Mid-Term Modification Request for Eversource Energy (EGMA)
August 13, 2024

Eversource Gas of Massachusetts ("EGMA") d/b/a Eversource Energy (the "Company") is committed to achieving its designated energy efficiency goals and serving its customers in the best, most equitable way through its Energy Efficiency programs. The current trajectory of spending is expected to trigger the need for approval from the Department of Public Utilities (the "Department") and the Energy Efficiency Advisory Council ("EEAC"). The Company has seen higher-than-expected performance within the Income-Eligible Sector, which has driven increased spending in conjunction with increased savings and benefits. The Company is projecting the need for one midterm modification to adjust for this overperformance.

The currently effective Energy Efficiency Guidelines were promulgated in D.P.U. 20-150-A on May 3, 2021 ("Guidelines"). Additional and supplanting directives on mid-term modifications ("MTM") were provided in D.P.U. 21-124, as issued on January 31, 2022, in which the Department ordered that, "a Program Administrator may not exceed its planned program budget without approval by the Department." See Three-Year Plans Order, D.P.U. 21-120 through D.P.U. 21-129 ("Three-Year Plans Order") at 224 (2022). Further, the Department ordered that "[i]f a Program Administrator projects it will exceed a program-level budget, the Program Administrator shall simultaneously submit any proposed budget change (1) for review by the Council and (2) for review and approval by the Department." Id. at 225, n.139. Accordingly, the Company has submitted this proposal simultaneously to the Council and the Department.

Income-Eligible Sector

The Company is requesting additional funding for the Income-Eligible Sector for EGMA, which consists of the Income-Eligible Existing Buildings Program and the Income-Eligible Hard to Measure Program. The Income-Eligible Sector for EGMA is forecasted to exceed its filed 2022-24 term budget by 55%. Company is requesting an additional $29,113,728 to support greater program activity than planned. Of the requested $29,113,728, $28,956,063 is for the Income-Eligible Existing Buildings Program and $157,665 is for the Income-Eligible Hard to Measure Program.

The Company is requesting this increase in the Income-Eligible Sector budget as there has been more production than expected due to changes in program design. Specifically, in 2023 the program expanded to include Home Performance Contractor (HPC) networks and expanded the availability of funding for barrier repairs in conjunction with energy efficiency projects. HPC lead generation, and project development, and delivery was a significant contributor to increased Program production in 2023.

The Company projected a run rate of $1.56M/month in 2024 and at this run rate the term would have been concluded on budget. However, barrier repair volume remained high and HPC's continued to build their pipeline of work through the first half of 2024 yielding a run rate of $2.6M/month.

. As seen in Table 1, these changes have yielded a larger than expected influx in production, increase program savings and spend over the length of the term.

Table 1: Income-Eligible Sector Fuel Savings & Total Spend

Year	Net Lifetime All Fuel Savings (MMBTU)	Total Spend
2022 Actual	745,286	$10,552,433
2023 Actual	1,117,808	$20,305,165
2024 Projected	2,055,723	$50,906,131
Term Budget Original Plan	3,616,542	$52,650,000
Term Total Projected*	3,918,817	$81,763,728

*Sum of first 3 rows

This latest increase in the rate of production has happened quickly, changing the Company's term-end projection from being at goal and under budget to being over goal and over budget over only the last month. The Company is requesting urgent approval of this budget increase and providing all relevant documentation to support that expeditious approval. Without approval, the Company projects the need to reduce or cease service by the end of September.