Equity Working Group Feedback on Priority Investments for the 2025-2027 Mass Save Residential Program

April 7, 2025

This document represents EWG input on which investments to prioritize in the 2025-2027 Mass Save residential program for consideration by the EEAC.

In general, the EWG prioritizes weatherization 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 EWG prioritizes the approach in the DECs, which centers the residents in the DECs and begins to address systemic distributional inequity. In addition, the offer for rental properties in DECs, which includes no cost weatherization and barrier mitigation without income verification, minimizes disincentives for property owners to participate in Mass Save and can be clearly and easily communicated.

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. The EWG met on April 7, 2025 to discuss the EWG member survey responses.

This document summarizes the EWG's responses and feedback based on discussion at the April 7th EWG meeting and then provides anonymized EWG survey responses in their entirety.

Summary of EWG member survey responses

The following summarizes aggregated responses received from the Equity Working Group (EWG) members.

In general (Questions 1-3), nearly all EWG 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).

EWG members were equally likely to prioritize immediate customer bill savings over future greenhouse gas (GHG) reductions. (Question 4).

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

In response to what offerings should be cut (Question 10), heat pumps (space heating) were most frequently mentioned, followed by the HEAT loan.

In response to prioritization of moderate-income customer offers (Question 6), serving moderate income customers within DECs was most frequently mentioned.

In response to prioritization of renter customer offers (Question 7), serving renters within DEC communities was most frequently mentioned.

In response to prioritization of market rate customer offers (Question 8), most EWG members de-prioritized market rate customer offers.

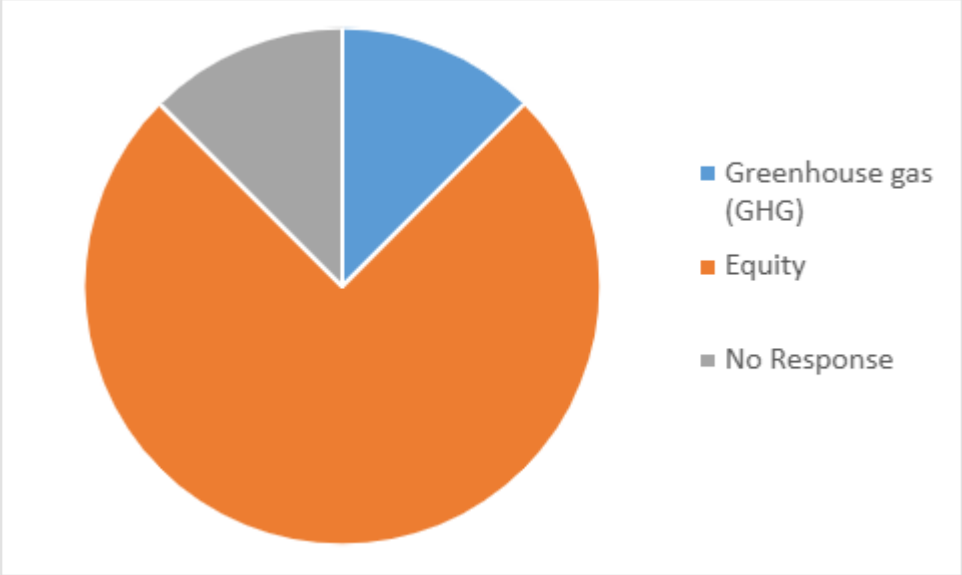
In response to prioritization of programs without direct GHG savings, EWG members prioritized investment in Community First Partnership and workforce development, followed by home energy assessments and language access services. Investment in home energy scorecards was ranked last.

EWG 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.

