

Via Electronic Mail

July 7, 2021

Massachusetts Energy Efficiency Advisory Council
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: NECEC Comments on Draft 2022-2024 Statewide Energy Efficiency Plan

Dear Council Members,

The Northeast Clean Energy Council (“NECEC”) appreciates the opportunity to provide these recommendations to enhance the Draft 2022-2024 Statewide Energy Efficiency Plan (“Draft Plan”) to the Energy Efficiency Advisory Council (“EEAC” or “Council”). NECEC’s interest in this process is to grow the regional clean energy economy and to accelerate the clean energy transition by capturing all available cost-effective energy efficiency savings. It is through this lens that NECEC offers the following comments to improve the Draft Plan.

NECEC is a clean energy business, policy, and innovation organization whose mission is to create a world-class clean energy hub in the Northeast, delivering global impact with economic, energy and environmental solutions. NECEC is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. NECEC members span the broad spectrum of the clean energy industry, including clean transportation, energy efficiency, wind, solar, energy storage, microgrids, fuel cells, and advanced and “smart” technologies.

Energy efficiency, both passive and active, is a crucial component of our overall energy and decarbonization strategy. The Draft Plan makes considerable progress towards transitioning away from lighting savings in the residential sector with a focus on HVAC; in addition, NECEC appreciates the improved commitment to equity in this 3 year plan. The Draft Plan, however, misses a significant opportunity to maximize Commercial and Industrial (“C&I”) sector strategies, most notably in the area of electric thermal solutions. NECEC provides recommendations on three key aspects of the Draft Plan for EEAC consideration:

1. Maximize investment in the C&I sector.
2. Enhance equity commitment through innovative delivery pathways and a focus on electrification.
3. Aim higher on Active Demand Management and increase transparency of the Connected Solutions Program.

Significantly increase investment in the C&I sector

The recently enacted Climate Roadmap Bill, which deepens our commitment to addressing the climate crisis, carries a mandate for Massachusetts to move aggressively on all fronts to meet the greenhouse gas reduction targets. To do so, the Draft Plan must maximize efficiency investments, encourage and support innovative delivery pathways, and make programs easier to access and implement.

The Commonwealth's energy efficiency programs work best to deliver market transformation, especially using the clean tech community as a resource. The suite of C&I programs in the final 3-year Plan should strive to be leading examples of how to allocate appropriate funds to help transform the clean energy economy.

NECEC encourages the Council to look carefully at the C&I Sector proposals to ensure they are sufficiently robust and ambitious to meet the moment. Specifically, NECEC questions whether the heat pump strategy in the Draft Plan is sufficient. The Draft Plan calls for only 10,000 heat pumps over three years which appears inconsistent with scale of ambition in the Commonwealth's Interim Clean Energy and Climate Plan for 2030.¹ Accordingly, NECEC urges the PAs to increase the commitment to heat pump deployment in order to avoid locking the state into heating systems that are incompatible with a decarbonized future.

In addition, NECEC urges the Program Administrators to expand the Massachusetts Commercial Upstream HVAC and Heat Pump Initiative² to include incentives for air scrubbing technologies such as HVAC Load Reduction ("HLR") modules that can be used with ASHRAE's performance-based ventilation design standard, the Indoor Air Quality Procedure, to clean indoor air so that ventilation rates can be optimized for indoor air quality and energy efficiency. Such technology has been evaluated and approved by the Massachusetts Technical Assessment Committee ("MTAC"). Including this class of technology in an expanded Massachusetts Commercial Upstream HVAC and Heat Pump Initiative will provide another pathway to achieve the goals of the Climate Roadmap Bill.

Although the overall budget for the Draft Plan has increased relative to the budget for 2019-2021, the C&I budget has been reduced by more than \$200 million dollars. There is drastic need for improvement in this sector, and it is crucial that the budget contemplated in the Draft Plan is significantly expanded to at least 2019-2021 Plan levels. If the PAs are unable to deliver cost-effective savings to the C&I sector at a level significantly higher than proposed in the Draft Plan, then the Council should consider whether third parties should be given the opportunity to compete to deliver C&I program services. This concept has been successfully tested in other

¹ *Massachusetts Interim Clean Energy and Climate Plan for 2030* (December 30, 2020) at 32.

<https://www.mass.gov/doc/interim-clean-energy-and-climate-plan-for-2030-december-30-2020/download>

² <https://www.masssave.com/-/media/Files/PDFs/Business/MA-HVAC-Customer-Incentive-Table.pdf?la=en&hash=E2E94ABE201F05093CE359205E9847C40E537733>

states, and the time may be right to leverage the power of the competitive market to drive deeper savings in the Commonwealth.

Enhance equity commitment through innovative delivery pathways and a focus on electrification.

The just transition to a clean energy future requires that equity must be meaningfully woven into each of our energy policies. NECEC applauds the PAs for promoting equity throughout the Draft Plan. The Draft Plan makes considerable progress toward recognizing and remedying the shortfalls of previous plans by incorporating many of the EEAC's recommendations.

There is, of course, always room for improvement. As extreme weather events become increasingly common, the need for cost-effective cooling options becomes ever more important. The Consultant's May 26th presentation finds that the "[c]ommitment to electrification [in the income-eligible sector] is considerably lower than in Residential Sector."³ NECEC recommends that the commitment to electrification for the income-eligible sector at least match the commitment in the residential sector. Innovative approaches, such as the Cape and Vineyard Electrification Offering ("CVEO"), demonstrate that partnership with the clean energy industry will allow for deeper savings and an ability to provide low- and moderate-income customers with a suite of clean energy technologies. We understand that this will likely require a significant investment, but it is one we cannot afford to forgo.

NECEC commends the EEAC's Equity Working Group for advancing a series of recommendations to promote equitable program outcomes and we support the ongoing work of the Equity Working Group to further enhance the Draft Plan. We believe that the Draft Plan should provide a more concrete commitment to equity and provide the data necessary to fully evaluate progress.

Aim higher on Active Demand Management and increase transparency of the Connected Solutions Program.

Active Demand Management is becoming increasingly important to the energy efficiency programs, shaving peak demand and, therefore, emissions and cost. NECEC points to the comments submitted by Convergent Energy + Power, CPower Energy Management, Enel North America, Nexamp, NECEC, Sunrun, and Tesla on July 6th that outline recommendations to deepen demand savings and improve the operation of the Connected Solutions Program.

³ Slide 18: <https://ma-eeac.org/wp-content/uploads/2022-2024-Plan-Presentation-5.26.pdf>

Conclusion

Thank you for your consideration of these comments. We look forward to continuing to engage with the DOER, the EEAC, and the PAs to ensure a robust and successful final Plan. Please do not hesitate to contact us with any questions.

Sincerely,



Jeremy McDiarmid
Vice President, Policy & Government Affairs



Sean Burke
Policy Associate