

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 (10/21/15 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 23<sup>rd</sup>,  
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).<sup>1</sup>

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 31<sup>st</sup>, 2015 resolution regarding  
31 the Statewide Plan and culminated in specific programmatic recommendations from the  
32 Councilors<sup>2</sup>.

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 21<sup>st</sup>, 2015 EEAC resolution to the  
39 DPU<sup>3</sup>.

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<sup>1</sup> 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%.

<sup>2</sup> Briefing Documents, presentations, and meeting summaries from the workshops are available at [ma-eeac.org](http://ma-eeac.org)

<sup>3</sup> <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 23<sup>rd</sup> 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 23<sup>rd</sup>, 2015:

- 55 • The Council has reviewed the Statewide Plan that the PAs submitted to the EEAC on  
56 October 23<sup>rd</sup>, 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.<sup>4</sup>
- 59 • We confirm that the Statewide Plan<sup>5</sup> 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 programmatic consistency and equivalency while fostering  
73 creativity and providing equitable service for customers across the Commonwealth.
- 74 • We recognize the opportunity for energy efficiency to reduce peak demand and mitigate  
75 peak energy prices. We support the establishment of a Demand Savings Group to  
76 address opportunities to reduce peak demand in an expeditious way.

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<sup>4</sup> 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.

<sup>5</sup> <http://ma-eeac.org/plans-updates/>

77 • We recognize that performance incentives are an integral part of the planning and  
78 implementation of the energy efficiency programs. We accept, consistent with DPU  
79 Guideline 3.6, the performance incentives set forth in the Statewide Plan, including the  
80 performance incentive pool (emphasizing the maximum performance incentive pool at  
81 the design level shall be \$118 million, comprised of \$100 million for electric programs  
82 and \$18 million for gas programs).

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

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

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

99 • The Council and PAs will continue to work collaboratively throughout the three-year  
100 roll-out of the Individual Plans, as directed by the GCA, through continued quarterly  
101 reports and specific updates in regular meetings that focus on topics to be determined by  
102 the Council. We expect the PAs to analyze new lessons learned, develop adjustments, and  
103 put them into practice.  
104

105 On a statewide basis, the October 23<sup>rd</sup>, 2015 Statewide Plan reflects the highest levels of  
106 efficiency savings goals, as well as close PA attention to Council recommendations from the July  
107 21<sup>st</sup> resolution, and inclusion of many specific recommendations. We appreciate that these  
108 elements are reflected in the plan including: *(items in italics not yet incorporated by PAs)*

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

113 • A moderate income initiative beginning in Q1 2016, *including semi-annual PA reports to*  
114 *the EEAC on participation rates by PA.*

115 • *PAs will continue to work with the Commonwealth’s housing financing agencies and*  
116 *LEAN (with mutual expectations and deliverables) to develop and implement enhanced*  
117 *approaches to leverage multi-family refinancing events to maximize retrofit potential.*  
118 *The parties will specifically consider performance-based retrofit products. The PAs will*

119 *present the results of these efforts and specific proposals derived from them by the close*  
120 *of Q1 2016.*

- 121 • *More detail about the PA’s Massachusetts Technology Assessment Committee (MTAC),*  
122 *and semi-annual updates to the Council on progress reviewing and implementing new*  
123 *technologies into programs.*
- 124 • *A clear commitment to Combined Heat and Power (CHP) installations, and tracking*  
125 *CHP project savings and expenditures (subject to customer confidentiality requirements)*  
126 *against PA’s CHP Plan projections in semi-annual presentations to the EEAC and in*  
127 *data sets provided on Mass Save Data.*
- 128 • *Regular and specific updates to the Council on C&I program progress and penetration*  
129 *(including segment specific approaches - especially for challenging subsectors such as*  
130 *small and mid-size commercial, small hospitals, non-profits, and multifamily - measures*  
131 *such as street lighting and LED costs and conversion, and innovations such as strategic*  
132 *energy management) through semi-annual presentations to the EEAC. The PAs will*  
133 *collaborate with DOER by the end of 2015 to consider how best to present this*  
134 *information (e.g., potential use of roundtables, webinars, etc.) and to develop a schedule*  
135 *for updates on specific topics.*

136  
137 However, data tracking and reporting issues have yet to be satisfactorily resolved by the Mass  
138 Save Data website. We recommend that the DPU continue to investigate the need for greater  
139 state-wide data transparency and reporting by the PAs through its open proceeding D.P.U. 14-  
140 141 *Response of the Department of Public Utilities to Data Privacy and Data Security Issues*  
141 *Related to the Statewide Energy Efficiency Database.*

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

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