

**Residential Conservation Services (“RCS”) / MassSAVE**

<p><b>Primary Objective</b></p>	<p>Provide residential customers with energy efficiency recommendations that enable them to identify and initiate the process of installing cost-effective energy efficiency upgrades. The RCS/MassSAVE Program makes it easy, clear and compelling for customers to participate in all comprehensive energy efficiency programs by providing information through bold outreach mechanisms, incentives, and multiple financing options. The Program exemplifies a house-as-a-system approach where all components work together to support the success of achieving deeper energy savings per customer. The Program Administrators plan to increase the number of energy efficiency vendors and contractors while raising the level of quality control.</p>
<p><b>Program Inception</b></p>	<p>During the period 1980 through 2000, the RCS/ MassSAVE program was an educational program encouraging customers to upgrade the efficiency of their homes.</p> <p>Beginning in 2001, the RCS/MassSAVE program began to change its emphasis from education only to education and measure implementation. Customers are now offered incentives to implement energy saving measures in their homes. The program has continued to increase cost effective incentive packages each year leading to greater energy savings and increased implementation.</p>
<p><b>2010-2012 Program Goals</b></p>	<p>To be provided with October 2009 Filings.</p>
<p><b>2010-2012 Budget</b></p>	<p>To be provided with October 2009 Filings.</p>
<p><b>Joint vs. Program Administrator-Specific Offering</b></p>	<p>Joint</p>

<b>Program Design</b>	<p>The Program is committed to a comprehensive whole-house approach and seeks to maximize both gas and electric energy savings. The Program plans to fully integrate so that customers experience “one program” as opposed to multiple offerings which is essential to achieving maximum program success and deep energy savings. This is a significant leap forward, making distinctions between programs indiscernible to customers. The Program clearly defines the process and expectations of customers upfront and identifies those customers interested in investing in their future energy costs.</p> <p>The level of service is intended to be flexible, provide information to a broad group of customers and supply information regarding deep retrofit services and renewable opportunities to interested parties. All customers who call the MassSAVE toll-free number to learn about the program are asked several questions to determine their need for and general interest in making energy-efficient improvements. The Program Administrators are dedicated to providing prompt customer service and have a goal of achieving a response time between the initial customer call and the first visit of 30 days or less. The Program Administrators recognize a desire to provide an even quicker response time and will strive to achieve that while recognizing factors outside of the Program Administrators control that create a demand for services. Customers are guided to appropriate program services provided by energy efficiency vendors including targeted energy efficiency information, advanced diagnostics, efficiency rebates, and deep energy retrofit support. (Low-income customers are referred to appropriate low-income programs.) When appropriate, a series of home visits are offered to further engage the customer and proceed in a logical and methodical process of identifying and informing customers of all available energy savings opportunities.</p> <p>The home visits include:</p> <ul style="list-style-type: none"><li>• The first visit, referred to as the Screening Visit, is scheduled by the individual Program Administrator’s approved vendor promptly after the initial customer phone call and is available at a variety of times to encourage maximum customer participation. This is an in-home visit designed to provide general information and education about energy efficiency and identify opportunities and challenges for energy saving installations. Identification of opportunities may include estimating time and labor needs for subsequent direct installation measures and a solar site assessment during the second or Diagnostic Visit. The Screening Visit will identify customers’ specific needs and direct them to other energy-efficiency resources as appropriate. Should a customer choose not to proceed with the Diagnostic Visit, the initial assessment allows Program Administrators to collect customer data for future targeted marketing efforts. Instant energy savings are realized during the Screening Visit. With the customer’s permission, compact fluorescent light bulbs and where applicable LED’s are installed for free in all</li></ul>
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<p><b>Program Design (cont.)</b></p>	<p>appropriate locations, as are low-flow shower heads, and faucet aerators. The instant savings measures installed during the Screening Visit are intended, on average, to exceed the expected average cost to deliver this initial visit.</p> <ul style="list-style-type: none"> <li>• The Diagnostic Visit includes a comprehensive energy assessment including a variety of diagnostic techniques such as blower door tests, infrared scanning, and duct leakage testing (based on vendor determination). Wherever feasible, full installation of air sealing, duct sealing, and programmable thermostats are provided at no cost to the customer. The savings from the direct install measures are designed to cover the cost of the visit. This visit will also identify and recommend specific energy-efficient upgrades. This Diagnostic Visit will also identify and recommend more significant energy efficiency upgrades that require professional contractors, as well as, a customer contribution. The energy advisor explains the contractor services required to install recommended measures, as well as, all available energy efficiency financial incentives.</li> <li>• The Quality Assurance Visit includes follow up by a PA-approved vendor. The Quality Assurance Visit is intended to verify that all energy efficiency measures were installed to the levels deemed appropriate by Program Administrators and to ensure Program savings.</li> </ul> <p>Program Administrators strive to maximize energy savings by promoting and supporting contractor training and education in an effort to establish a broader workforce knowledgeable in proper installation techniques. The goal is to have a sustainable experienced workforce focused on achievable maximum energy savings ready and able to meet customer demand.</p>
<p><b>Target Market</b></p>	<p>All non-low income residential customers living in single-family houses or one- to four-unit multi-family buildings, whose primary heating source is natural gas and who are committed to making their homes more energy efficient. Program Administrators plan to shift more attention toward targeting trades that influence homeowner's decisions. The Program Administrators are currently discussing and addressing the major program design modifications needed for bringing in new contractors and plan to have a structure in place for bringing new contractors into the program by January 01, 2010. Program Administrators are also exploring ways to identify and reach landlords making them aware of program benefits that increase property value and provide energy savings to tenants.</p> <ul style="list-style-type: none"> <li>▪</li> </ul>

