

1 **Massachusetts Energy Efficiency Advisory Council**  
2 **Resolution Regarding the 2019-2021 Massachusetts Joint Statewide**  
3 **Three-Year Electric and Gas Energy Efficiency Investment Plans**  
4

5 October 30, 2018

6 BE IT RESOLVED THAT

7 Pursuant to G.L. c. 25, § 21, the Energy Efficiency Advisory Council (“Council” or “EEAC”) presents the  
8 following comments to the Department of Public Utilities (“DPU”) regarding the 2019-2021  
9 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plans. The  
10 Green Communities Act, as set forth in G.L. c. 25, § 21, directs the Council to review the draft 2019-2021  
11 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plans  
12 (“Statewide Plans”) submitted to the Council on April 30<sup>th</sup> by the Program Administrators (PAs). The  
13 PAs are then directed to incorporate any changes or revisions to reflect the input of the Council into their  
14 submittal of the Statewide Plans to the DPU on or before October 31<sup>st</sup>. The detailed contents of the plan  
15 that the Council must review are set forth in G.L. c. 25, § 21(b)(2).

16 In developing its input on the 2019-2021 Statewide Plans, the Council undertook a comprehensive  
17 engagement process, starting with six collaborative planning workshops between September 26, 2017 and  
18 January 30, 2018 that featured research materials, and extensive and in-depth discussion between  
19 Councilors, PAs and the EEAC Consultants. Additionally, the Council held eight public listening  
20 sessions in municipalities across the Commonwealth (Pittsfield, Springfield, Worcester, Lowell, Salem,  
21 Fall River, Mashpee and Boston). Finally, in addition to dedicating time at every Council meeting for  
22 public comment, the Council held a special meeting in June 2018 exclusively to receive public comment.  
23 The workshops and public comments informed the Council’s February 28<sup>th</sup>, 2018 resolution that set forth  
24 Council priorities and recommendations for the Statewide Plans<sup>1</sup>.

25 The PAs submitted a draft of the Statewide Plans to the Council on April 30, 2018. Some of the  
26 recommendations from the Council were touched on in the April plans but the consensus of the Council  
27 was that the Plans were largely non-responsive to the Council priorities, savings goal levels proposed  
28 were too low, program details were missing, and the projected cost per unit of savings was too high.  
29 These efforts informed the July 31<sup>st</sup>, 2018 EEAC resolution to the Program Administrators<sup>2</sup>. The PAs then  
30 submitted revised draft plans on September 14<sup>th</sup>, 2018. On October 22<sup>nd</sup>, 2018, the PAs submitted updated  
31 data tables and a memo of program enhancements that reflect changes to the September 14<sup>th</sup> Draft Plans.  
32 The Council offers its comments based on the following records (collectively the “October 22<sup>nd</sup> Drafts”) with  
33 the expectation that the PAs will file final Statewide Plans with DPU on October 31<sup>st</sup>, 2018 that are  
34 fully consistent with the content of these materials.

- 35 1. Draft joint statewide plans dated September 14<sup>th</sup>, 2018;  
36 2. Term Sheet dated October 19<sup>th</sup>, 2018;  
37 3. Revised data tables dated October 22<sup>nd</sup>, 2018; and  
38 4. Memo of Program Enhancements from PAs dated October 22<sup>nd</sup>, 2018.<sup>3</sup>

39  
40 **Overall Plan Comments**

41 The Council appreciates the significant efforts the PAs have invested in the development of the October  
42 22<sup>nd</sup> Draft Plans to address the priorities of the Council and stakeholders. We recognize and appreciate the  
43 significant contributions of PA staff, Council consultants, Councilors, the Low-Income Energy

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<sup>1</sup> Briefing documents, presentations, and meeting summaries from the workshops are available at [www.ma-eeac.org](http://www.ma-eeac.org)

<sup>2</sup> Available at <http://ma-eeac.org/plans-updates/>

<sup>3</sup> Available at: <http://ma-eeac.org/plans-updates/>

44 Affordability Network (“LEAN”), and stakeholders in preparing these energy efficiency plans. The  
45 development of the 2019-2021 Statewide Plans reflects significant collaboration across PAs and among  
46 members of the Council, DOER, and the AGO. These comments of the Council are based on its review of  
47 the October 22<sup>nd</sup> Draft:

