heat pumps more than gas displacing heat pumps.
- Heat pumps should be prioritized for electric resistance/oil/propane heat. Also, for this initial increased push in rental offerings, I think it makes sense to focus efforts, so let's focus on the DECs, and then can spread further from there. DECs will cover a mix of owners and renter, and variation in unit numbers.
- Need to prioritize to DECs
- Obviously electric resistance heating is the top, then propane to be displaced for heat pumps. However, in dec communities the priority should not be on renters but on but owners first because the renters will just pay higher electric bills and the landlord will raise the rent on the units no matter what they agree to. How could an agreement with landlords be enforced.?

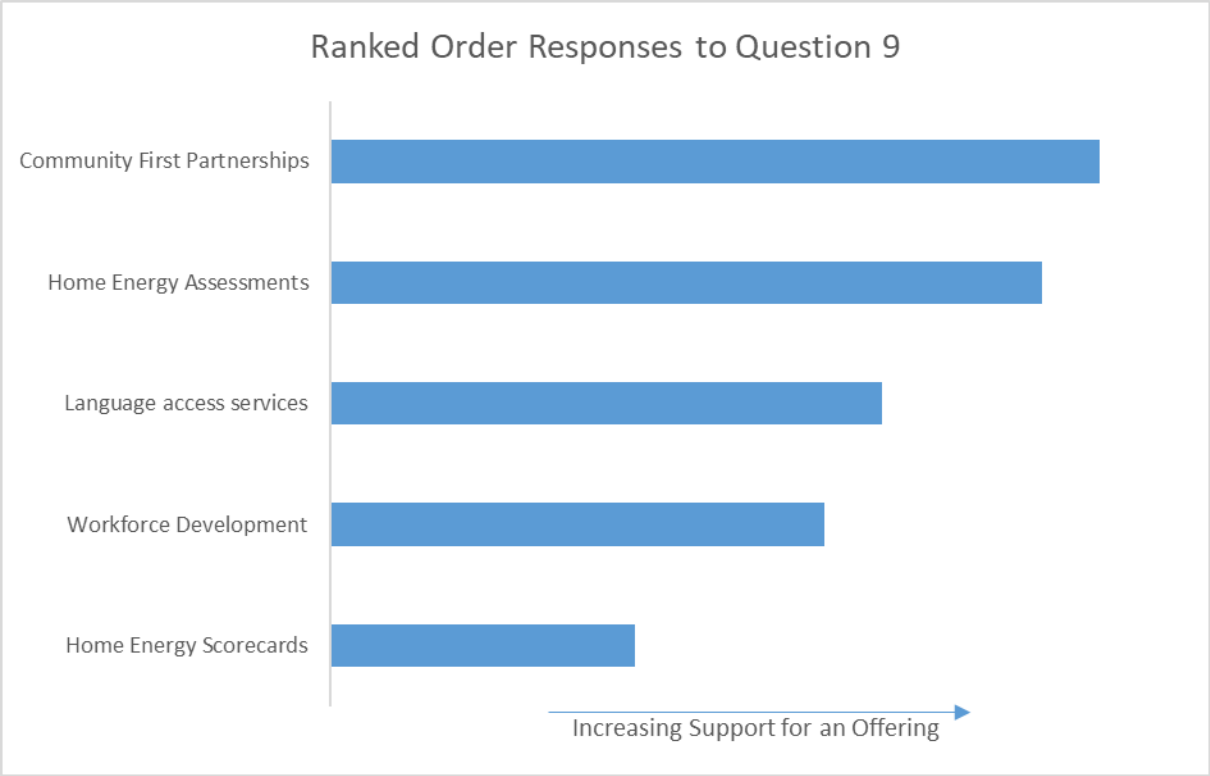
Question 8. Please provide any additional input you have on prioritizing budget for market rate customers including the following: In DECs, outside DECs, owners, renters, 1-4 units, 5+ units, electric resistance/oil/propane displacing heat pumps, gas displacing heat pumps.

