April 27, 2022
Presentation to EEAC

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April Compliance Filing

2022-2024 Three-Year Plan

WE ARE MASS SAVE®:

BERKSHIRE GAS
An AVANGRID Company

Cape Light Compact

EVERSOURCE

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Background

- The Department of Public Utilities approved the Plan subject to limited modifications, disallowances, and conditions
- The Order provided three dates for compliance filings, with the bulk of the requirements due by April 1
- Additional materials due by May 2 and September 30

April Filing Overview

- Addendum with Attachments
- Matrix Identifying Order Directives
- Updated PA Tables and BCR Models
- Updated Bill Impacts
- Limited Other PA-Specific Materials

Addendum with Attachments

"… an addendum to the Statewide Plan explaining at a high level the elements of the Statewide Plan that were revised per the Order, which addendum should also be submitted to the Council." Order Page 327

- Organized by Plan section
  - Electrification, equity, residential and income eligible, C&I, active demand reduction, EM&V, budgets, savings, and benefits, statewide data/reporting, performance incentives
- Includes updated versions of tables embedded in the Statewide Plan
- Attachments
  - Targeted Hard-to-Reach Communities, additional evaluation study summaries, additional evaluation studies, statewide data tables, 2022-2024 KPIs, performance incentive models, sample benefit cost model for annual report

Significant Program Updates - Residential

- **Targeted Hard-to-Reach Communities**: Used the Department's three-prong test to determine the selected Environmental Justice municipalities
- **Lighting**: PAs will conduct a study to assess the remaining lighting savings opportunities and strategies for renters, moderate income, minority, and limited English-proficiency customers;
    - Until this study is completed, the PAs will offer lighting measures as leave-behind packages through home energy assessments
- **Heating Equipment**: the PAs will continue to offer incentives for cost-effective propane and gas fired heating measures and oil furnaces
- **Heating Comparison Calculator**: calculator is fully operational - https://www.masssave.com/saving/heating-comparison-calculator
- **Weatherization and Electrification**: PAs will encourage all residential market rate customers to weatherize their homes prior to installing heat pumps through robust education and offering differentiated incentives (standard incentive for heat pump conversions without weatherization and an enhanced incentive or a bonus for weatherization)

Significant Program Updates – C&I and Active Demand Reduction

- **Combined Heat and Power (CHP)**: Established criteria for new CHP projects
  - (1) reduces net energy usage; (2) reduces GHG emissions; (3) screens cost-effective; (4) complies with all applicable emission requirements and RPS eligibility requirements
- **Active Demand Reduction "Opt-in" Enrollment**: confirm opt-in customer enrollment for all residential and income eligible ADR offerings, with no automatic enrollment upon smart thermostat purchase or installation
- **Electric Vehicle Load Management**: detailed proposal included
  - Two pathways to participate - customers may only enroll in one pathway
    - EV supply equipment
    - EVs on-board charge controller
  - Customers receive enrollment incentive, plus annual incentives for staying in the program and participating during an event
  - Additional instructions on overlap with other EV programs
  - Addressed issues related to customers charging their EVs in multiple service territories

Important Statewide Data Updates

- Continued to meet overall greenhouse gas emissions reductions target statewide
- Revised the social value of greenhouse gas emissions reductions to $128 per short ton
- Removed costs associated with the Home Energy Scorecard from each PA's Residential Conservation Services ("RCS") budget
- Added an Electrification table to show costs, savings, benefits, and cost-effectiveness specific to electrification measures
- Expanded the Benefits table to include the performance incentive components
- Corrected values and nomenclature in the BCR Screening Model to accurately reflect evaluation results and align with the Technical Reference Manual
- Included KPIs and biannual reporting for 2022-2024 that have been mutually agreed to among PAs, DOER and the Council's consultants

Performance Incentive Mechanism

- Added value component and set to 30% of the pools
- Reduced total pool by 10%
- Maintained one common set of payout rates for each component for all electric PAs, and one common set for each component for all gas PAs
- Maintained at least a 10 percent differentiated payout rate for the electrification and equity component payout rates as compared to the standard payout rate (20% higher for electric PAs, 55% higher for gas PAs)
- Applied marginal abatement cost benefits to fossil fuel measures
- PI capped at design level for each component until all component threshold benefit levels are met
- Used updated Targeted Hard-to-Reach Communities for equity component
- Installed measures will be entered in the PAs' tracking system with the associated service address ZIP code
- Provided protocols for determining weatherization for electrification component

Other Filed Materials

- **Enhancements Studies**: evaluation studies on Cape Light Compact's enhanced incentives
- **Compliance Matrix**: identifying Order directives and where/how the directive is addressed
- **PA Specific Data Tables and BCR Models**
- **PA Bill Impacts**
- **Cape Light Compact**: revised proposed shared cost allocation factor summary

Upcoming Compliance Filings

May 2

- Protocols and program changes regarding education, marketing, and incentive structures for encouraging all residential market rate customers to weatherize their homes prior to installing heat pumps
- Report explaining the method for the establishment of baselines for early replacement measures

September 30

- Strategic renter plan
- Final evaluation and implementation plan for study assessing the remaining lighting savings opportunities and strategies for renters, moderate income, minority, and limited English-proficiency customers

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Thanks for listening.

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