



July 7, 2021

Patrick Woodcock, Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Comments also submitted by email to: ma-eeac@mass.gov

Dear Commissioner Woodcock and Members of the Massachusetts Energy Efficiency Advisory Council:

The Draft Three Year Energy Efficiency Plan (2022-2024) offers a significant narrative shift in prioritizing electrification and equity – a shift that MCAN appreciates. This Draft Plan exists in the broader context of significant policies and new requirements aimed at an equitable transition to a clean energy future for all.

This broader policy context begins with the newly enacted Next Generation Roadmap bill. The Climate Act (Chapter 8 of the Acts of 2021) requires the Commonwealth to:

- reduce GHG emissions by 50 percent below the 1990 baseline level by 2030 and to achieve net zero GHG emissions by 2050
- an equitable transition
- modifies the Department of Public Utilities' mandate to include equity and emissions reduction considerations
- requires three-year energy efficiency plans to comply with 2050 goals and prioritize GHG reductions.

The Interim Clean Energy and Climate Plan for 2030 (2030 CECP) similarly prioritizes equity and electrification for transitioning to a low carbon economy. The Global Warming Solutions Act and the Green Communities Act offer additional requirements for decarbonization.

However, despite these policy mandates and supports, the Draft Three Year Energy Efficiency Plan (2022-2024) falls short of what is needed to ensure the Plan is able to meet these objectives with transparency, accountability, and sufficient resources that match the scale of the work needed to be accomplished.

Very broadly, the Mass Save programs must be substantially different going forward and the Draft Plan must be revised to accelerate electrification, eliminate all subsidies for oil and gas, include the net zero stretch code to be developed by DOER and include deep energy retrofits.

MCAN's recommendations are made in support of aligning the Draft Plan with the various policies intended to accelerate our clean energy transition equitably. Some of MCAN's recommendations are made in solidarity with the Green Justice Coalition.

1. In solidarity with the Green Justice Coalition, MCAN recommends the Draft Plan adjust strategies, budgets, and goals to center equity as the Plan's main priority.

This 2022-2024 Plan is **the** opportunity to rectify historic underinvestment in communities not served equitably by the program. These are the ratepayers that are most at risk of being left behind in transitioning to a net zero economy – with continued reliance on fossil fuels, they are vulnerable to public health risks and financial burdens. Directing funds to ratepayers who cannot afford efficiency improvements shifts the Commonwealth's economy towards cleaner technologies while also creating health outcomes.

2. In solidarity with the Green Justice Coalition, MCAN recommends adopting all Equity Working Group recommendations by developing relevant metrics and feasible strategies.

The EEAC Equity Working Group (EWG) developed multi-sector recommendations through a process that involved intensive stakeholder input, including input from program administrators (PAs), to guide the development of a 2022-2024 Plan that centers equity. This blueprint provides strategies to address several areas that the Plan identified as challenging. However, these recommendations have been overlooked in the Draft Plan. MCAN urges the Council to reiterate its support for and request that the PAs implement all EWG recommendations.

3. Establish a robust Commercial and Industrial program through increased budgets and savings goals and a C&I working group.

The Commercial and Industrial Sector's budget has been reduced by \$200Million compared to the 2019-2021 budget. This is one of the largest gaps in the Plan and no explanation is provided. This gap must be addressed because the largest carbon emitters in the building sector are the buildings with the biggest square footage.

- Furthermore, the fuels-savings target has been reduced by 40% compared to 2019-2021 Plan.
- There is no evident effort to make up for the loss of claimable savings accrued through the now defunct lighting program with more ambitious savings goals for other measures -- this is another huge gap.
- These reductions in the C&I budget and energy-savings run counter to maximize energy efficiency goals and investments in the Next Generation Roadmap bill and the Global Warming Solutions Act
- Additionally, there are no specific targets for energy storage proposed under the expanded Active Demand Reduction program for C&I. This should be explored further.
- Moreover, there are modest improvements to support C&I electrification. The plan outlines small C&I oil/propane displacement projects but there needs to be more information from the PAs on planned Custom Fuel Switching.

- Lastly, the Draft Plan follows the market instead of being a leader and influencer in the energy sector. The Draft Plan is still too reliant on commodity-style approaches.

MCAN supports the development of a C&I working group to foster increased communication and coordination between market actors and the PAs and direct electrification planning in this sector. This working group should be convened by the PAs and include customer representation.

4. In solidarity with the Green Justice Coalition. MCAN recommends adjusting budgets, targets, and program offerings to prioritize transitioning EJ populations, low- and moderate-income customers, language isolated customers, renters, and small businesses to electric end-uses over fossil fuel equipment.