- I would generally de-prioritize market rate customers, particularly non-renters, prioritizing as many MI customers as possible. Within market rate, I'd prioritize renters over owners. As above, in terms of heating sources for HP conversions, I would prioritize delivered fuel customers and electric resistance customers (regardless of income level, but within this group, MI and renters before market rate owners) over any gas customers (regardless of income level).
- I'm of the opinion that market rate customers would need to be lowest priority of the three categories when compared to mod inc. and renters in DEC communities and outside of DEC communities. That said, I believe market rate customers within DEC communities ought to receive higher priority than those residing outside of DEC communities. A continued focus on properly addressing the building shell and displacing fossil fuels and electric resistance baseboard should continue to be top priorities.
- Budget for market-rate customer offers should be prioritized, as this segment delivers the highest savings per dollar spent and is the most efficient and reliable part of the program. Having operated consistently for a long time, the industry is well-structured to execute market-rate projects effectively, making them a high-performing and cost-effective component of the overall program. While equity initiatives are important, maintaining a strong market-rate

program is essential to ensuring the overall cost-effectiveness of the program. The more market-rate work that gets done, the more funding and resources can be directed toward supporting moderate-income and renter-focused initiatives, since market rate work generates enough savings per dollar spent to cover the lower returns of the equity programs. Without a robust market-rate foundation, the program's ability to subsidize equity-driven efforts would be significantly weakened. Additionally, the existing market infrastructure for market-rate customers—whether in DECs or outside them, across different building types, and regardless of fuel displacement type—is well-developed and positioned for success. Continuing to prioritize funding in this space will maximize program impact and ensure long-term sustainability.

- 1. Market rate Electric resistance, oil, or propane-displacing heat pumps should be prioritized above gas-displacing ones.
- Consider instituting an income cap on the heat loan.
- would retain budget for market rate customers in DECs more than not in DECs. would retain budget for electric resistance/oil/propane displacing heat pumps more than gas displacing heat pumps.
- For market rate customers, if there are any still on electric resistance/oil/propane, then this should be the priority in this sector. But overall, Moderate income and renters should be prioritized over market rate customers.
- I support deprioritizing budget for market rate customers if it allows us to (finally!) make progress on serving renters, moderate income customers, and DECs.
- Market rate customers in a dec should get higher incentives that's those outside. However they should prioritize owners and those with electric resistance or propane. I have little confidence that renters will reap the benefets of this program because the landlords will take most of it and not abide by any agreement to keep the r electric rates and the rent the same as before the heat pump.

Question 9. Please rank your priorities for preserving as much as possible the following programmatic efforts without direct GHG savings. (15 Responses)



Question 10. Given the necessity of these cuts to the Residential electric and gas budgets, what are you most willing to see cut?

- Moderate Income. Workforce Development. Marketing. Language Access & statewide contact center. See notes in next question.
- Enhanced incentives for renters
- Modifications to HEAT loan
- I am willing to consider reducing the HEAT Loan and market-rate heat pump incentives. I think it would be beneficial to shorten the term of the HEAT loan and implement an income cap for those who can access it; some customers may need to seek financing from their bank for these upgrades. Ultimately, I believe it's important to assess and reduce every line item.
- Reduce the costs of the home energy assessments by exploring other options (e.g., virtual audits, virtual audits to renew old audit authorizations).
- smart thermostats and smart strips, appliance recycling, market rate Heat Loans with current structure (i.e., could, in decreasing order of preference, implement income caps to qualify, reduce the maximum amount, or increase interest rate)
- New construction. New construction already must be very efficient with MA Energy Codes AND no new fossil fuel use is allowed. People doing new construction in MA can afford these measures.
- Scorecards

- Raise the heat loan interest rate to 3%. Limit the heat loan to families making less than $300.000. Cut the budget for the low-income program by 20%. eliminate the lead vendors and have the programs run directly by the PAs. They have excess staff and know exactly how the program works, reduce the incentives to market rate customers to 60% for those families making more than $150,000. Reduce the incentive to 50 % for families making more than $250.000 Eliminate all energy audits to anyone has had an audit in the last 7 years. Allow customers to install insulation their own if they attend a workshop on how with a follow up in process inspection and another after they say the job is completed. Provide a heat pump electric.