<p><b>Marketing Strategy/ Approach</b></p>	<p>The Program Administrators will collaborate on marketing under the RCS/MassSAVE Program to generate the demand needed to support the 2010 – 2012 increase savings goals. Marketing efforts will focus on single family homeowners, developing leads for identifying owners of 2-4 family homes (decision makers) and recruiting and training contractors.</p> <ul style="list-style-type: none"> <li>• Design a comprehensive education package to get customers thinking about ways to optimize their home’s energy performance with a consistent statewide marketing message.</li> <li>• Create a tool that informs customers how far they could go over the long-term that could put them on the path to Zero Net Energy. The tool will lay out steps customers can take this year, next year, and over the years as they make home improvements.</li> <li>• Provide a statewide audit package that ensures customers are given consistent energy efficiency data and recommendations</li> </ul>
<p><b>Marketing Strategy/ Approach (cont.)</b></p>	<p>Outreach and marketing efforts will be expanded to include building relationships with realtors, home improvement contractors, architects and others involved in renovations of one-to-four family homes. Marketing efforts will be designed to meet the objectives of reaching more customers (going broader into the customer base) and maximizing energy savings opportunities (going deeper into each home to find ways to save energy). The program’s multi-media outreach campaign plans are to focus on strategic television partnerships with local affiliate or cable programming providers, radio, print advertising, web-based marketing through various social media sites, and through part of a new consolidated website planned for the fourth quarter of 2009 that integrates all the Massachusetts energy efficiency programs and websites into a single portal.</p> <p>Current forms of multi-media outreach:</p> <ul style="list-style-type: none"> <li>• MassSAVE website (Enhanced via the Statewide Integrated Energy Efficiency Website)</li> <li>• Bill inserts</li> <li>• Radio, print and visual media advertising</li> <li>• New media advertising (advanced online options)</li> <li>• Targeted marketing through community outreach programs such as Cambridge Energy Alliance, Marshfield Energy Challenge and the Energy Smack-Down initiatives.</li> </ul>

