

Discontinuance of Certain Commercial and Industrial Lighting Measures

Offered via the Turnkey Pathway

September 29, 2023

I. Introduction

On November 1, 2021, The Berkshire Gas Company, Eversource Gas Company of Massachusetts d/b/a Eversource Energy, Fitchburg Gas and Electric Light Company d/b/a Until (Gas Division), Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty, Boston Gas Company d/b/a National Grid, NSTAR Gas Company d/b/a Eversource Energy, Cape Light Compact JPE, Fitchburg Gas and Electric Light Company d/b/a Until (Electric Division), Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company d/b/a Eversource Energy (the “Program Administrators” or “PAs”) filed for approval with the Department of Public Utilities (“Department”) their 2022-2024 Massachusetts Joint Statewide Electric and Gas Three-Year Energy Efficiency Plan (“2022-2024 Plan”). As part of the 2022-2024 Plan, the PAs planned to offer screw-based lighting as part of the commercial and industrial (“C&I”) programs. Exh. 1, at 134-135. The Department approved the 2022-2024 Plan on January 31, 2022.

Pursuant to the Department’s directive in Investigation by the Department of Public Utilities on its own Motion into Updating its Energy Efficiency Guidelines, D.P.U. 20-150-A, at 19-20 (2021) (“Guidelines Order”), the PAs filed a notice with the Department on November 8, 2022 regarding the “Discontinuance of Certain Commercial and Industrial Lighting Measures” in the 2022-2024 Plan term. Specifically, the PAs requested authorization to stop offering screw-based lighting via C&I midstream and downstream pathways as of July 1, 2023. That notice was approved by the Department on December 8, 2022.

That previous notice excluded screw-based lighting products via the turnkey direct install pathway. The Program Administrators submit this notice to the Department that they intend to discontinue offering incentives for screw-based lighting via the C&I turnkey pathway as of January 1, 2024.¹

II. Background

As recognized in the 2022-2024 Plan, the C&I lighting market has matured and the opportunity for C&I lighting savings has diminished. Exh. 1, at 122. Indeed, the PAs expressed the intent to evaluate C&I lighting and develop a phase out strategy by June 30, 2023. Exh. 1, App. M at 6.

As noted previously, the timeline to phase out certain C&I lighting advanced as a result of two recently-enacted standards. First, at the state level, *An Act Creating a Next Generation Roadmap for Massachusetts Climate Policy* (“2021 Climate Act”), contains new energy efficiency requirements for screw-based lighting, specifically for General Service Lamps (“GSL”), including most reflectors, globes, and candelabras. The 2021 Climate Act prohibits manufacturers from shipping non-compliant screw-based lighting products to Massachusetts. This section of the 2021

¹ Linear style bulbs and fixtures will continue to be offered. Also note that screw-based lighting products via the turnkey direct install pathway are only offered by the electric PAs.

Climate Act went into effect January 1, 2022 and the Massachusetts Department Energy Resources issued draft guidelines for implementing these efficiency standards, including enforcement, on August 8, 2022.² These standards prohibited the sale of incandescent or halogen specialty lamps starting January 1, 2023.

Second, at the federal level, the U.S. Department of Energy (“U.S. DOE”) released two final rules³ and an enforcement policy statement⁴ pertaining to GSLs on April 26, 2022 and issued final definitions of GSLs on May 9, 2022.⁵ These expanded definitions of GSLs, which now include most reflectors and candelabras that were previously exempt, require all GSLs to meet a 45 lumen/watt minimum efficiency standard.⁶ The enforcement policy allowed manufacturers to continue producing and importing non-LED screw-based lamps through December 31, 2022, and retailers to continue selling through June 30, 2023. Thus, the federal standard prohibited retailers and distributors from selling inefficient GSLs as of July 1, 2023.

III. Analysis

Assuming retailer and distributor compliance, the new state and federal-level standards make LEDs the only available product for screw-based lighting that businesses can acquire as of July 1, 2023. The combination of these standards has two implications for C&I turnkey lighting programs. First, replace-on-failure savings will be zero because purchasing an LED will be the only legal option for customers, yielding a benefit-cost ratio (BCR) of zero. Second, early replacement savings will have a truncated measure life because, after the remaining useful life of the replaced inefficient lamp, the customer would be required to purchase an LED.

There are, however, some tangible benefits in continuing to offer turnkey program support for screw-based lighting until January 1, 2024. At the time of the notice filing on November 8, 2022, the U.S. DOE enforcement timeline allowed for the sale of non-compliant lamps through June 30, 2023. Some of those non-compliant lamps may be directly installed at a customer’s business, while other lamps may be warehoused by the customer for installation at a later date. This scenario considers that lamp lifetime and warehousing will result in a standard practice baseline that lags behind the federal rules. Continued early replacement of inefficient bulbs that are installed or in storage in customer businesses could produce legitimate energy savings as customers would be unlikely to dispose of or replace them absent program intervention. Because this is more likely to occur at small businesses, the PAs decided that it was important to continue offering this support for turnkey lighting during the remainder of 2023.

² See <https://www.mass.gov/doc/draft-doer-guidelines-for-implementing-the-appliance-efficiency-standards-at-225-cmr-900/download>.

³ See [Federal Register: Energy Conservation Program: Backstop Requirement for General Service Lamps \(federalregister.gov\)](#); See [Energy Conservation Program: Energy Conservation Standards for General Service Lamps](#)

⁴ See [Enforcement Policy Statement—General Service Lamps \(energy.gov\)](#)

⁵ See [2022-05-09 Energy Conservation Program: Definitions for General Service Lamps; Final rule \(Regulations.gov\)](#)

⁶ The rule also specified that the U.S. DOE will monitor sales of exempt lamps and, if they increase significantly in market share, consider removing them from the exempt list.

Accordingly, the PAs propose that support for specialty (state-regulated) lamps and GSLs impacted by the federal standards continue to be offered until January 1, 2024.⁷ The 2022-2024 Plan already assumes early replacement for these lamps with a one-year adjusted measure life, so no changes are needed to the planned savings calculations. Continuing with early replacement of inefficient lighting will ensure that small businesses throughout Massachusetts can fully transition their installed stock of lighting to 100% LEDs, thus achieving maximum energy savings.

IV. Conclusion

In response to these standards, the PAs propose to phase out incentives for C&I turnkey screw-based lighting products as of January 1, 2024 as outlined above.

⁷ Applications for lighting via the turnkey program will be accepted up until January 1, 2024, with installations that may continue into early Q1 of 2024. Linear style bulbs and fixtures, which are not covered by either standard, will continue to be offered.