Question 11. Is there any other input regarding the Residential Sector budget cuts that you would like to provide to the Program Administrators?

- The EEAC bylaws say that the Council's responsibility is to: "(1) seek to maximize net economic benefits through energy efficiency and load management resources and to achieve energy, capacity, climate and environmental goals through a sustained and integrated statewide energy efficiency effort;". I think that under normal circumstances, the EEAC can advance and advocate for a host of priorities. In this case though, I think we are obligated to lean towards EE, load management, and climate.
- Stop telling people this will save them money. Be honest and say it will add costs (or at least not save). In the docket approving the plan, the DPU specifically stated there was very little cost savings with switching to heat pumps and we need to stop saying it will save money as there is zero evidence it will. the plan is purely a decarbonization effort at this time. And there is some fancy accounting on that too as heat pumps are adding to winter load at this time and winter load is using oil. At this time, weatherization is the best bang for the buck followed by oil/resistance to gas pumps. Heat pump rebates that give AC to a house that does not have central AC already should be less of a rebate. Why are we subsidizing ACs?
- I would have no problem cutting MassCEC's budget back to $12M per year in order to free up more money for moderate income and renter programs.
- While it pains me to have to suggest any cuts from any of these vital services, I believe that the new construction incentives may need a hard look. Occupied retrofits and reducing those customers utility bills may need to take priority over those customers who are building new homes or conducting large renovations of existing homes.
- Details on priorities to cut:
  Given the necessity of budget cuts to the Residential electric and gas programs, the following areas should be targeted for reduction:
  - Moderate-Income Programs – These programs face significant implementation challenges, require high per-unit investment, and frequently fall short of targets. Given their inefficiencies, they should be deprioritized in favor of more cost-effective market-rate and renter programs.
  - Workforce Development (Cut by 2/3) – Instead of broad workforce development spending, a smaller budget focused on on-the-job training subsidies for workforce employers would achieve better results with less investment. This approach ensures that funds are directly supporting workforce growth in a way that aligns with actual industry needs.
  - Marketing – The full marketing budget is significantly larger than the statewide allocation shown, leaving substantial room for cuts. By shifting funds to the contractor customer

acquisition fee, the program ensures that all marketing spend is directly tied to measurable savings results. Since Home Performance Contractors (HPCs) are only paid if they generate a Weatherization (Wx) contract, this model eliminates inefficient overhead marketing expenses that do not guarantee performance. Even if costs stayed the same, the program would now be guaranteed to pay only for effective marketing that generated savings instead of blanket overhead.
- Language Access & Statewide Contact Center – At a combined $40M, these costs appear disproportionately high. A thorough review should be conducted to identify inefficiencies, reduce spending, and ensure these services are provided at a more reasonable cost.
By prioritizing these budget reductions, the program can maintain its effectiveness while significantly improving cost efficiency.
Additional input:
The Program Administrators (PAs) should provide greater transparency on various budget components to ensure that cuts are made in a way that prioritizes cost efficiency while maximizing direct benefits to ratepayers. Specifically, more clarity is needed on the following:
- Residential Conservation Services & Audit-Related Expenses – A detailed breakdown is necessary to understand how much of this budget is going toward actual audit fees paid to auditors versus overhead costs, administration, quality control, management, and other expenses. This will help identify opportunities to streamline costs without reducing essential services.
- Marketing – The statewide marketing budget represents only a small fraction of the total marketing expenses. The PAs should provide a full breakdown of how the rest of the marketing budget is allocated and identify areas where cuts can be made.
- Other Budget Categories – The "Other" category needs more transparency. The PAs should clarify how much is allocated to DOER assessments, consultant fees, utility-led workforce development, and other administrative costs to determine where reductions can be made without impacting program effectiveness.
- Language Access & Statewide Contact Center – At a staggering $40M combined cost, more explanation is needed on the justification for these expenses. What is the logic behind these numbers, and where can efficiencies be found?
Additionally, the focus should not be on cutting customer incentives to meet the DPU's $500M reduction mandate. Instead, cuts should target overhead, administrative costs, utility incentives, and other non-direct expenses to ensure that as much of the budget as possible continues to go back to ratepayers in the form of incentives and energy-saving work.
By prioritizing cost reductions in these areas, the program can remain effective while meeting budget constraints in a way that minimizes the impact on customers and contractors.