- 48 • The Council has reviewed and approves the October 22<sup>nd</sup> Draft of the 2019 – 2021 Statewide Plan,  
49 as the savings levels represent record levels of gas energy efficiency savings and continue  
50 Massachusetts on a path to achieving all cost effective energy efficiency as required by the Green  
51 Communities Act (“GCA”).<sup>4</sup>
- 52 • The October 22<sup>nd</sup> Draft sets a path forward to pivot Massachusetts’ nation-leading energy efficiency  
53 programs to focus on (1) reducing energy usage during times of summer and winter peak demand,  
54 and (2) promoting fuel switching from oil and propane to clean energy sources such as cold climate  
55 air source heat pumps, as authorized by “An Act to Advance Clean Energy” enacted on August 9,  
56 2018. The Council further recognizes that the Act to Advance Clean Energy was enacted late in the  
57 planning process, leaving limited time to incorporate additional changes authorized by this  
58 legislation. The Council urges the PAs to continue efforts to introduce new approaches and clean  
59 energy sources into the energy efficiency programs.
- 60 • The October 22<sup>nd</sup> Draft sets electric savings levels of 2.7% of annual sales (35.6 million lifetime  
61 MWH) and natural gas savings levels of 1.25% of annual sales (1.192 million lifetime therms). The  
62 2019-2021 Statewide Plans, as represented by the October 22<sup>nd</sup> Draft, will provide 8.6% higher  
63 benefits than the 2016-2018 Plan. These goal levels represent significant increases from the April  
64 draft plan, while reducing the cost to achieve and minimizing budget increases – statewide lifetime  
65 electric MWH goals increased 23%, and MMBtu goals increased 22%, and statewide lifetime gas  
66 goals increased 16%.
- 67 • The Council confirms that the October 22<sup>nd</sup> Draft<sup>5</sup> includes ambitious energy savings goals,  
68 sensible program budgets, and substantial benefits to Massachusetts consumers as required by the  
69 GCA. The programs and strategies in the Statewide Plan represent a significant opportunity to  
70 maximize benefits for the Commonwealth over the next three years.
- 71 • The Council recognizes the importance of pivoting the electric energy efficiency programs under  
72 an Act to Advance Clean Energy to a broader energy system view and supports the commitment in  
73 the October 22<sup>nd</sup> Draft to target summer and winter peak energy reduction and the PAs’  
74 commitment to energy optimization with a focus on fuel switching to cold climate air source heat  
75 pumps and other clean energy sources.
- 76 • The Council expects the Individual PA Plans will remain fully consistent with the October 22<sup>nd</sup>  
77 Draft of the Statewide Plan.
- 78 • While the current statewide savings, budgets, and benefits proposed in the October 22<sup>nd</sup> Draft are  
79 appropriate, there exists significant variation in savings levels, cost to achieve, and plan details  
80 among individual PAs. The Council urges the PAs to continue their joint planning and best  
81 practices efforts, with the goal of achieving programmatic consistency and equivalency while  
82 fostering creativity and providing equitable service for customers across the Commonwealth.
- 83 • The Council recognizes that performance incentives are an integral part of the planning and  
84 implementation of the energy efficiency programs. We accept, consistent with the DPU’s Energy  
85 Efficiency Guidelines at Section 3.6, the performance incentives set forth in the October 22<sup>nd</sup> Draft,

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<sup>4</sup> This approval is provided there are not unexpected or contrary data or details 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-ceac.org/plans-updates/>

86 including the two new performance incentive components (savings component for active demand  
87 benefits and renter target).

- 88 • The Council, Council consultants, and PAs will continue to work collaboratively throughout the  
89 three-year roll-out of the Individual Plans, as directed by the GCA, through continued quarterly  
90 reports and specific updates in regular meetings that focus on topics to be determined by the  
91 Council. We expect the PAs to consistently engage with the Council consultants to analyze new  
92 lessons learned, develop adjustments, and put them into practice.

93

## 94 **Council Priorities**

95 The October 22<sup>nd</sup> Draft provides additional detail and PA attention to Council recommendations from the  
96 July 31<sup>st</sup> resolution, and addresses many specific recommendations. We appreciate that these elements are  
97 reflected in the plan. The Council provides comments below on each of its key 2019-2021 priorities:

### 98 **1. Underserved Populations and Geographies: Increase participation by, and savings from,** 99 **hard-to-reach and underserved populations and geographies, including moderate income,** 100 **renters, small business, and non-profits.**

101

102 The Council's first priority in the development of the 2019-2021 Statewide Plan has been to increase  
103 participation by, and savings from, hard-to-reach and underserved populations and geographies,  
104 including moderate income, renters, English as a second language speakers, small businesses, and  
105 non-profits.