Acknowledging the broader policy context of new climate mandates, the Plan should prioritize dedicating energy efficiency funds to reducing GHG emissions and pursuing equitable access to heating electrification. MCAN's specific recommendations include:

- For each underserved group, the Draft Plan must include detailed budgets and savings, as well as goals for each underserved group's participation.
- Specifics on reporting is needed, including detailed information on what will be included in reporting. Reporting is key to transparency and accountability.
- For the Income Eligible ratepayers, the budget increases are negligible for building envelopes and are proportionally higher for single family vs. multifamily. This should be addressed.
- The Plan needs more funding for pre-weatherization measures: mold/leaky roof, asbestos, knob & tube wiring. Pre-weatherization is a significant barrier to participating in energy efficiency programs and to deep energy retrofits.
 - The Plan should increase focus on renters/landlords. Specifically,
 - The Plan should specify the goals for participation by building size (1-4, 5-25, 25+)
 - The Plan should include a budget for renter and landlord effort, including budget for addressing small rental buildings.
 - The Plan should address how rental property owners be brought into program design.
 - Lastly, more outreach and incentives targeting landlords and renters is needed to ensure increased participation in energy efficiency upgrades and programs.
 - Language isolation: MCAN recommends an ecosystem approach to working with these ratepayers that begins with identifying all points of contact where multi-language interactions are needed. The Plan must provide direct connections to follow up services with contractors who speak the needed language and create career ladders for high road jobs.

5. In solidarity with the Green Justice Coalition, MCAN recommends scaling up equitable access to and participation in energy efficiency programs by requiring PAs to establish and meet quantifiable goals and targets.

The Plan should establish energy efficiency goals for ratepayer participation, investment, and savings targets calculated to achieve meaningful change in equitable program delivery. Quantifiable targets are an important part of evaluating progress and for demonstrating transparency accountability. Centering equity in the Plan requires developing ambitious goals for

serving low-income and language isolated ratepayers that are also quantifiable. Progress towards these goals should be analyzed regularly and made publicly available.

The Plan should further require the PAs to commit to achieving these goals. MCAN supports the development of a performance incentive that incorporates an equity component.

6. In solidarity with the Green Justice Coalition, MCAN recommends revising targets and strategies to align the aggressive adoption of heat pumps with 2030 Clean Energy and Climate Plan.

The Draft Plan's projected budgets and goals fall well short of encouraging heat pump deployment at levels consistent with the 2030 CECP's ambitious goals of 1 million households and 300-400 million square feet of commercial real estate by 2030. The following improvements to support this alignment include:

- A heat pump target that prioritizes equity and supports the Commonwealth achieve its 2030 goals. This target should require PAs to assess a building's post-weatherization heating needs and install an appropriately sized heat pump, paired with advanced controls.
- The Plan should incentivize air source heat pump-only air conditioning immediately, not by year three, as the technology currently exists and is significantly more efficient than traditional central air conditioning. Incentives for AC upgrades for non-heat pump air conditioning units should be immediately eliminated.
- 100% incentive for heat pumps to moderate income customers and details regarding the pre-weatherization incentives and implementation strategies for supporting moderate income customers.
- A program to provide incentives and education to customers who have installed heat pumps to remove existing fossil fuel equipment.
- An evaluation of efforts to manage upfront costs and price stability, such as providing on-bill financing for heat pump purchases.
- Incentives for ground-source heat pumps for new housing developments or commercial buildings should be added to the Plan.

7. As mandated by the Next Generation Roadmap bill, all parties involved in the Mass Save program must factor the "social value of greenhouse gas emission reductions," into the design, evaluation, and approval of the program. This mandate is not reflected in the Plan and needs to be incorporated across its goals, strategies and budget.
8. In solidarity with the Green Justice Coalition, MCAN recommends allocating funding to deploy storage offerings in the income-eligible sector.

The Plan provides very limited funding for deploying active demand response (ADR) offerings in the income-eligible sector. ADR programs, such as storage, are easily administered programs that pass on real benefits to customers and can provide a layer of climate resiliency where it is most needed. These benefits should not be withheld from low- and moderate-income residents. As

one example, the PAs should consider expanding the ConnectSolutions offering from the 2019-2021 Plan to establish goals and allocate storage funding for low-income customers.

9. Include a deep energy retrofit pilot. There is no mention of the deep energy retrofit pilot proposed by the Consultant Team and endorsed by the GRC Health Care and Commercial Real Estate Working Groups. It is imperative that the 2022-2024 program offerings support building owners in achieving the deeper energy and emissions reductions necessary to achieve net zero by 2050.
10. Expand funding for Electric Vehicles. There is minimal mention in the Draft Plan of expanding electric vehicles (EVs), EV charging infrastructure, or supply equipment outside of encouraging EV charging in off-peak periods in residential buildings as part of active demand response.

These strategies must be strengthened given that broadening access to electric vehicles and EV charging infrastructure is a core component to decarbonizing the transportation sector as presented in the 2030 Clean Energy and Climate Plan.

11. Increase the workforce development budget, specify budgetary allocations, and adopt diversity metrics for program evaluation.

The PAs have committed to allocating \$3-4 million to workforce development as part of a larger effort with MassCEC. The revised Plan should include details regarding how these amounts will be used over the Plan term, how much is dedicated to equity, and any initiatives beyond the Clean Energy Pathways (CEP) Internship program. The PAs should consider expanding the budget and programs as necessary to develop the extensive workforce required to support the Commonwealth's electrification, weatherization, deep energy retrofit, barrier mitigation, and demand management goals. Finally, workforce development efforts should incorporate metrics that support workforce diversity.

Thank you for your consideration of these recommendations as you review and strengthen the 2022-2024 Three Year Plan. MCAN looks forward to the next Draft Plan. We are confident that the EEAC, working with the EWG can ensure the Mass Save programs transition the Commonwealth equitably to a livable, breathable future for all.

My best to you,



Sarah Dooling, Executive Director