

1 **Massachusetts Energy Efficiency Advisory Council**
2 **DRAFT Resolution Regarding the 2016-2018 Massachusetts Joint Statewide**
3 **Three-Year Electric and Gas Energy Efficiency Investment Plan**
4

5 October 26, 2015 (10/19/15 DRAFT)
6

7 BE IT RESOLVED THAT

8 The Members of the Energy Efficiency Advisory Council (“Council”) present the following
9 comments on the draft 2016-2018 Massachusetts Joint Statewide Three-Year Electric and Gas
10 Energy Efficiency Investment Plan (“Statewide Plan”) submitted to the Council on October 23rd,
11 2015, and the individual plans (“Individual Plans”) prepared by each of Program Administrators
12 (“PAs”) for submission to the Department of Public Utilities (“DPU”) as required by the Green
13 Communities Act of 2008 (“GCA”). Under the GCA, the Council is charged with reviewing the
14 PAs Statewide Plan and submitting its approval and comments to the DPU and the PAs. The
15 Council recognizes and commends the PAs on the significant achievements made during the first
16 two Statewide Plans, in particular the economic and energy benefits that nation-leading
17 comprehensive energy efficiency programs have delivered to the ratepayers of Massachusetts.
18 The 2016-2018 Statewide Plan recognizes energy efficiency as a resource, setting nation-leading
19 savings levels for both electric (2.93% of retail sales) and gas (1.24% of retail sales). The
20 proposed plan also ensures continued growth of energy efficiency in the Commonwealth *with*
21 *year over year increases in annual and lifetime savings goals for both electric and gas*. These
22 goal levels represent a significant increase from the 2013-2015 Three Year Plan, including a
23 15% increase in electric (2.55% of retail sales) and a 10% increase in gas (1.13% of retail sales).¹

24 In developing its input on this Statewide Plan, the Council undertook a comprehensive
25 engagement process to solicit and discuss input for the development of the 2016-2018 plans,
26 starting with creating an engagement plan in Q3 2014. The Council held a special meeting for
27 public comments in January 2015. Following that, the Council held seven topical workshops in
28 February and March, led by the Department of Energy Resources (“DOER”) that featured
29 extensive and in-depth discussion between Councilors, PAs and the EEAC Consultants. The
30 workshops and public comments informed the Council’s March 31st, 2015 resolution regarding
31 the Statewide Plan and culminated in specific programmatic recommendations from the
32 Councilors².

33 The PAs submitted a draft of the Statewide Plan on April 30, 2015. Some of the
34 recommendations from the Council were included in the plan but the consensus of the Council
35 was that the savings goal levels proposed were too low, there were program details missing, and
36 the projected cost per unit of savings was too high. The Council held another special meeting for
37 public comments in May as well as two facilitated workshops in June to develop comments on
38 the draft Statewide Plan. These efforts informed the July 21st, 2015 EEAC resolution to the
39 DPU³.

¹ These goal levels also represent a significant increase from the PA’s April draft Statewide Plan, while reducing the cost to achieve; annual electric goals increased 17% while the cost per unit of savings decreased 13%, and annual gas goals increased 15% while the cost per unit of savings decreased 6%.

² Briefing Documents, presentations, and meeting summaries from the workshops are available at ma-eeac.org

³ <http://ma-eeac.org/wordpress/wp-content/uploads/Final-EEAC-July-Resolution-7-21-15.pdf>

40 In July through September of 2015, the DOER, the Executive Office of Energy and
41 Environmental Affairs (“EEA”), and the Attorney General’s Office (“AGO”) met to discuss and
42 explore common agreement of the 2016-2018 goals and budgets with the PAs. These goals were
43 incorporated into the September 23rd draft plan which was presented to the Council. Through
44 September and October the Council provided additional input on the draft Plan, culminating in
45 this resolution.

46 **Overall Plan Comments**

47 The Council appreciates the significant efforts the PAs have invested in the development of the
48 Statewide Plan to address the priorities of the Council and stakeholders. We recognize and
49 appreciate the significant contributions of PA staff, Council consultants, Councilors the Low-
50 Income Energy Affordability Network (“LEAN”), and stakeholders in preparing these energy
51 efficiency plans. The development of the 2016-2018 Statewide Plan reflects significant
52 collaboration across PAs and among members of the Council, DOER, EEA and the AGO.

53 These comments present the judgment and determination of the Council based on its review of
54 the draft of the Statewide Plan, which was submitted by the PAs on October 23rd, 2015:

- 55 • The Council has reviewed the Statewide Plan that the PAs submitted to the EEAC on
56 October 23rd, 2015. We approve and support the 2016 – 2018 Statewide Plan, as these
57 savings levels represent record levels of energy efficiency savings in the United States
58 and continue Massachusetts on a path to achieving all cost effective energy efficiency.⁴
- 59 • We confirm that the Statewide Plan⁵ includes ambitious energy savings goals, sensible
60 program budgets, and substantial benefits to Massachusetts consumers as required by the
61 GCA, and highlights a continued commitment to innovation and technology,
62 demand/peak reduction efforts, and contractor engagement. The programs and strategies
63 in the Statewide Plan represent a significant opportunity to maximize the benefits of
64 energy efficiency for the Commonwealth over the next three years, and represent an
65 increasing commitment to gas and electric savings through energy efficiency.
- 66 • We expect the Individual PA Plans will remain fully consistent with the Statewide Plan.
67 Specifically, the energy savings levels and budgets in the Statewide Plan, and reflected in
68 the electric and gas Terms Sheet should be reflected fully in the Individual Plans.
- 69 • While the current savings, budgets, and benefits proposed in the Statewide Plan are
70 appropriate, there exists significant variation in the plan details among individual PAs.
71 The Council urges the PAs to continue their joint planning and best practices efforts, with
72 the goal of achieving consistency and equivalency while providing more equitable
73 service for customers across the Commonwealth.
- 74 • We recognize that performance incentives are an integral part of the planning and
75 implementation of the energy efficiency programs. We accept, consistent with DPU
76 Guideline 3.6, the performance incentives set forth in the Statewide Plan, including the
77 performance incentive pool (emphasizing the maximum performance incentive pool at

⁴ This approval is provided there are not unexpected or contrary data or details that appear in later PA submissions. In approving this resolution, the Council also acknowledges the right of the DOER, the Attorney General, and any other member of the Council to participate in the proceedings before the DPU.

