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Lexington, MA 02420**

Via Electronic Delivery to maggie.mccarey@state.ma.us

January 20, 2015

Maggie McCarey
Massachusetts Department of Energy Resources
Attn: EEAC Public Comments
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: The needs and objectives of the Commonwealth envisioned by the Third Statewide Three-Year Energy Efficiency Investment Plans of electric distribution companies, natural gas distribution companies, and municipal aggregators for the period 2016 through 2018

Dear Ms. McCarey:

Enclosed for consideration in the above-referenced matter are comments submitted by FirstFuel Software in regards to program design for the 2016-2018 Statewide Three-Year Energy Efficiency Plan.

FirstFuel looks forward to the chance to discuss these comments further and would be happy to respond to any questions of the DOER or the EEAC.

Sincerely,

Austin F. Whitman

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**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES
ENERGY EFFICIENCY ADVISORY COUNCIL**



**PUBLIC COMMENTS OF FIRSTFUEL SOFTWARE ON THE THIRD STATEWIDE
THREE-YEAR ENERGY EFFICIENCY INVESTMENT PLANS**

INTRODUCTION

FirstFuel Software appreciates this opportunity to comment on the Third Statewide Three-Year Energy Efficiency Investment Plans for the period 2016 through 2018. Massachusetts has cemented itself as a leader in energy efficiency, having built a firm footing on strong policy, a vibrant and innovative efficiency technology community, highly capable program administrators, and a large trade network of contractors and installers. The next Three-Year Plan has the building blocks to make a strong program even stronger.

Headquartered in Lexington, MA and founded in 2010, FirstFuel provides energy insights to the utility, government and commercial building sectors. Our technology and services give utilities, government entities and building owners the power to understand energy use and identify, enable and track energy efficiency savings. FirstFuel's proprietary energy analytics platform delivers deep insights without on-site audits or device installations.

As a member of the Massachusetts energy efficiency and clean tech communities, FirstFuel strongly encourages Program Administrators to make use of energy data analytics in Massachusetts to continue to scale up energy efficiency programs without increasing the costs to deliver energy savings.

FIRSTFUEL COMMENTS

Summary

FirstFuel's comments outline the rationale for using energy information to fulfill many of the objectives of the current planning process and expand upon current programs that deliver energy efficiency to the commercial and institutional market segment.

1. The next Three-Year Plan should build on the strong momentum of the first two Three-Year plans and outline a strategy for continuing to save customers money by tapping savings potential throughout Massachusetts.
2. Recognizing that the cost of achieving energy efficiency may increase over time, it is critical to identify new ways to target energy efficiency projects with high savings potential.
3. The DOER, stakeholders, and program administrators can benefit from the use of technology tools to engage customers in a low-cost and continuous way.
4. The deployment of technology and analytics within Massachusetts represents an untapped resource for efficiency savings.

1. The Next Three-Year Plan should build on the strong momentum of the first two Three-Year plans and outline a strategy for continuing to tap savings potential throughout Massachusetts.

Since the passage of the Green Communities Act, Massachusetts has become a leader in the deployment of clean and distributed energy resources. Each successive Three-Year Plan has provided increasingly ambitious budgets and goals for energy efficiency, yielding cost-effective savings that have replaced the need for new power generating capacity. Continued investment in energy efficiency holds a key to lowering the cost of electricity for Massachusetts electricity customers.

FirstFuel has served and interacted with utilities across the U.S., Canada, and Europe, and without exception has noted that high energy efficiency program targets create healthy markets, channel resources, and establish incentives to find cost-effective efficiency that the market would otherwise fail to realize on its own. Market inertia, behavioral hurdles, transaction costs, inefficient information exchange, and numerous other factors have created barriers to energy efficiency adoption. Strong policy targets and strategies continue to be important in Massachusetts to overcome persistent barriers and catalyze action.

2. Recognizing that the cost of achieving energy efficiency may increase over time, it is critical to identify cost-effective, data-driven ways to enable energy efficiency projects with high savings potential.

One goal of the current Three-Year Plan is to continue to focus on market segmentation (Section I.E.2) to improve program delivery.¹ FirstFuel believes that this should remain a focus for the next Three-Year Plan. Fortunately, the state-of-the-art in energy efficiency program delivery tools has matured to the point where highly sophisticated analytics enable program administrators to analyze their customer based and deliver customized recommendations. Meter data from customers can provide a

¹ EEAC priorities drawn from <http://ma-eeac.org/wordpress/wp-content/uploads/MA-EEAC-Draft-Year-2015-Priorities.pdf>

window into energy usage on a monthly basis (or on shorter intervals) and provide customers a much clearer understanding of their opportunities to save energy than ever before.