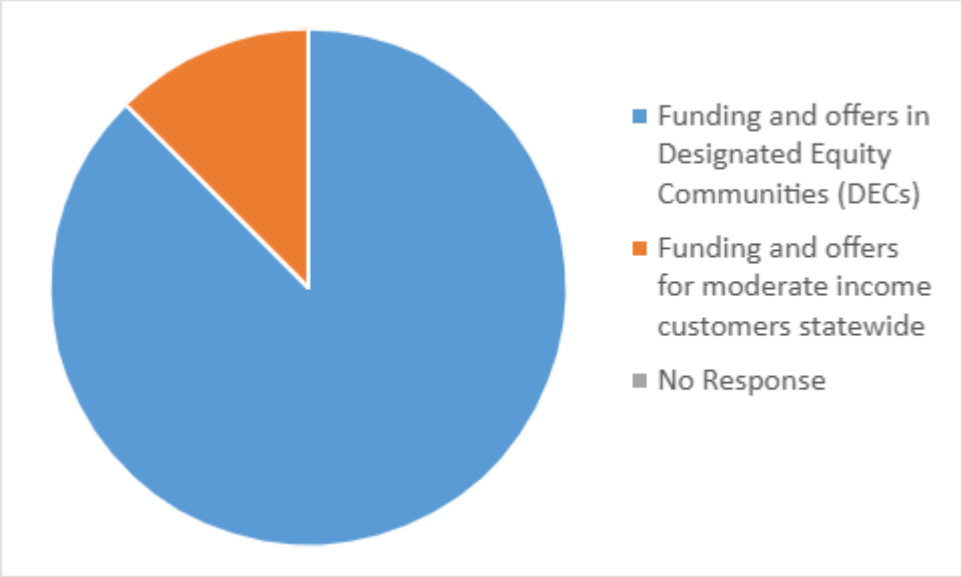
Survey questions and responses

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

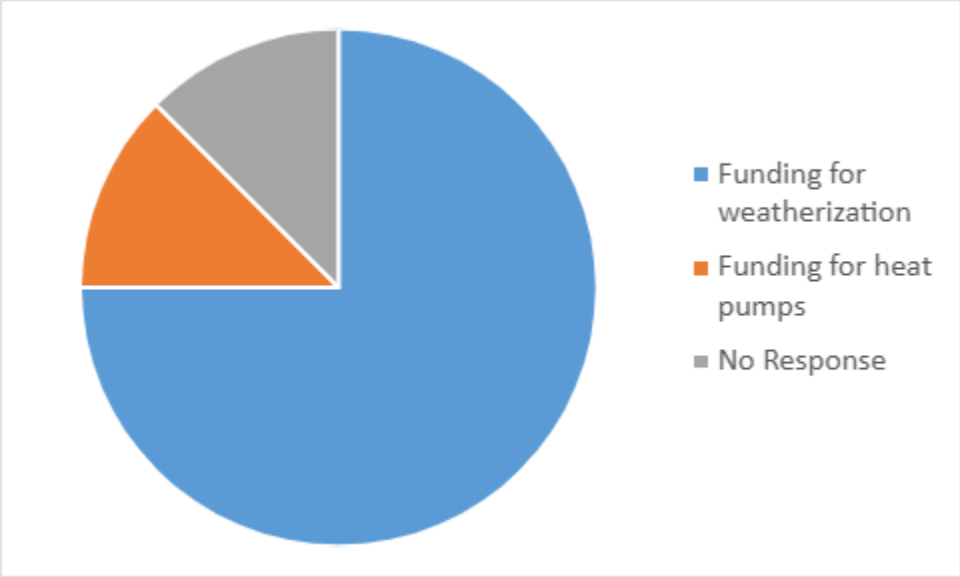
Note: "No response" indicates that a councilor filled out the survey, but not that specific question.