	<ul style="list-style-type: none"> <li>• Targeted marketing through the use of data collected in screening visits</li> <li>▪</li> </ul> <p>Individual Program Administrators may conduct additional marketing and may ramp their marketing up or down as needed to meet participation and budget goals.</p>
<p><b>Target End Uses</b></p>	<ul style="list-style-type: none"> <li>▪ The program targets any cost-effective energy-saving improvements using a comprehensive, whole-house, approach including, but not limited to:             <ul style="list-style-type: none"> <li>• Building Envelope</li> <li>• HVAC/Mechanical systems</li> <li>• Water Heating</li> <li>• Energy saving appliances and lighting</li> <li>• Deep retro fit measures</li> <li>• New technology/renewable</li> </ul> </li> </ul>
<p><b>Recommended Technologies</b></p>	<p>Recommended technologies include air sealing, duct sealing, insulation, refrigerators, thermostats, ventilation, and heating/cooling systems. The program also provides general information about energy efficiency and solar DHW systems to consumers on request. Other measures may include heating system controls, super-insulation, CHP technologies, solar DHW systems, and opportunities for piloting “deep retrofit” enhancements of major renovation projects. Customers will see these offerings as an integrated program.</p>
<p><b>Financial Incentives</b></p>	<p>The RCS/MassSAVE program provides multiple site visits at no cost to the customer, free installation of instant savings measures, as well as, an educational experience including information regarding all statewide program incentives and financing options and where to find information about Federal and state tax credits. The RCS/MassSAVE program currently offers free direct installation measures, incentives of 75% of the installed cost of contractor-installed measures, up to \$2,000. The Program will coordinate with other programs such as</p>

	<p>GasNetworks, Cool Smart, etc. by letting customers know of rebates and financial incentives available to them through the Comprehensive Education Package and Marketing materials.</p> <p>The gas RCS/MassSAVE program provides customers with information regarding financing options available via electric Program Administrators.</p> <p>The HEAT Loan program provides qualified customers with a 0% interest loan to be applied towards the following energy efficiency upgrades:</p> <ul style="list-style-type: none"> <li>• Insulation</li> <li>• Duct System Improvements</li> <li>• High-efficiency heating systems</li> <li>• High-efficiency domestic hot water (DHW) systems</li> <li>• Solar domestic hot water (DHW) systems (standardized incentive amount across all PA’s)</li> <li>• ENERGY STAR labeled thermostats</li> <li>• ENERGY STAR labeled windows</li> <li>• ENERGY STAR labeled water heaters</li> <li>• Other renewable technologies on a pre-approved basis</li> </ul> <p>A portion of the HEAT Loan may be used to finance the mitigation of barriers preventing the installation of energy efficient measures. In the past, safety barriers have been a significant obstacle to maximize energy savings. Using HEAT Loan funds to manage safety issues will allow Program Administrators to access a broader spectrum of efficiency in the future.</p>
<p><b>Delivery Mechanism</b></p>	<p>The program is administered within each service territory by its Program Administrator and is coordinated statewide through the Residential Management Committee (“RMC”) that actively manages and steers the statewide MassSAVE program. The program is delivered by program vendors, selected through a competitive bidding process. The Program Administrators are discussing how the structure and relationships will work as new vendors are brought into the Program. The Program Administrators will explore developing a comprehensive “Scope of Work” to be included in the Request for Proposal (“RFP”) used statewide to ensure</p>

vendors adhere to:

- Consistent statewide training
- Data reporting
- Achieving aggressive savings
- Customer satisfaction
- Quality Control standards
- Scheduling requirements
- Technical Assistance
- Maintain and report health and safety information

Vendors capable of serving large numbers of customers and with appropriate resources and experience will be included in the bidders list. Work completed by RCS/MassSAVE Program Vendors and their subcontractors must meet Building Performance Institute standards or similar standards set by the individual Program Administrators. These standards require a systematic approach to home improvement that addresses all aspects of building systems.

