

12/8/20

To: Mass EEAC

From: Hank Keating, AIA, President, Passive House Massachusetts

EEAC Three-Year Plan 2022-2024 Testimony

RE: S-2500, An Act setting next generation climate policy

Chapter 25, Section 21 of the General Laws requires that every 3 years electric distribution companies, municipal aggregators and natural gas companies in coordination with the EEAC prepare a comprehensive energy efficiency investment plan, the Three-Year Plan. This Plan is intended to first utilize “all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply”. It is worth noting that the header for Section 21 states “ENERGY EFFICIENCY AND DEMAND REDUCTION RESOURCES COST-EFFECTIVE OR LESS EXPENSIVE THAN SUPPLY PREFERRED”, not required. This cost effective preference now stands in the way of the State pursuing its ambitious and critically important goals to dramatically reduce carbon emissions. Senate Bill 2500 recognizes this and proposes the following language be inserted into Section 21 wherever it refers this cost effective equation –“PROVIDED HOWEVER THAT WHEN DETERMINING COST-EFFECTIVENESS, THE CALCULATION OF BENEFITS SHALL INCLUDE CALCULATIONS OF THE SOCIAL VALUE OF GREENHOUSE GAS EMISSIONS REDUCTIONS”. This proposed legislation is now in the hands of the Conference Committee for S.2500/H.4933 and may be passed by the end of the year. If so, it will require the EEAC to revise its cost effectiveness preferences to seriously consider the value of reduced carbon emissions over the cost of the energy efficiency and demand reduction programs proposed.

For the 2022-2024 Three-Year Plan, we have proposed a Passive House Incentive Program for 1-4 units, two Passive House Retrofit Incentive Programs, one for 5 units+ and one for 1-4 units, and an all-electric central hot water incentive plan for multifamily projects. In addition, the Winn Companies have submitted a proposal to dramatically revise the LEAN Program to enable all-electric, deep energy retrofits for affordable housing. It is probable that all of these proposed programs would not meet the original cost-effectiveness preferences. If the S-2500 language becomes law this year then the EEAC will be required to evaluate these proposed programs on their ability to dramatically reduce carbon emissions.

If the S-2500 language does not come out of committee and pass at the end of this legislative session, we think that nevertheless, the EEAC ought to utilize all of the discretion it has to move toward this new way of calculating program benefits. Is the existing calculation actually a requirement or a preference? What about the possibility of putting much more weight on Non Energy Benefits (NEBs)? What about the use of pilot programs? We realize that each of these alternative approaches have added complications that would have to be resolved, but the time has come to tackle these issues so that the 2022-2024 Three-Year Plan can truly advance the State’s ambitious carbon emissions reduction goals.