- 106 • While renter, moderate income, and non-English speaking populations are hard to precisely  
107 define or identify with existing Mass Save metrics, the Council commends the addition of a renter  
108 metric in the PA performance incentive. In addition to targeting renters, this metric is also the  
109 best available proxy indicator of these and other underserved populations and a sign of a renewed  
110 commitment to deliver the benefits of the Mass Save program to all customers.

- 111 • The Council is supportive of EM&V studies committed to in the Term Sheet and requests that the  
112 PAs fully engage the EM&V consultants in this process.

- 113 • The Council commends the PAs' commitment to develop and launch a statewide municipal and  
114 community partnership strategy. The Council expects the PAs to proactively engage and formally  
115 partner with municipalities and communities with historically low participation rates along with  
116 non-profits in the development and implementation of this strategy and provide a range of support  
117 to improve access to, and savings from, residents, small business, non-profits, and municipal  
118 facilities, among others.

- 119 • The Council supports the commitment to zip code level participation reporting made in the Term  
120 Sheet as a step forward in tracking, collecting, and reporting data to help the Council assess the  
121 geographic equity of these programs, and expects the reporting to cover each sector, subject to the  
122 privacy standards required by the Department of Public Utilities.

- 123 • The Council expects a targeted effort to support the installation of high efficiency equipment,  
124 including air source heat pumps, and weatherization measures in homes and businesses impacted  
125 by the September 2018 Columbia Gas incidents in the Merrimack Valley.

126

### 127 **2. Active Demand Management: Include goals specific to active demand management and** 128 **integrate the delivery of active demand management offerings within the EE programs in** 129 **the 2019-2021 Plan.**

130

131 The Council strongly supports the development and implementation of new active demand  
132 management program offerings, including behind-the-meter energy storage in 2019-2021.

- 133 • The Council is pleased to see active demand management programs that include wi-fi  
134 thermostats, energy storage, and C&I load curtailment.
- 135 • The Council supports the inclusion of a winter active demand management goal and a study  
136 to assess the benefits of winter demand reduction.
- 137 • The Council expects these Active Demand Management offerings to complement and  
138 coordinate with other state policies and incentive programs including, but not limited to,  
139 SMART and Clean Peak Standard.
- 140 • The Council supports \$5 million of the PAs’ performance incentives specifically dedicated to  
141 achieving active demand management goals.

142  
143 **3. Fuel Switching: Promote & incentivize fuel switching strategies, in all sectors, that support**  
144 **the Commonwealth’s long term greenhouse gas reduction requirements, as established**  
145 **under the Global Warming Solutions Act.**  
146

147 As a way to continue to align statewide energy efficiency policy with the Commonwealth’s Global  
148 Warming Solutions Act (“GWSA”) goals, the Council strongly supports the fuel switching strategies  
149 of the electric PAs that are consistent with the an Act to Advance Clean Energy and the GWSA. The  
150 Council supports the PAs plan to provide an “energy optimization” approach to program delivery,  
151 which is fuel-neutral, and supports a shift to include a primary MMBtu metric to reflect the  
152 importance of this pivot. Achieving fuel-neutrality will require enhanced marketing, outreach,  
153 contractor training and incentives for residential customers to understand newer options such as  
154 converting to high efficiency, cold climate air source heat pumps. The Council expects to coordinate  
155 with the PAs during implementation of the Statewide Plan to explore market expansion of heat pump  
156 offerings in the residential retrofit and new construction initiatives, and looks forward to working  
157 with the PAs to ensure there is a commensurate fuel switching commitment to serve commercial  
158 customers.

159  
160 **4. Integrated Residential Program Design: Provide a new, integrated residential program**  
161 **design that maintains strong savings and benefits for all residential homeowner and rental**  
162 **initiatives by: increasing customer capture, providing new methods for realizing savings,**  
163 **expanding HVAC, behavioral, financing, and upstream offerings, and increasing conversion**  
164 **rates for HVAC and weatherization measures.**  
165

166 Given the predicted declining claimable electricity savings from residential lighting initiatives and  
167 other market developments that have been apparent for the past few years, the Council continues to  
168 see a need for a comprehensive redesign for the residential retrofit and retail programs to continue to  
169 obtain all cost-effective energy efficiency, as highlighted in its February and July resolutions. Positive  
170 improvements in the October 22<sup>nd</sup> Drafts include combining single and multi-family programs into a  
171 single new Residential Coordinated Delivery Initiative, as well as the residential sector enhancements  
172 to program delivery. The Council looks forward to regular updates in the quarterly reports from the  
173 PAs on the rollout status of the new program enhancements, including a report to the Council on the  
174 results of the enhancements demonstrated and tested in 2019, and any adjustments or revisions to be

175 implemented in 2020 and 2021, and levels of additional resources dedicated toward these  
176 enhancements in 2019-2021. The Council supports significant increases in technical and sales training  
177 for call center staff and contractors and would like to see regular updates regarding this in the  
178 quarterly reports.

