EEAC Residential Workshops: Draft Recommendations
For Discussion at March 9, 2015 Workshop

Note: These draft recommendations are based on the residential workshop discussions on 2/12 and 2/26, except as otherwise indicated in yellow highlight (where they've been added to subsequently by DOER/Consultant team for consideration.) Please review this document and come ready to suggest improvements at the 3/9 workshop. Also note that the Low Income recommendations were agreed to at the 2/26 workshop (verbally), while the other recommendations are all up for refinement at the 3/9 meeting.

Products Programs

LED Lighting

- LEDs are superior to CFLs except for first cost
- The quicker we can progress from CFLs to LEDs in all the programs the better
- Councilors support the PAs' plan to lead with HES/whole house programs where they could move to 100% LEDs directly installed as soon as 2016 (depending on pricing), and moving as rapidly as possible to all LEDs for specialty lighting in the products program
- Conduct a joint PA/EEACC Consultant assessment [or continue assessing] to determine the strategy for progression to only supporting LEDs for general lighting in the products program
    - The plans may benefit from flexibility on the timing of general lighting progression to LEDs because the speed of lighting product innovation and pricing is rapid and uncertain

New Technologies (including Wi-fi learning Thermostats, connected devices, energy star dryers etc)

- Massachusetts should continue to be a leader in promoting new technologies. However, each specific technology will likely need its own road-map including where, when, and how to apply incentives
- A one size fits all upstream approach may not be appropriate for all products, but upstream incentives have worked in other states, and so merit some further investigation [by whom and by when, and should it include a demonstration project?]

Fuel Blind/Fuel Switching of heating and cooling equipment

- There is broad desire to make incentives fuel neutral/blind, to allow households to consider the best heating and cooling options for their situation, as long as it does not inadvertently promote the excessive use of natural gas. This may include greater integration of HVAC into HES (building on the success of early boiler and furnace replacement offerings)
- Develop a methodology for claiming savings from renewable equipment

HES Initiative

Deeper Savings

- Focus on increasing the closure rate on weatherization—e.g., analyze why jobs are not closing and improve contractor monitoring and other methods of increasing performance
- Integrate a scorecard to communicate "home energy performance" pre and post cost-effective recommendations, and to compare to other homes
- Utilize strategic entry points for deeper savings by offering incentives timed to integrate with refinancing or other building retrofit triggers
- Reassess the insulation incentive (75% up to $2,000), including considering whether to adjust both the $2000 limit and the 75%, and two tiers for market rate vs. moderate income
- Collect more information to enable the targeting of customers such as high-users or those with electric resistance heat
- Improve program coordination by tracking measures at the household level where possible (i.e HEHE and HES, MF and Low-income but not retail lighting)
- Implement a means of compensating contractors for achieving overall savings rather than for installing individual measures

Moderate Income & Renters

Moderate income and rental populations are both difficult to reach sectors and more targeted efforts are needed. The approaches might not be identical, but may have some overlap.

- Given the on-going challenges of serving rental housing, a more renter specific initiative is needed. This could be a more step-wise program (e.g., start with LED lighting/appliances and expand to weatherization and other measures)
- A new statewide initiative for moderate income households (60-120% AMI, building on what was learned from EN+) should be implemented, but not rely on straight income qualification to qualify customers, and should instead look at alternatives (e.g. by zip code, rent costs, or other ways)
- Form partnerships with community groups to help market the HES program including coordination with municipal efforts

HEAT loan/financing

- Financing options including on-bill financing or modifying the HEAT loan through the establishment of a loan loss reserve for lower credit scores, would better serve low and moderate income households/zipcodes

- HEAT loan eligible measures currently funded by DOER should be considered for inclusion either statewide (DER and biomass) or as moderate income specific offerings (pre-weatherization incentives, landlord 2-3 unit loans)
- Maintain 0% loans for moderate-income households/zipcodes and consider modest (2%?) loans for market rate to improve cost-efficiency

New measures and practices

- Continue to identify promising energy saving technologies and practices and analyze the circumstances in which they make sense. While cost-effective screening is important, the programs rather than individual measures have to be cost-effective, which can allow promising technologies to be introduced and get to scale

Home Energy Assessment/Delivery Models

- Help people better understand how their house uses energy and what they can do to save energy and money through combination of an assessment and some type of energy scorecard
- Provide all homeowners with the opportunity to switch fuels if they so decide [Note: Also mentioned under Products programs]
- Create more integrated one-stop shopping and provide more comprehensive information to the customer. Programs (including both Mass Save and non-Mass Save incentives/rebates; and Products and Whole House programs) are too segmented—and it's hard for the customer to figure out the best package
- Assess methods of streamlining offer to customer at the point of the home energy assessment and improving sales process to secure greater participation