⁵ <http://ma-eeac.org/plans-updates/>

78 the design level shall be \$118 million, comprised of \$100 million for electric programs
79 and \$18 million for gas programs).

80 • We believe that the costs to implement and operate energy efficiency programs should be
81 kept as low as possible, while achieving the objectives and requirements of the GCA. We
82 appreciate the willingness of the PAs to project reduced costs to achieve savings and plan
83 for sensible program budgets consistent with the Council's priorities as defined in the
84 Council's July 21st Resolution. Achieving ambitious energy savings at sensible program
85 costs will provide significant and lasting benefits to ratepayers, businesses, and the
86 Commonwealth.

87 • We expect that the PAs will use competitive procurement whenever possible to obtain the
88 highest quality, lowest cost service providers in the implementation of the Statewide
89 Plan.

90 • We recognize that minimizing bill impacts on customers is an essential consideration.
91 The approach in the Statewide Plan to be filed on October 30th, 2015 pursues ambitious
92 savings goals at sensible program costs, and indicate that most PAs' customer bill
93 impacts are expected to result in moderately low incremental cost compared to prior
94 years. The Council and PAs will continue working together to ensure that savings are
95 being delivered cost-efficiently, including maintaining a keen eye on program costs.

96 • The Council and PAs will continue to work collaboratively throughout the three-year
97 roll-out of the Individual Plans, as directed by the GCA, through continued quarterly
98 reports and specific updates in regular meetings that focus on topics to be determined by
99 the Council. We expect the PAs to analyze new lessons learned, develop adjustments, and
100 put them into practice.
101

102 On a statewide basis, the October 23rd, 2015 Statewide Plan reflects the highest levels of
103 efficiency savings goals, as well as close PA attention to Council recommendations from the July
104 21st resolution, and inclusion of many specific recommendations. We appreciate that these
105 elements are reflected in the plan including: *(items in italics not yet incorporated by PAs)*

106 • A renter-specific initiative to be rolled out in Q1 2016, *including periodic PA reports to*
107 *the EEAC that will include timely rental visit metrics including participation levels and*
108 *conversion rates by renters and their landlords by PA, and qualitative information on any*
109 *barriers encountered and plans to address them.*

110 • A moderate income initiative beginning in Q1 2016, *including periodic PA reports to the*
111 *EEAC on participation rates by PA.*

112 • *PAs work with public housing funding agencies (with mutual expectations and*
113 *deliverables) and LEAN to develop and implement enhanced approaches to will leverage*
114 *multi-family refinancing events to maximize retrofit potential and develop a performance-*
115 *based retrofit product for these situations. The PAs will present the results of these efforts*
116 *and specific proposals derived from them by the close of Q1 2016.*

117 • More detail about the PA's Massachusetts Technology Assessment Committee (MTAC),
118 *and semi-annual updates to the Council on progress reviewing and implementing new*
119 *technologies into programs.*

- 120 • A clear commitment to Combined Heat and Power (CHP) installations, *and tracking*
121 *CHP project savings and expenditures against PA's CHP Plan projections in semi-*
122 *annual presentations to the EEAC and in data sets provided on Mass Save Data.*
- 123 • Regular and specific updates to the Council on C&I program progress and penetration
124 (including segment specific approaches - especially for challenging subsectors such as
125 small and mid-size commercial, small hospitals, non-profits, and multifamily - measures
126 such as street lighting and LED costs and conversion, and innovations such as strategic
127 energy management) *through semi-annual presentations to the EEAC. The PAs will*
128 *collaborate with DOER in Q4 2015 to consider how best to present this information (e.g.,*
129 *potential use of roundtables, webinars, etc.) and to develop a schedule for updates on*
130 *specific topics.*

131
132 However, data tracking and reporting issues have yet to be satisfactorily resolved by the Mass
133 Save Data website. We recommend that the DPU continue to investigate the need for greater
134 state-wide data transparency and reporting by the PAs through its open Docket No. 14-141
135 *Response of the Department of Public Utilities to Data Privacy and Data Security Issues Related*
136 *to the Statewide Energy Efficiency Database.*

137
138 The PAs have recently provided the Technical Reference Manual (TRM), 2016-2018 Plan
139 Version, which provides the important supporting details for the savings included in the
140 Statewide Plan. The Statewide Plan commits that an online Technical Reference Library (TRL)
141 will be available in 2016. Since the Council has not had an opportunity to review the TRM and
142 subsequent TRL, the Council reserves its rights to complete a review of these documents and
143 provide comments to the DPU as appropriate.

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145 Accordingly, the Members of the Energy Efficiency Advisory Council in recognition of the
146 aforementioned reasons, respectfully request the Commissioners of the Department of Public
147 Utilities to approve the 2016-2018 Massachusetts Joint Statewide Three-Year Electric and Gas
148 Energy Efficiency Investment Plan and the Individual Plans of the electric and natural gas
149 companies and municipal aggregators, to the degree that the Individual Plans are fully consistent
150 with the Statewide Plan. We further request that said approval consider, embrace and reflect the
151 comments that we articulate above.