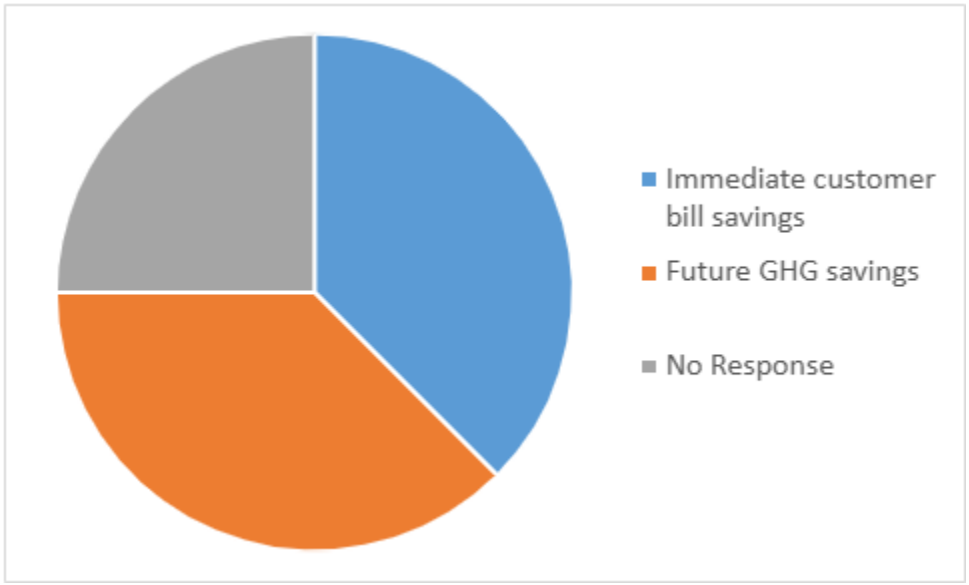
Question 2. A. Funding and offers in Designated Equity Communities (DECs) OR B. Funding and offers for moderate income customers statewide



Question 3. A. Funding for weatherization OR B. Funding for heat pumps



Question 4. A. Immediate customer bill savings OR B. Future GHG savings



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).

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.

- 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).
- Reduce the number of DECs to meet budget. Otherwise keep program structure intact. Weatherization and barrier removal are the biggest bang for our buck, and this term's 100% barrier removal is the key innovation to deploy.
- 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.
- 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.
- 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!
- I'd prioritize renters, 1-4 units and in DECs, and electric resistance etc. heat pumps

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.

- 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.
- 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

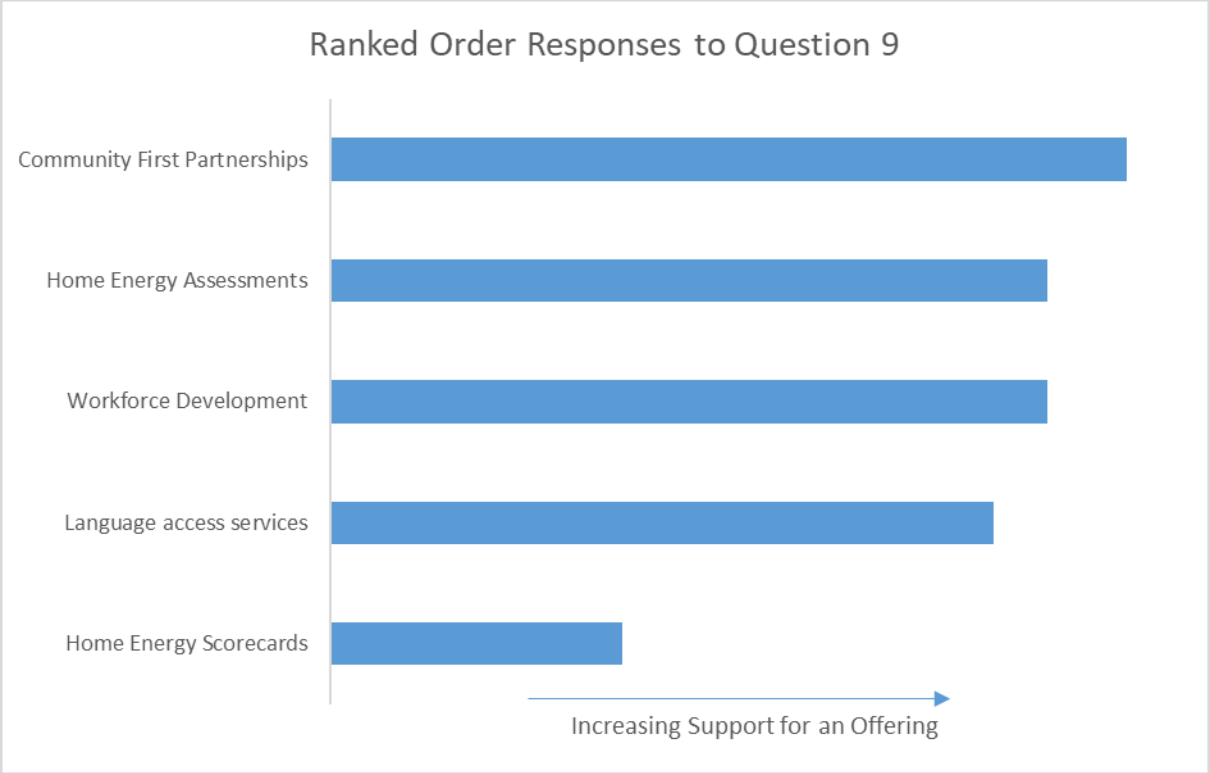
conversions, I would prioritize delivered fuel customers and electric resistance customers (regardless of income level) over any gas customers (regardless of income level).

