

MassSave Oversight

Testimony of Acadia Center

November 8, 2021



Good morning, everyone. I want to thank the Chair and the committee for allowing me the opportunity to speak today.

My name is Amy Boyd – I am Director of Policy for Acadia Center, a nonprofit research and advocacy organization working to advance bold, effective, and equitable clean energy solutions. Acadia Center has a long history of involvement with and advocacy for energy efficiency as Massachusetts' first fuel. Acadia Center has held the environmental seat on the Energy Efficiency Advisory Council since 2009; seven years of which, I have been the representative.

You've already heard a significant amount about the 3-year plan just unanimously endorsed by the EEAC and filed at the DPU, and the \$12B in benefits and significant reductions in greenhouse gas emissions it is expected to deliver. You've heard from the program administrators about the Plan's focus on Electrification, Equity, and Workforce Development. I'd like to put a finer point on that: while the EEAC has held those 3 prongs as our priorities for a few years, it wasn't until the legislature passed the 2021 Roadmap bill and mandated that the EE plans needed to meet a GHG target, amended the DPU's mandate to include climate and equity, and specifically invested in workforce development that this Plan was shaped into what we have now.

There are many things that the EEAC does well – public access, transparency, consensus-building, and protecting the plans from politics and raids on the efficiency funds that have been seen in other states. I will admit that the council faces challenges when trying to make policy part of the equation, particularly without legislation to back us up. We also face challenges with data transparency, discrepancies between the different administrators on data and offerings, and the fact that it remains in gas utilities' overall business interests to continue to expand the use of gas.

I'll say more on these three challenges:

Heat Pumps Work, Affordably

We need to use less gas: while the upcoming three-year plan allows gas-to-electric customer incentives for the first time, 64% of emissions from buildings in the Commonwealth continue to come from burning natural gas, mostly for space heating. The EEAC can (and will) put pressure on the program administrators to emphasize the electrification offerings through implementation – but will likely continue to be hindered by data transparency and discrepancies in reporting between the different administrators.

Training and public education also matter. It's a commonly held fallacy (including by many of the program administrators) that heat pumps will not work without a backup system. Heat pumps work perfectly well in the cold. The models that account for the vast majority of installations in Massachusetts work fine down to minus-13 degrees. It has been that cold in Boston for exactly zero hours in the past decade.

Heat pumps cost about the same as an existing setup on an annual basis. Currently, they cost a little more than gas in the winter, but a lot less than more common air conditioners in the summer. And if the price of gas rises, as it's expected to do this winter, many households will save money outright.

Whole-Home Treatment & Start with Equity

Heat pumps will lead to greater demand on the electric grid, and that will have a cost. But Acadia Center analysis shows that we can mitigate strain on the grid with weatherization. Less than a quarter of homes in Massachusetts account for half the Commonwealth's residential emissions. Without weatherization, these homes would be responsible for a big chunk of the spike in winter demand from heat pumps. But we can avoid some of that spike with insulation and air sealing. Our analysis shows that weatherizing one of these drafty homes can reduce its power draw at peak times by 50%.

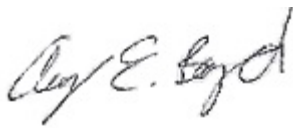
These super-drafty homes are also much more likely to house lower-income households—61% of lower-income homes are less efficient than average, compared to 36% of higher-income ones. Health benefits and lower energy bills will accrue to environmental justice communities if we double down on delivering weatherization and electrification together.

Utility Business Model Reform

Finally, despite the remarkable improvement and commitment to electrification by all program administrators – gas companies included – in the upcoming three-year plan, the devil is in the details of the implementation. Gas company business models still rely on growth through conversion of customers from delivered fuels to gas – and building new pipelines to bring it to them. Natural gas is a fossil fuel that contributes to climate change. Using alternative fuels like biogas and hydrogen to heat buildings is a pipe dream, based on cost alone.

I'm hopeful that the DPU's 20-80 docket will reveal some consensus about the future of the gas business model, but also believe this committee, separate from its role regarding efficiency, should take a hard look at gas company business models.

Thank you,



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