

Income Eligible Multifamily

To: MA Energy Efficiency Advisory Council
From: Darien Crimmin, Vice President, WinnCompanies

As stated in the Resolution Concerning Council Priorities, the upcoming three-year energy efficiency investment plan must be innovative and forward-looking. Massachusetts is a long-time leader in energy efficiency, and now has the opportunity – and obligation – to ensure the 2022-2024 Plan contributes to **next generation energy efficiency, electrification, and active demand management**, while also prioritizing equity goals. As a member of the affordable housing industry, I am writing to strongly urge the EEAC and PA’s to not only *see* the next three years as a pivot to the future, but to *guarantee* accelerated market transformation through the development and funding of a new Deep Energy Retrofit (“DER”) Program for Income Eligible Multifamily housing (5+ units).

1. **Adequate Program Budget:** Create a DER specific funding opportunity, with minimum annual budget of \$20m that provides incentive funding to income eligible multifamily properties pursuing comprehensive rehabs that achieve minimum carbon savings threshold, including at least 50% carbon savings.
2. **Transparent Project Screening:** Project specific energy and carbon savings will be modeled against existing baseline performance and captured for the useful life of the project. Cost effectiveness screening for DER projects must leverage all owner contributions, including, but not limited to, federal and state tax credits. Whole project savings will include modeled lifetime energy savings, carbon savings, and non-energy benefits, which shall be combined to calculate total eligible incentive funding. The Program should utilize a predictable calculation for project incentives based on a known dollar value per BTU saved and avoided GHG emissions, permitting affordable housing owners to streamline and optimize scoping and pricing based on predictable funding opportunities.
3. **Minimum Incentive Offering:** DER projects will vary in scope and complexity, but all are expected to significantly improve exterior building envelopes and partially or completely electrify MEP systems. DER project costs are expected to be between \$30,000 and \$60,000 per apartment. To address risks such as pre-development costs, the DER Program must offer a minimum incentive for projects that satisfy a minimum performance threshold (e.g., 50% carbon savings), with final incentives contingent upon final modeled savings.
4. **Market Transformation:** DER Program will strive to identify replicable solutions that can lead to greater market adoption and cost compression. By scaling DER projects from early pilot projects to a predictable project pipeline, DER project costs, and incentives, will decline over time. Collaboration with affordable housing developers and housing finance agencies is critical for identifying and enrolling DER projects at the point of refinancing, ensuring timing of utility incentive commitments align with housing finance agency awards. Low-income multifamily housing can leverage significant capital on 15-year cycles, allowing MassSave incentive funding to serve more projects with greater energy and carbon impacts.
5. **Expand ADCR Opportunities:** Expand ADCR for multifamily, including income eligible, incentivizing landlords to adopt grid-responsive technologies to manage demand for multiple residential apartments. Require the Connected Solutions program to allow custom measures (not just ESS and thermostats) specifically for multifamily properties. Allow for zero-cost installation of smart metering infrastructure for all income eligible multifamily properties.

DER projects in income eligible multifamily housing will put the State on the right trajectory toward decarbonization without jeopardizing grid reliability and increasing energy costs. As such, I am writing to strongly urge the EEAC and Program Administrators to define, fund, and implement a new Program in the three-year plan.

Sincerely,

Darien Crimmin, Vice President, WinnCompanies