Massachusetts Energy Efficiency Advisory Council
DRAFT Resolution Regarding the 2016-2018 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plan

October 21, 2015 (10/14/15 DRAFT)

BE IT RESOLVED THAT

The Members of the Energy Efficiency Advisory Council[1] ("Council") present the following comments on the 2016-2018 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plan ("Statewide Plan") submitted to the Council on October XX, 2015, and the individual plans ("Individual Plans") prepared by the Program Administrators ("PAs") for submission to the Department of Public Utilities ("DPU") as required by the Green Communities Act of 2008 ("GCA"). Under the GCA, the Council is charged with reviewing the PAs Statewide Plan and submitting its approval and comments to the DPU and the PAs.

The Council undertook a comprehensive engagement process to solicit and discuss input for the development of the 2016-2018 plans, starting with creating an engagement plan in Q3 2014. The Council held a special meeting for public comments in January 2015. Following that, the Council held seven topical workshops in February and March, led by the Department of Energy Resources ("DOER") that featured extensive and in-depth discussion between Councilors, PAs and the EEAC Consultants, and culminated in specific programmatic recommendations from the Councilors[2]. The workshops and public comments informed the Council's March 31st, 2015 resolution regarding the three year plans.

The PAs submitted a draft of the Statewide Plan on April 30, 2015. Some of the recommendations from the Council were included in the plans but the consensus of the Council was that the savings goal levels proposed were too low, there were program details missing, and the cost per unit of savings was too high. The Council held another special meeting for public comments in May as well as two facilitated workshops in June to develop comments on the draft plan. These efforts informed the July 21st, 2015 EEAC resolution to the DPU[3].

In July through September of 2015, the EEAC, led by DOER, the Executive Office of Energy and Environmental Affairs ("EEA"), and the Attorney General's Office ("AGO") negotiated the 2016-2018 goals and budgets with the PAs. The result of this negotiation is nation-leading savings levels for both electric (2.93% of retail sales) and gas (1.24% of retail sales). These plans also ensure continued growth of energy efficiency in the Commonwealth *with year over year increases in annual and lifetime savings goals for both electric and gas*. These goal levels represent a significant increase from the PA's April plans, while reducing cost to achieve and minimizing the budget increases; annual electric goals increased 17% while the cost per unit of savings decreased 13%, and annual gas goals increased 15% while the cost per unit of savings decreased 6%.

[1] Only voting members of the EEAC may vote to approve this resolution, therefore this resolution does not necessarily represent the views of the all parties who have participated in the 2016-2018 Plan development.
[2] Briefing Documents, presentations, and meeting summaries from the workshops are available at ma-eeac.org
[3] http://ma-eeac.org/wordpress/wp-content/uploads/Final-EEAC-July-Resolution-7-21-15.pdf

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Overall Plan Comments

The Council appreciates the significant efforts the PAs have invested in the development of the Statewide Plans to meet the priorities of the Council and stakeholders. We recognize and appreciate the hard work of PA staff, Council consultants, Councilors, the Low-Income Energy Affordability Network ("LEAN"), and stakeholders in preparing these energy efficiency plans. The development of the 2016-2018 Statewide Plan reflects significant collaboration across PAs and among members of the Council, DOER, EEA and the AGO.

These comments represent the thinking of the Council based on its review of the draft plans, which were submitted by the PAs on October XX, 2015:

- The Council has reviewed the Statewide Plan that the PAs submitted to the EEAC on October XX, 2015. We approve and support the 2016 – 2018 Statewide Plan, as filed with the DPU, as these savings levels represent record levels of energy efficiency savings in the United States.[4]
- We confirm that the Statewide Plan and the gas and electric Term Sheet[5] includes ambitious energy savings goals, sensible program budgets, and substantial benefits to Massachusetts consumers as required by the GCA. The Term Sheet complements the Statewide Plan, and reaffirms a continued commitment to innovation and technology, new demand/peak reduction efforts, and contractor engagement. The programs and strategies in the Statewide Plan represent a significant opportunity to maximize the benefits of energy efficiency for the Commonwealth over the next three years, and represent an increasing commitment to gas and electric savings through energy efficiency.
- We expect the Individual Plans will be fully consistent with the Statewide Plan. Specifically, the energy savings levels and budgets in the Statewide Plan, and reflected in the electric and gas Term ~~Sheets~~Sheet should be reflected fully in the Individual Plans. While the ~~current overall~~portfolio and sector level savings, budgets, and benefits proposed in the Term Sheet and Statewide Plan are ~~generally~~ appropriate, there may be particular details or program-level variations across PAs that merit more careful review ~~than is afforded the Council by this limited timeline for review of~~and continued attention as the Statewide ~~Draft~~ Plan ~~filed on October XX, 2015~~is implemented.
- We recognize that performance incentives are an integral part of the planning and implementation of the energy efficiency programs. We accept, consistent with DPU Guideline 3.6, the performance incentives set forth in the Statewide Plan, including the performance incentive pool (emphasizing the maximum performance incentive pool at the design level shall be $118 million, comprised of $100 million for electric programs and $18 million for gas programs).

