

November 14, 2023

Elizabeth Mahony, Commissioner
Massachusetts Department of Energy Resources
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Dear Commissioner Mahony and Members of the Energy Efficiency Advisory Council:

On behalf of the Boston Green Ribbon Commission's (GRC's) Commercial Real Estate and Health Care Working Groups, thank you for the opportunity to provide preliminary recommendations for consideration as the Energy Efficiency Advisory Council drafts their recommendation for the 2025-2027 Three Year Energy Efficiency Plans.

The GRC is a group of business, institutional, and civic leaders in Boston working to develop shared strategies for fighting climate change in coordination with the City's Climate Action Plan. The GRC's membership constitutes many of the large commercial and industrial (C&I) utility accounts within Eversource's and National Grid's territories. The Commercial Real Estate and Health Care Working Groups of the GRC are led respectively by A Better City and Health Care Without Harm. A Better City is submitting these comments and recommendations on behalf of both Working Groups.

A Better City supports the emphasis on decarbonization in the current Three-Year Plan, reflecting the State's focus on heat electrification as a key pathway in reducing emissions from fossil fuels in the built environment. While the economics of electrification can be challenging, the investments that the Mass Save Program Administrators (PAs) make through the technical assistance and programmatic incentives available to customers upgrading their buildings and energy-consuming systems play a critical role in implementing the Commonwealth's climate policies.

A Better City's staff and members have regularly attended Energy Efficiency Advisory Council (EEAC) meetings as well as the series of planning Workshops that the Council began convening in August, 2023, to develop recommendations for the EEAC to consider as part of their draft recommendations for the 2025-2027 Three Year Energy Efficiency Plan. We would like to offer the following recommendations to the EEAC, which reflect some of the current issues that have been raised by Councilors, the consulting team, and our members. As the planning process moves forward, A Better City expects to continue to offer additional recommendations and suggestions as the upcoming Plan becomes clearer.

1. Streamlined and Standardized Processes for Custom HVAC projects

A Better City's membership has noted that control setbacks and other HVAC control strategies and optimization approaches have the potential to save significant amounts of energy and emissions, especially from fossil fuel use. These are often projects that can be implemented in the near-term, at relatively modest capital outlay, and irrespective of the building owner's plans to electrify major heating

infrastructure. These projects can provide significant energy, greenhouse gas emissions (GHG), and cost savings, even in legacy fossil-fuel heating systems. In some cases, these HVAC distribution system optimization projects can even incorporate upgrades that will facilitate future electrification.

However, the collective experience of A Better City members has been that these projects take significantly longer to move through the Program Administrator's administrative review process and are plagued with unexplained delays, inconsistent engineering approaches, and multiple levels of review. ABC recognizes that HVAC projects of this type typically *are* more complex than the lighting projects that have formed the backbone of Massachusetts's energy efficiency program efforts in the past but, we note that the technologies and system configurations present in many large commercial and institutional buildings are common and well-understood from an engineering perspective. Collectively, these issues make working with the Program Administrators on these types of projects more difficult at a time when many of the "traditional" lighting and 1:1 HVAC replacements are declining in their contribution to program portfolios.

While the A Better City's membership respects the Program Administrator's role as stewards of ratepayer funds, and their programmatic function in incentivizing real, measurable savings, A Better City suggests that the Commonwealth's energy and climate objectives are not well-served by processes that can differ by Program Administrator and by project, that lack transparency and accountability mechanisms, and that significantly delay the decarbonization investments that customers are ready and willing to partner with the Program Administrators on implementation.

A Better City recommends that the Program Administrators:

- ***Develop minimum standards for Custom HVAC technical analysis and a minimum requirements document (MRD), soliciting input from Program Administrators' engineers, Technical Assistance vendors, design engineers, and customers.***
- ***Encourage impartiality of Technical Assistance vendors.***
- ***Develop technical analyses that meet minimum standards that can be approved for the Program Administrator's Letter of Agreement without further analysis.***
- ***Develop final incentives that are based on observed savings subject to standards outlined in Minimum Requirements Document. That is, incentives will be flexible based on observed savings, relative to an established baseline.***

2. Existing Building Commissioning

The draft EEAC recommendations propose that the Program Administrators undertake an effort to provide a high-volume of existing Building Commissioning studies to medium and large customers over the duration of the upcoming Three-Year Plan.

A Better City supports the recommendation that the Program Administrators engage to a greater degree in the retro-commissioning of existing building systems. A Better City also supports the provision of these services at no cost to qualifying customers and recognizes that the requirements to "qualify" are still to be determined but may include such considerations of building size, age and functionality of HVAC controls systems, and other building management infrastructure.

