

September 22, 2021

Submitted electronically

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

**Re: September Draft of the 2022-2024 Energy Efficiency Plan**

Dear Council Members,

Opower appreciates the opportunity to engage with the Energy Efficiency Advisory Council (EEAC or Council) on the September Draft 2022-2024 Statewide Energy Efficiency Plan. Opower is a part of the Utilities Global Business Unit within Oracle, the largest software company in the world with a dedicated focus of building leading edge software for the utility industry. Opower's mission is to influence customer action on an incredible scale to drive demand-side decarbonization pathways in an equitable and affordable way including energy efficiency (EE), electrification, and demand flexibility.

On March 26, 2021, Governor Baker signed *An Act Creating a Next Generation Roadmap for Massachusetts Climate Policy* (Climate Act). Among other requirements, the Climate Act requires the Secretary of Energy and Environmental Affairs to set a goal for each Mass Save Energy Efficiency Plans' necessary contribution to meeting each statewide greenhouse gas (GHG) limit and sublimit adopted under the GWSA.<sup>1</sup> In July, the Department of Energy Resources (DOER) presented the program administrators (PAs) with the GHG limits for 2025 and 2030. Opower commends the effort to consider energy efficiency as a decarbonization tool and for applying GHG limits for EE, but finds it necessary to highlight a concern with the GHG methodology.

**Accounting for Avoided GHG Emissions in Energy Efficiency**

The methodology DOER selected for the 2030 GHG reduction target is a snapshot in time and does not consider the cumulative emissions that are added to the atmosphere in the time leading up to that year. Consequently, the 2022-2024 plan only accounts for EE solutions that are implemented and still in service in 2030—essentially requiring any measure to have a minimum 8-year EUL to make any statutory contribution to that single-year goal. This unnecessarily discounts the climate value of all EE measures that have a shorter EUL, including behavioral energy efficiency, even though the climate impact of the avoided emissions between now and 2030 will have a lasting impact. The methodology MA uses neglects to value a significant quantity of avoided emissions that can accumulate from behavior change by continuously seeking to maximize emissions reductions from this as well as other measures with shorter EULs. Behavior can continue to provide other portfolio benefits (a cost-effective solution that all residents can leverage, low and no-cost ways to reduce energy, considerable annual savings, etc.), but the current methodology excludes behavior as an effective tool to reduce GHGs.

From a climate perspective, total cumulative avoided emissions matter most. The IPCC modeling on impacts of climate change, and the corresponding required emissions limits, are all based on limiting **cumulative** emissions. According to the IPCC's most recent report, "limiting global warming

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<sup>1</sup> <https://ma-eeac.org/wp-content/uploads/2021-07-15-Mass-Save-GHG-Goal.pdf>

requires limiting the total cumulative global anthropogenic emissions of CO<sub>2</sub>".<sup>2</sup> This is not about a snapshot in time; our climate has a total "budget" of how much CO<sub>2</sub> it can absorb.

### Time Value of Avoided Emissions

The climate value of EE programs depends not only on how much EE measures reduce GHG, but also on when those reductions occur. EE savings today have a greater climate impact than the same EE savings in the future because supply side energy resources are becoming more climate-friendly over time as we make investments to clean the grid. Massachusetts has ambitious clean energy goals and energy efficiency should be maximized to avoid the greatest number of emissions today given the grid's energy resources. Behavioral EE programs achieve GHG emission reductions at scale faster than structural energy efficiency programs, at a fraction of the cost, and can reach a broader segment of a utility's service population regardless of housing type and income. Behavioral EE can accelerate and deepen participation in other programs, further increasing EE's contribution to meeting the Commonwealth's climate goals.<sup>3</sup>

Opower understands, and applauds, the importance of achieving the 2030 GHG reduction target. However, Opower recommends maximizing energy efficiency to avoid the greatest level of GHG emissions *today* as well as in 2030 by adopting a cumulative approach to achieve the 2030 GHG target. The 2022-2024 EE plan should maximize energy efficiency to achieve the greatest GHG reduction now, for the 2025 GHG limit, as well as in 2030.

A robust behavior program should be available to all ratepayers across Massachusetts as the state works towards these impressive climate goals. In addition to the GHG benefits, behavioral EE is an equitable program that reaches the most customers at scale, can be used to reach hard-to-reach sectors, such as renters, non-English speakers, LMI, and can encourage participation in other energy efficiency programs. Behavioral EE is a critical component in achieving weatherization and heat pump targets.

### Conclusion

Thank you for your consideration of these comments. Opower looks forward to continuing to engage with DOER, the EEAC, and the PAs to ensure successful implementation of a robust, equitable, and affordable 2022-2024 EE plan. Please reach out with any questions.

Sincerely,



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<sup>2</sup> <https://www.ipcc.ch/sr15/chapter/spm/>

<sup>3</sup> P. Hibbard, et al., Utility energy efficiency program performance from a climate change perspective, Analysis Group, July 2020, Available at: <https://go.oracle.com/LP=97548?elqCampaignID=262134>