[4] This approval is provided there are not unexpected or contrary data or details that appear in later PA submissions. In approving this resolution, the Council also acknowledges the right of the DOER, the Attorney General, and any other member of the Council to participate in the proceedings before the DPU.
[5] http://ma-eeac.org/plans-updates/

- We believe that the costs to implement and operate energy efficiency programs should be kept as low as possible, while achieving the objectives and requirements of the GCA. We appreciate the willingness of the PAs to reduce the costs to achieve and plan for sensible program budgets consistent with the Council's priorities as defined in the Council's July 21st Resolution. Together, achieving ambitious energy savings at sensible program costs will provide significant and lasting benefits to ratepayers, businesses, and the Commonwealth.
- We expect that the PAs will use competitive procurement whenever possible to obtain the highest quality, lowest cost service providers in the implementation of the Statewide Plan.
- We recognize that minimizing bill impacts on customers is an essential consideration. The approach in the Statewide Plans filed on October XX, 2015 ~~pursue~~pursues ambitious savings goals at sensible program costs, and indicate that most PAs' customer bill impacts are expected to be moderately low. The Council and PAs will continue working together to ensure that savings are being delivered cost-efficiently, including maintaining a keen eye on program costs.
- We expect the Council and PAs will continue to work collaboratively throughout the three-year roll-out of the Individual Plans, as directed by the GCA, through continued quarterly reports and specific updates in regular meetings that focus on topics to be determined by the Council. We expect the Council to sustain its collaboration with PAs to analyze new lessons learned, develop adjustments, and put them into practice.

The October XX, 2015 draft plan from the PAs reflects the negotiated higher goal levels, as well as most Council recommendations from the July 21st resolution. We appreciate that these elements are reflected in the plan including: *(items in italics not yet incorporated by PAs)*

- A renter-specific initiative to be rolled out in Q1 2016, *including ~~Quarterly~~periodic PA reports to the EEAC ~~will include timely~~on rental visit metrics ~~on~~including participation levels and conversion rates by renters and their landlords by PA.*
- A moderate income initiative beginning in Q1 2016*, including periodic PA reports to the EEAC on participation rates by PA.*
- *PAs will work with applicable public housing agencies (with mutual expectations and deliverables) and LEAN to develop and implement enhanced approaches to leverage multi-family refinancing events to maximize retrofit potential ~~and develop a performance-based retrofit product for~~. The PAs will present the results of these ~~situations~~efforts and specific proposals derived from them by the close of Q1 2016.*
- More detail about the PA's MTAC process to approve new technologies into programs, *and semi-annual updates on progress reviewing and implementing new technologies.*
- A clear commitment to Combined Heat and Power (CHP), *and tracking ~~project~~CHP savings and ~~budgets reported~~expenditures in semi-annual presentations to the EEAC ~~quarterly reports against PA's CHP goals~~and in data sets provided on Mass Save Data.*
- Regular updates to the Council on C&I program progress (including segment specific approaches, street lighting, multi-family, LED conversion, etc.) and innovations ~~though~~through *semi-annual presentations. The PAs will collaborate with DOER in Q4*

2015 to ~~*the EEAC and semi-annual*~~*consider how best to present this information (e.g., potential use of roundtables,* webinars*, etc.) and to develop a schedule for specific topics*.

~~However~~While recognizing enhancements, data tracking and reporting issues have yet to be satisfactorily resolved by the Mass Save Data website. We recommend that the DPU continue to investigate the need for greater state-wide data transparency and reporting by the PAs through its open Docket No. 14-141 *Response of the Department of Public Utilities to Data Privacy and Data Security Issues Related to the Statewide Energy Efficiency Database*.

The PAs have recently provided the Technical Reference Manual (TRM~~),~~)- 2016-2018 Plan Version, which provides the important supporting details for the savings included in the Plan. There has not been adequate time for the Council to consider the TRM in its review, and the Council reserves its rights to complete a review of the TRM and provide comments.

Accordingly, the Members of the Energy Efficiency Advisory Council in recognition of the aforementioned reasons, respectfully request the Commissioners of the Department of Public Utilities to approve the 2016-2018 Massachusetts Joint Statewide Three-Year Electric and Gas Energy Efficiency Investment Plan and the Individual Plans of the electric and natural gas companies and municipal aggregators, to the degree that the Individual Plans are fully consistent with the Statewide Plan. The Council also states their support for the attached Term ~~Sheets~~Sheet as part of the 2016-2018 Three-Year Energy Efficiency Investment Plans. We further request that said approval consider, embrace and reflect the comments that we articulate above.