A Better City recommends that the program requirements savings estimation methodologies, and post-implementation verification requirements be standardized among the Program Administrators, shared with participating vendors, and published on the Mass Save website. This will ensure that the studies, when completed, can serve as a direct input into the Program Administrators' project/incentive approval process without the need for further study/analysis (please refer to our comments under #1 above). This will facilitate the implementation of the control strategies and system performance improvements identified in the study with a minimum delay.

3. Deep Energy Retrofit Pathway

A Better City supports the recommendation that the Program Administrators expand access to Deep Energy Retrofits (DER) by allowing longer timelines based on customer investments plans. The current window of three years to achieve a 40% reduction in GHG emissions is extremely aggressive given the planning and construction timeline for most large commercial and institutional customers.

A Better City recommends that at a minimum, the time horizon for DER be extended to 5 years, which allows time for greater integration with capital planning schedules and has the added benefit of aligning with the BERDO and BEUDO building performance policy compliance timelines in Boston and Cambridge, respectively.

4. Linkage between Weatherization and Heat Electrification

The draft recommendations contain language that suggests that that programmatic incentives for heat pumps should be tied to weatherization requirements, and perhaps required for any incentive, for scenarios in which fossil fuel combustion is either fully or partially displaced.

A Better City members appreciate the spirit in which this recommendation is offered and recognize that a properly weatherized building *can* facilitate the optimal sizing and operation of heat pump systems. However, investing in heat pump systems represents a significant investment and the economics of operation, especially in the absence of fossil fuel back-up heating, are challenging based on the historic spread between electricity and natural gas costs. Weatherization of large commercial and institutional buildings are major projects in their own right that typically involve significant capital outlay, in addition to potential tenant displacement during construction, and may or may not be aligned with HVAC or heat electrification in a building's capital planning cycle.

Tying programmatic incentives, in full or in part to whether a building is "weatherized," introduces two issues that A Better City believes are problematic. The first is that the definition of what constitutes weatherization in this context is vague and could include a range of investments and upgrades. The second is that by forcing building owners to undertake two large projects (HVAC retrofit and weatherization), the Council risks discouraging heat pump adoption where it otherwise might have occurred.

A Better City recommends that the Program Administrators' focus should be on heat electrification, and that the additional efficiency gains offered by weatherization should not be a prerequisite for accessing program incentives.

5. Formalization of the C&I Working Group

While the C&I Working Group has met periodically since the beginning of the current three-year plan, A Better City does not believe that the C&I Working Group is fulfilling its potential as a venue for discussing the issues that commercial and industrial customers face when participating in the numerous programs and pathways offered by the Program Administrators under Mass Save. More specifically, it recently came to light at the October EEAC meeting that the C&I working group is not formally part of the EEAC.

A Better City notes that what is considered the “C&I sector” within energy efficiency programs is in fact an extremely diverse spectrum of entities and business, including higher education, commercial real estate, pharmaceuticals, technology, governments, manufacturing, and retail, which also spans the range of customer sizes—from a retail business that occupies a single storefront, to institutions and corporations with global clout.

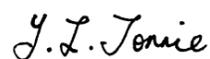
While A Better City's membership represents larger institutions and corporations in the Boston metropolitan area, A Better City has advocated for the C&I Working Group as a venue for providing feedback on the Program Administrators' current offerings and to offer input that can make the Commonwealth's energy efficiency programs more inclusive and easier to participate in, for both A Better City's membership, and for the majority of C&I customers who are not members.

It has been ABC's observation that the time spent on topics discussed during EEAC meetings has tended to skew toward residential and income-eligible program offerings. It is not A Better City's intent to take anything away from or change these programs or the groups of customers that they serve. However, formalizing the C&I Working Group (as the EEAC has done with the Equity Working Group) would allow this venue for issues relevant to the sector be discussed at a greater level of detail than can reasonably be accommodated at regular EEAC meetings, and would also allow recommendations from the C&I Working Group to be included in EEAC recommendations.

A Better City recommends that to highlight the diversity of the sector and the contributions that the C&I Working Group can make to the Commonwealth's energy efficiency and decarbonization goals, that the EEAC make the C&I Working Group a formalized, dedicated working group of the EEAC moving forward, like the formalization of the Equity Working Group.

We appreciate the opportunity to provide these comments and look forward to remaining an active participant in the Three-Year Planning process. Please reach out to Yve Torrie (ytorrie@abettercity.org) with any comments and questions.

Sincerely,



Yve Torrie

Director of Climate, Energy & Resilience

A Better City