



September 30, 2015,

Judith Judson, Chair
Energy Efficiency Advisory Council
Commissioner
MA Dept. of Energy Resources
100 Cambridge St., Suite 1020
Boston, MA 02114

Re: PA Response to Three-Year Plan for Energy Efficiency Draft – September 23, 2015

Dear Commissioner Judson:

I write to offer comments on the most recent draft Energy Efficiency Plan submitted on September 23 to the Energy Efficiency Advisory Council (EEAC). While we were pleased with the EEAC's March 31st resolution that supported a recommendation to pursue additional energy efficiency savings opportunities within the multifamily housing sector, we are concerned that the most recent three year plan draft lacks any detail in the market-rate or low-income multifamily program sections about working with MassHousing, MHP, CEDAC, and Mass Development on pipeline development for the next three years in which these housing finance agencies predict that 5000 units will be refinanced/recapitalized and 2000 units of new construction will come online.

There is a need for much stronger language in the plan and an affirmative commitment to work collaboratively with housing finance agencies to ensure that energy savings opportunities are not being left on the table. No one benefits from missed savings opportunities- the multifamily owners lose out on opportunity to achieve deeper savings and the utilities fail to capture energy savings opportunities. The redlined version of the most recent draft is revealing at times- not only for what was added but also what was removed. For example on page 27, the following statement was removed from the plan "The PAs will engage in continuous improvement for the multi-family initiative." While it's great the our state has the number one ranked efficiency program in the country according to ACEEE, in order to stay number one it's critical that we continually strive for improvement and commit to working with partners across sectors to achieve savings that benefit owners, lenders that want to see more predictable operating costs, and utilities that need to capture savings.

We understand that the PA response matrix isn't binding, but found the language listed in section 109c rather weak. The section states: *"The PAs are engaged in ongoing discussions with the State's housing finance agencies. The PAs will not be providing plans or other details as part of the three-year plan. This is not a program, or even an implementation detail, but a conversation between PAs and their customers about optimal ways and potential partnerships to provide energy efficiency services."* We would argue that working collaboratively to achieve deeper savings on a pipeline of 7,000 units is indeed an implementation detail that should be addressed in the final version of the three year plan. During the last phase of the MA Green Retrofit Initiative, which was one of twelve HUD Energy Innovation Fund projects funded across the country, we worked with New Ecology to benchmark over

11,000 units of affordable housing, conducted energy audits for 5400 units, and leveraged funding for over 3500 units. WegoWise conducted a Data Savings analysis, whose results were reviewed and reaffirmed by the Cadmus Group, which showed a 23% savings on gas retrofits and 29% for electric retrofits. Many of these projects were done mid-life cycle or outside a major recapitalization event and there's an opportunity to achieve deeper savings at the time of refinance when projects are undergoing capital-intensive work.

We need to consider that public subsidy resources are scarce and do what we can to work collaboratively and stretch them as far as possible. Value engineering is a common exercise owners do when pursuing building rehabs- if owners need to choose between replacing the roof, doors, and fixing building masonry versus installing a much more efficient boiler or pursuing deep energy retrofit opportunities- then it's safe to assume owners will choose to do the basic capital improvement work and kick the can down the road on pursuing energy efficiency work. It's in everyone's interest that energy efficiency items don't get value engineered out of projects- the solution to ensuring this doesn't happen lies in housing agencies and utilities working together. It's important that the three year plan has much stronger, affirmative language that underscores a commitment to ensure energy efficiency opportunities will not be left on the table for these 7000 units of multifamily housing over the next three years.

Sincerely,



Mike Davis, AICP, LEED AP BD+C
Senior Program Officer
LISC Boston

About Us:

LISC combines corporate, government and philanthropic resources to help nonprofit community development corporations revitalize distressed neighborhoods. Since 1980, LISC has invested \$12.9 billion nationwide to build or rehab 298,300 affordable homes and apartments and develop 49 million square feet of retail, community and educational space. Boston LISC operates the Massachusetts Green Retrofit Initiative, a statewide technical assistance program to help owners of affordable housing stabilize operating costs and decrease greenhouse gas emissions.