This approach makes use of analytical tools for far more precise market segmentation and targeting than older methods of generalized marketing and rebates/incentives.

FirstFuel recommends much broader use of information technology in Massachusetts to realize the benefits of this sort of targeting, segmentation, and communication with electricity customers.

3. The DOER, stakeholders, customers, and program administrators can benefit from the use of technology tools that present energy information broadly in a low-cost, repeatable way.

Energy efficiency programs around the world are increasingly including large-scale customer engagement platforms that interest and educate the customer and increase program participation rates. These platforms can be rolled out at a relatively low cost per customer. In the interest of supporting innovation and best practices, DOER, the EEAC, and Program Administrators (PAs) should take the lead in defining an approach and budget for large-scale engagement of electricity and natural gas customers. In addition, such an approach could provide a means to give customers access to their energy use data – a critical step in driving growth of distributed energy resource markets.

The Mass Save brand and website are examples of past program investment in a broadly-focused, multi-utility marketing channel. When it was launched, the website had a goal of consolidating six different websites across Massachusetts into one portal that provided information to customers. Customers served by multiple utilities no longer had to learn to navigate multiple websites to identify available incentives.

The Mass Save website would be a logical place to publish consolidated energy use information, securely and on a customer-by-customer basis. With today's technology, it is possible to create a consolidated platform that presents building-specific gas and electric energy use information and analysis. An individual customer could visit the Mass Save website to view this information and receive tailored recommendations for steps to take to reduce energy use and save money. The platform could include direct links to the appropriate incentives and energy efficiency programs, regardless of their utility. This would further support enhanced integration of the Gas and Electric Energy Efficiency Services Plans – a focus for the current plan that should remain a priority (Section I.E.4 of the current three-year plan).

As an example of how this technology has been deployed, FirstFuel began to deploy its FirstEngage platform at E.ON UK, one of the world's largest energy retailers. E.ON is using web-enabled technology to communicate with its commercial customers and recruit them to participate in energy efficiency programs, with the added benefit of providing improved customer service. A key executive at E.ON described approach as a way to “cut through the confusion and find solutions for their business which are centred on real data, allowing them to understand, compare and control their energy use.”²

FirstFuel highly recommends that the DOER and EEAC create a budget and approach for broad engagement that enhances the customer experience and provides Massachusetts customers a better way to understand and control their energy use.

² E.ON website: <http://pressreleases.eon-uk.com/blogs/eonukpressreleases/archive/2014/10/28/2393.aspx>

4. Technology and analytics could provide access to an untapped resource for efficiency savings in Massachusetts.

Innovative, data-driven energy efficiency programs have been deployed around the United States by utilities and government agencies choosing to create value from electricity meter data. As an example, FirstFuel is working with Southern California Edison (SCE) to analyze data from more than 10,000 buildings and increase customer participation by allowing the utility to target customers with high energy savings potential. SCE customers are benefiting from the specific energy efficiency recommendations that FirstFuel has extracted solely from the data, helping many California businesses to cut energy costs.

In addition to the value of broad customer engagement, data analytics can provide valuable feedback to program administrators on the results from energy efficiency programs and actual energy performance of buildings. Through detailed energy performance monitoring, it is possible to identify savings potential and communicate with customers continuously to drive deep savings within buildings.

Commercial sector energy efficiency will continue to be a challenge for program administrators in Massachusetts. In recent years, program administrators have tracked 20-40% behind their goals in this notoriously hard-to-reach market segment. The deployment of technology and analytics could overcome many of the barriers currently standing in the way of widespread adoption of energy efficiency and program participation in the commercial sector.

Conclusion

The next Three-Year Plan should identify new opportunities for energy savings by capitalizing on recent advances in meter data analytics and web-based customer engagement tools to dramatically improve the customer experience and give program administrators a new way to drive participation in energy efficiency programs.

Thank you for your consideration of these comments. FirstFuel looks forward to the opportunity to provide additional feedback as the Third Three-Year planning process moves ahead.

Respectfully submitted,

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