- 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.
- Need to prioritize to DECs
- Reduce the number of DECs to meet budget. Otherwise keep program structure intact. Weatherization and barrier removal are the biggest bang for our buck, and this term's 100% barrier removal is the key innovation to deploy.
- I'd prioritize electric resistance etc. heat pumps, and in DECs, and 1-4 units.

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'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.
- 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.
- I'd prioritize renters and electric resistance etc. 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 support deprioritizing budget for market rate customers if it allows us to (finally!) make progress on serving renters, moderate income customers, and DECs.

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



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

- Reduce the costs of the home energy assessments by exploring other options (e.g., virtual audits, virtual audits to renew old audit authorizations).
- 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.
- Market rate heat pump incentives & heat loans
- Reduce the costs of the home energy assessments by exploring other options (e.g., virtual audits, virtual audits to renew old audit authorizations).
- Scorecards
- This is a necessarily tough call to make. I do firmly believe that these monies are best spent delivering services and measures to clients and their residences. That said, I think it would be least harmful to programmatic success to first cut marketing, EM&V, and education.
- Within the various heat pump lines.
- Heat pumps for space heating, but not water heating. Water heating is well defined and cost controllable. But we don't even have a clear pricing control plan for space heating like we do for weatherization or water heating. There are risks with installing heat pumps for space heating in

areas vulnerable to natural disaster (e.g., emissions from refrigerants could be worse than burning gas if the system floods and leaks). So chop heat pumps for space heating first and we will have less exposure and more time to develop cost controls.

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

- I strongly disagree with the framing of the choices between equity and GHG, bill savings and future GHG savings. We need to see these false choices for what they are: fossil fuel industry talking points that make our work harder and make people think (erroneously) that EE and decarb are inherently costly. What's costly is delaying action to reduce emissions and make energy affordable because special interests say it's too expensive or not possible. We can do this! Don't fall for their BS! (*steps off of soapbox*)
- 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.
- 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.
- 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.
- If we did nothing else with this three-year plan but weatherize every last rental home in a reduced list of DECs, that would still be a tremendous accomplishment. It would have immediate benefit to renter bills, reduce GHG emissions, and broaden the base of public support for the utilities and Mass Save. Weatherization and barrier removal above all else. And I think heat pump water heaters are being overlooked as a bill reduction and GHG reduction. They deserve to have their own line item even in a place like this survey, separate from heat pumps for space heating. Thank you! =)