- My faith in my answers to 2 and 7 is significantly stronger than my faith in my answers to 3. Ask me again in five minutes and I will likely have a different answer there. I do think that HEAT loan modifications and reductions in turnkey are probably my strongest held feelings
- Increasing PARTICIPATION significantly impacts greenhouse gas (GHG) reductions. The primary methods for increasing participation are through the Community First Partnership and workforce development initiatives. In a nationwide climate of reduced trust, it is essential to maintain funding for these programs, even if the budget is lower than initially planned. You may

recall hearing that years ago, no one wanted to work in Lawrence. Now, we have Minority Business Enterprises (MBEs) involved in weatherization and heat pump installations in Lawrence, which helps us achieve the intended benefits of the program activities. I left some questions blank because the choices are not apparent to me. You can achieve both immediate reductions in energy bills and a decrease in greenhouse gas emissions by encouraging customers who use oil, propane, and electric heat to switch to heat pumps. Addressing barriers is essential for both weatherization and heat pump initiatives. It's crucial to prioritize weatherization first because the benefits of heat pumps are maximized in well-insulated buildings. Proper insulation can lower both the lifetime costs of owning and operating heat pumps. We cannot ignore that BIPOC and disadvantaged communities deserve to benefit from the Mass Save economic opportunities, which they have been denied for a long time. Workforce development is the key to achieving this.

- Question 2. - If we focus more on Equity, the GHG savings will follow. These communities have been underserved and I would think there would be lots of opportunity; Regarding immediate bill impacts vs GHG savings, there needs to be a balance. In choosing immediate bill impacts, I am not minimizing the need for future GHG savings, but I think balance is at the core of the DPU order given the high cost of energy in this state.
  In general, I always have favored weatherization first prior to heat pumps. We don't want residents to oversize. As much as we can link the two - great! Use desire for heat pumps to incent weatherization where it does not exist.
  I struggle prioritizing between renters and owners, I put renters generally above owners due to the equity issue, renters have been historically underserved. Also, the $$ being spent for owners is much higher than renters, so there is more room to make cuts there.
  I particularly struggle with prioritizing on question 7, other than number 5. For 1 - 4, I originally had Workforce Development first (although the budget I think could be trimmed), but if we do not cover the HEAs, which are required to make any implementation happen, this will be the first barrier to implementation. And 3 and 4 are so critical to education and guiding people through the process, that is soooo needed. So other than number 5, the others are nip and tuck in ranking.
- Increase the weatherization budget by 20%. Require insulation for all heat pumps especially mini-splits. Reduce the incentives for all market rate heat pumps especially mini splits.
  Eliiminate he lead vendors. Change the marketing approach in all areas. Higher bonuses for IICs who source their own jobs. Reduce the number of inspections especially those inj [[rpcess; reduce the budget for the low income program. Initiate the moderate income turnkey program immediately.
  Eliminate energy audit to once every 7 years. Charge customers for no shows. Reward customers who refer others to the program. Allow residential insulation companies to service business.