Behavior Initiative

- Expand savings from behavior programs including linking to home automation technology (such as learning thermostat)
- Movement in Massachusetts toward time varying rates could create an opportunity with technology to get greater energy savings and demand reductions from behavior programs, but unlikely to happen in timeframe relevant to the development of the 2016-18 plan

Multi-Family Retrofit Initiative

Comprehensive Integrated Approach

- Seek better ways to segment the sector due to the variety of ownership patterns, building types, meter configurations, etc.

- Benchmarking would be helpful/critical in identifying retrofit candidate buildings and giving feedback to owners and tenants
- Whole building based performance remains the gold standard
- Implement a new initiative in partnership with housing finance institutions to target retrofit opportunities such as refinancing, rehab, etc. of larger commercial/residential multi-family buildings to piggy-back retrofit work on.
- Provide a fully-integrated (Residential/C&I) Multi-Family program
    - Single point of contact
    - Report C/I side energy use and savings information and integrate with the residential information, to allow a view of how programs are serving entire multi-family buildings
    - Similarly, there is a desire to look at incentives on both the residential and the C/I sides and to make them more integrated

Benchmarking

- Massachusetts already has important experiences with benchmarking including WegoWise for the low-income multi family program. Benchmarking and public disclosure is also happening in Boston and Cambridge for large multi-family buildings as part of building disclosure ordinances.
- Broader benchmarking of some or all sub-sectors of multi-family housing would be beneficial both from individual owners perspective and from PAs perspective of identifying and motivating owners to save in various ways
- Need to develop a plan/initiative for how benchmarking would be used. Benchmarking allows a 'pay for performance' approach to retrofits including pre and post retrofit baselines for evaluation.
- Concerns around more extensive benchmarking include privacy concerns and cost issues.
    - Privacy concerns could be addressed by looking at other states, and Boston disclosure ordinance where this problem was addressed (e.g., at least 3 units with no one unit with over 50% of the consumption). Benchmarking also does not require disclosure e.g. Low income multi-family program
    - Benchmarking has a cost; but WegoWise does not seem to be cost prohibitive, and other companies offer these services

Serve Buildings with Unregulated Fuels

- Allow PAs to account for the benefits that they get from saving unregulated fuels similar to in HES
- Revise the metrics or seek alternative metrics. For example, a metric could be added for oil, or translate all savings into btus, or use a carbon metric or some combination

- Other areas that might allow PAs to appropriately claim savings from renewable fuels would be renewable thermal credits (regulations are in development at DOER) and the proceedings at the DPU to add an avoided cost of GWSA compliance to the set of avoided costs used to calculate the benefits of energy efficiency programs

Low Income Programs

- LEAN should continue to pilot test new energy saving technologies and practices and incorporate them into their programs when they make sense, provided they are cost effective [DOER recommends changing/clarifying "are cost effective" to "programs as a whole remain cost-effective"]
- LEAN should expand its eligibility criteria to include 1) low-income multi-family houses that heat with oil/propane (assuming RCS change); 2) non-profits that primarily serve low-income customers; and 3) multi-family buildings that meet 80% of HUD standard
    - However, the two caveats are that 1) non-profits serving primarily low income need to be clearly defined; and 2) there need to be additional [or adequate?] funds available to cover these expansions without reducing resources to pre-existing LEAN markets or exacerbating the low-income weatherization queue issues
- Defer supporting LEAN's request to also expand eligibility to households applying for but not eligible for fuel assistance (those at 60-80% of median income)
    - There were concerns that this might be inequitable to others in the 60-80% category who didn't apply for fuel assistance, or cause many more 60-80% households to apply for such assistance. In the end, it was agreed to defer this request to the broader discussion within the context of serving 60-80% category in the full HES program at the 3/9 meeting.
- Councilors were also more broadly interested in an initiative targeted at potential retrofit opportunities when any multi-family building is being refinanced
    - State agencies that know a low-income building is coming up for refinance should share that information with PAs and LEAN so they can capitalize on it with an appropriate retrofit initiative

Cross Cutting Issue: Demand Reduction

- Support products and practices that reduce winter and summer peak demand
- Develop a demand reduction strategy for the 2016-2018 plan

New Construction

TBD at 3/9 meeting