



May 28, 2015

Judith Judson, DOER Commissioner & EEAC Chair (to be distributed to EEAC members)
 Massachusetts Department of Energy Resources
 100 Cambridge Street, Suite
 Boston, Massachusetts 02114

--- SUBMITTED ELECTRONICALLY VIA maggie.mccarey@state.ma.us

Re: Stakeholder Comments Draft 2016-2018 Three Year Plan

Dear Commissioner Judson and Members of the Energy Efficiency Advisory Council:

We write to you as residents of Massachusetts, gas and electric customers, and advocates for energy, the environment, public health, health care, environmental justice, and communities. Together our organizations also represent tens of thousands of members across the Commonwealth. The Green Communities Act (GCA) states that Massachusetts' Three Year Efficiency Plans should enable the DPU to "ensure that all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply are utilized to meet the Commonwealth's electric and natural gas resource needs." So long as efficiency is less expensive than new supply, including infrastructure expansion, energy efficiency will always be our first and best resource.

As the Council undertakes the review of the Draft 2016-2018 Three Year Electric and Gas Energy Efficiency Plan, we urge you to consider that energy efficiency and demand reduction provide savings to consumers, protect public health, and create jobs in the Commonwealth. Every \$1 invested in energy efficiency yields over \$5 in benefits! At a time when the rising cost of electricity is foremost in everyone's mind, we are all reminded that the cheapest and cleanest energy is the energy not

consumed. Last year, a unit of energy saved cost around \$0.04 per kilowatt-hour (kWh) compared to the wholesale price of energy at \$0.16 per kilowatt-hour (kWh). In addition to being our least cost resource and Massachusetts' first fuel, energy efficiency and demand are the most cost-effective way to meet the clean energy and climate goals for the Buildings sector as outlined in the Clean Energy and Climate Plan (CECP) and required by the Global Warming Solutions Act (GWSA).

Like you, we take great pride in Massachusetts' efficiency achievements and accolades, including the state's #1 ACEEE ranking four years in a row. But we caution against resting on laurels or approving a plan that does just enough to maintain this top spot. Instead the Council should look to build on these successes to develop a plan that reflects the value of efficiency as a resource, the potential cost-effective efficiency identified in the framework put forth by the Consultants to the EEAC, and above all, what Massachusetts' own experience has demonstrated is achievable. The recommendations contained herein will facilitate this goal. And so we urge you to move forward with a plan that includes the following:

ROBUST SAVINGS GOALS

The Council should support robust electric and gas savings goals for residential and commercial and industrial sectors in the 2016-2018 Energy Efficiency Investment Plan (EEIP). The goals proposed in the April 30th draft filed by the Program Administrators (PAs) – 2.5% electric savings, 1.08% gas savings – are insufficient. These proposed goals are less than the PAs' actual reported savings for 2014 and estimated savings for 2015. *The Draft 2016-2018 Three Year Goals Framework Memo* prepared by the Consultants to the EEAC in March 2015 identified achievable cost-effective energy efficiency of 3.04% for electric savings and 1.47% for gas savings. It has been suggested that in order to make up for past shortfalls and bring savings achieved through efficiency back in line with the targets detailed in the CECP, savings goals should be set at 4.0% in electric and 2.0% in gas. As groups committed to seeing MA reduce its GHG emissions to meet its statutory obligations, we would prefer to see goals set as high as 4% and 2%. However, short of that, we wholeheartedly support the savings goals identified in the consultants' memo and urge the Council to only approve a plan that contains robust energy savings goals that move beyond keeping MA at #1 and instead reflect what has been identified as *all available cost effective* in accordance with GCA.

STRATEGIES FOR ADDRESSING PEAK DEMAND

The plan should reflect energy efficiency *and* demand response as an important resource capable of reducing energy demand, particularly during peak periods. The impacts of efficiency and demand reduction on energy use are significant. The first two Three Year Plans are estimated to have saved consumers 3, 617 GWh per year, they have reduced peak summer demand by 614MW (5% of total peak load), and are predicted to reduce annual gas consumption by over 4.6 million MMBtu. A recent report by the Acadia Center further illustrates the economic impacts of investments in energy efficiency. The study found that without investments in efficiency since 2000, region-wide demand in winter 2014

would have been 14% (2GW) higher! Overall electric costs would have been \$1.5 billion higher!¹ Demand response has the potential to enhance the effects of efficiency investments. Yet, although the April 30th draft acknowledges the benefits of demand response, it makes no reference to how demand response can or should be deployed over the course of the next three years, especially as a strategy for load shaving and reducing peak demand during winter months, when the cost of electricity is at its highest. Our nation-leading energy efficiency programs can play a significant role in reducing peak demand, while yielding substantial benefits for Massachusetts customers. The plan should reflect this.