In order to increase the number of energy efficiency contractors, the Program offers an incentive/rebate to customers who are retrofitting weatherization measures such as insulation and air sealing. Once approval/certification criteria are determined, a statewide marketing campaign to recruit contractors will begin and a central database of authorized (certified) contractors will be established. Customers are required to have an RCS Site Visit through the Program Administrator's vendor to identify and prioritize all cost effective energy efficiency upgrades in order to receive an incentives or program rebate. All insulation work, whether performed by an authorized independent contractor or a vendor subcontractor, will have a Quality Control inspection performed by the Program Admin vendor when the work is complete. This will insure that either through an authorized installer or the Program Administrator's RCS vendor installations meet Building Performance Institute standards or similar standards set by the Program Administrators.

RMC members are working together toward a "best practices" approach and to provide a more coordinated statewide training as a means to ensure correct installation techniques for the RCS/MassSAVE Program. It is expected that training requirements will increase over time in order for contractors to retain their status as an



<p><b>Deployment (cont.)</b></p>	<p>The RCS/MassSAVE program will undergo an evolutionary redesign with emphasis being placed on reaching more customers while achieving deeper and broader energy savings. Program design issues that are currently being addressed:</p> <ul style="list-style-type: none"> <li>• The Marketing working group is collecting and reviewing marketing data to further promote the program effectively.</li> <li>• The Evaluation working group is determining the cost-effectiveness of new MassSAVE measures</li> <li>• The Technology working group is screening packages that strategically group measures that leverage customer interest and provide deeper energy savings per home</li> <li>• Developing a Home Energy Use Index that shows in a single number or grade, how the home is performing relative to comparable homes. This is a 2009 metric (Existing Home Rating) and the Program Administrators are Partnering with NEEP to research and develop a rating system for potential incorporation into the MassSAVE program as a pilot in 2010.</li> <li>• Investigate custom incentive approach based on projected savings for the individual home (\$ per MMBtu, \$ per Kwh)</li> <li>• Identify alternative/new technologies and approaches (e.g. spray foam in attics) as eligible for program rebates</li> <li>• The Program Administrators are currently funding training that addresses the Program workforce needs and will continue to explore how specific Program technical training requirements can be introduced to training programs across the state</li> <li>• Evaluate other financing options such as on-bill financing and work with all stakeholders to potentially include cost of upgrades on property tax bills</li> <li>• Consider increasing the \$2,000 incentive/rebate</li> <li>• Evaluate a higher incentive/rebate for landlords</li> <li>• Investigate funding sources to help eliminate health and safety barriers (e.g. knob &amp; tube wiring and other construction related repairs, subject to acceptable cost-effective levels, that currently prohibit or reduce the effectiveness of energy efficient measures)</li> </ul>
<p><b>Special Notes</b></p>	<p>Please refer to the Council’s Priorities Resolution dated March 24, 2009. The program design addresses a number of applicable Council priorities, including:</p>

	<p>2- Coordinating with other programs for outreach communication and marketing strategy</p> <p>6- Reduce program differences across the PAs</p> <p>9- Engage in open, transparent and competitive solicitation. Maintain high standards of performance and accountability.</p> <p>10- Development is achieved through an iterative process where learning and improvement is achieved over time. Phasing in new programs, with ongoing re-evaluation and improvement throughout the three year plan</p> <p>13- New service providers are trained, quality control is achieved, and the Commonwealth benefits from associated job creation and economic growth</p> <p>20- Strive to provide customer rebate/incentives that encourage deeper energy savings by modifying customer incentives/rebate levels can incentive caps to encourage the best energy savings. Consider performance-based incentives structure. Adding customer incentives for low-tech solutions such as air sealing that result in energy savings.</p> <p>22- Strive to maximize seamless delivery to the customer.</p> <p>24- The Program is exploring a single number or grade for how the home is performing relative to comparable homes.</p> <p>25- The Program has description has addressed all bullets specific to the MassSave Program</p> <p>29- Through development of marketing tool informing customers how far they go over the long-term to put them on the path to Zero Net Energy, the RCS/MassSAVE will look to further promote near zero energy homes</p> <p>30- Coordinating with other programs on integrated website</p> <ul style="list-style-type: none"><li>• 31- Continued coordination of trainings to support a sufficient workforce.</li></ul>