179  
180 The Council expects residential program design to be a major focus of the PAs over the next three  
181 years. The Council requires a commitment by the PAs to work with the EEAC and its Consultants in  
182 2019 to assess potential residential program design updates or delivery model changes to increase  
183 participation and savings. In September 2019, the Program Administrators will provide and present to  
184 the EEAC results of the assessment and planned enhancements or changes for 2020 and 2021,  
185 including any impacts to participation, costs, and savings.

186  
187 **5. C&I Sector Savings Measures: Increase program savings in the C&I sector from HVAC,**  
188 **process, lighting, and CHP measures.**  
189

190 The Council is supportive of the October 22<sup>nd</sup> Draft's increased focus in 2019-2021 on achieving  
191 additional savings opportunities in the Commercial & Industrial (C&I) sector. The Council supports the  
192 increases in planned CHP, HVAC, and process savings. The Council continues to believe there are  
193 additional C&I lighting opportunities and looks forward to working with the PAs to track progress over  
194 the next three years. The Council is concerned about historical over-budgeting in the C&I sector. Given  
195 the increase in the C&I budget in the October 22<sup>nd</sup> Draft compared to prior three year plans, the Council  
196 would like to see a greater commitment to obtaining all cost effective savings in the C&I sector.

197  
198  
199 **6. Zero Energy Ready Buildings and Passive House: Actively promote zero energy ready**  
200 **buildings (ZEBs) & Passive House for new construction and major renovations in all**  
201 **sectors.**  
202

203 The Council is supportive of the October 22<sup>nd</sup> Draft's new Passive House offering that provides  
204 new, increased performance-based incentives for Passive House construction. The PAs commitment  
205 to actively working on re-defining the performance-based incentive for Passive House New  
206 Construction developers addresses the subject of many public comments received by the Council.

207  
208 **7. Integrated Multi-family Framework: Establish a multi-family framework that better**  
209 **integrates residential and commercial offerings and is cost- effective.**  
210

211 The Council supports a new integrated multi-family framework and looks forward to assessing results  
212 by maintaining distinct multi-family reporting to the Council.

213  
214 **8. Low Income Programs: Review low-income programs for potential improvements in**  
215 **participation and achievement of savings, and seek additional savings & cost-efficiency**  
216 **opportunities, to ensure continued success.**  
217

218 The low income programs are testing out new measures and approaches including wi-fi thermostats,  
219 cold-climate air source heat pumps for fuel switching, active demand management, and coordinated

220 service delivery with the market rate program for 1-4 unit mixed use buildings. The Council is  
221 pleased that the PAs and the Low-Income Energy Affordability Network will evaluate the use of U.S.  
222 Department of Energy approved electronic audit tools to improve the low-income audit and data  
223 collection process. The Council looks forward to continuing to work with the PAs and LEAN during  
224 plan implementation to assess opportunities to improve low income participation channels.  
225

226 **9. Data Management: Modernize data management across all PAs and sectors, enhance**  
227 **accessibility to and usefulness of the data to the public, and leverage additional data sources**  
228 **to accomplish items 1-8 above.**  
229

230 The Council supports the new reporting commitments in the Term Sheet and looks forward to  
231 developing Key Performance Indicators for tracking of Council priorities and Plan progress. The  
232 Council expects the PAs to work towards more comprehensive data collection and management,  
233 while ensuring customer privacy and security, during implementation of the 2019-2021 Statewide  
234 Plan.

235 **Council Decision on Draft Plan**

236 Based on its review described above, the Energy Efficiency Advisory Council respectfully requests the  
237 Department of Public Utilities approve the 2019-2021 Massachusetts Joint Statewide Three-Year Electric  
238 and Gas Energy Efficiency Investment Plans and the individual plans of the Program Administrators, to  
239 the degree that the individual plans are fully consistent with the Statewide Plan and to the Degree that the  
240 final filed plans are fully consistent with information available to the Council at this time.<sup>6</sup> We further  
241 request that the DPU embrace and reflect the comments above, including a commitment by the Program  
242 Administrators to work with the Council and its Consultants to assess residential program design changes  
243 for implementation in 2020 and 2021.  
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<sup>6</sup> Since the Council has not had an opportunity to review the Benefit-Cost Models or Technical Resource Manual, the Council reserves its rights to complete a review of these documents and provide comments to the DPU as appropriate.