BROADER CUSTOMER ENGAGEMENT

We are pleased to see the plan reference initiatives to better serve renters and moderate income customers and we support seeing more detail put into these initiatives as plan development progresses. Many customers, particularly renters, moderate income customers, small business customers, and nonprofit customers in the small-to-medium C&I sectors continue to be underserved by the programs. We urge the council to work to ensure that the 2016-2018 plan and any proposed initiatives target and engage these customers so that they too benefit from the programs they pay to support and can reduce their high energy cost burdens.

STRONGER COMMITMENT TO CAPTURING COMMERCIAL & INDUSTRIAL (C&I) SAVINGS

The greatest opportunity for capturing cost effective energy savings is found in the commercial and industrial sector. The C&I sector is responsible for about twice the electricity load as the residential sector and over half of the residential gas load. Moreover, it costs roughly \$0.02-\$0.03 per kilowatt hour to save electricity in the C&I sector. Even so, as drafted, the plan downplays the role of C&I efficiency in meeting robust goals, reducing peak demand, or even broadening engagement. What appears to be a reduced commitment to capturing savings in the C&I sector, results in an overreliance on the Residential sector to carry the program and to achieve the modest goals that have been proposed. **This must be addressed and the final plan should reflect the untapped potential of the C&I sector and prioritize savings achieved there.**

GREATER TRANSPARENCY AND ACCOUNTABILITY

Massachusetts has made a multibillion dollar investment in energy efficiency supported by ratepayer funds. A transparent and standardized data management system that measures progress made on reaching all customers and energy savings achieved will facilitate targeted and strategic deployment of efficiency programs, streamline delivery of services, enhance equity through program innovation, and maintain accountability to constituents. The 2016-2018 plan should include a commitment to a statewide energy efficiency program database.

In closing, as the Council moves forward with the draft plan, we hope that it takes into consideration the improvements proposed here. Massachusetts can continue to lead the region and the country, forging

¹Acadia Center, "Winter Impacts of Energy Efficiency in New England, April 2015, available at <http://acadiacenter.org/document/winter-impact-electric-efficiency/>

ahead toward an energy future that offers lower costs, greater consumer control, and achieves significant progress toward state and regional greenhouse gas emission reduction goals. **Valuing efficiency and demand reduction as a resource, setting the highest savings goals achievable, leveraging efficiency and demand response as a peak shaving strategy, engaging and serving more customers including those in the C&I sector where potential savings achieved are most cost effective, and promoting transparency and accountability throughout the process are keys to further success.** We support these efforts and the work of the Council to help Massachusetts rise to the challenge of being #1.

Please direct questions about these comments to Eugenia Gibbons, 617-524-3950 x 141 or eugenia@massenergy.org.

Sincerely,

Eugenia T. Gibbons, Mass Energy Consumers Alliance
Josh Craft, Environmental League of Massachusetts
Jennifer Ryan, The Trustees of the Reservations & Massachusetts Nonprofit Network
Casey Harvell, American Lung Association of the Northeast
Elisa Grammer, 47 Coffin Street Ratepayer Advocates
Rosemary Wessel, No Fracked Gas in Mass
Jean Ann Ramey, Environment, Economics and Society Institute
Carol Oldham, Massachusetts Climate Action Network
Ben Hellerstein, Environment Massachusetts
Cathy Kristofferson, StopNED
Kathryn Eiseman, Massachusetts PipeLine Awareness Network
Veronica Eady, Conservation Law Foundation
Vince Maraventano, Massachusetts Interfaith Power & Light
Heather Clish, Appalachian Mountain Club
Claire B.W. Miller, Toxics Action Center
Bill Ravanese, Healthcare Without Harm
Craig Altemose, Better Future Project
John Carlton-Foss, Weston Democratic Town Committee, Climate Action Citizens
Jane Winn, Berkshire Environmental Action Team
Vanessa Rule, Mothers Out Front
Emily Norton, Massachusetts Sierra Club
Julia Blatt, Mass Rivers Alliance
Ken Hartlage, Nashoba Conservation Trust
Andy Zucker, resident of Cambridge, MA
Diane Turco, resident of Harwich, MA
Arnold Piacentini, resident of Richmond, MA

