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Richard K. Sullivan Jr.  
Secretary of Energy and Environmental Affairs  
Commonwealth of Massachusetts  
100 Cambridge Street, 9th Floor  
Boston, MA 02114

RE: Energy Policy Review Commission draft report

Dear Secretary Sullivan,

Thank you for the opportunity to provide comments on the draft Energy Policy and Review Commission report. First of all, I would like to commend you and your staff for undertaking this ambitious project. Under your leadership, the Energy Policy and Review Commission have thoroughly evaluated a broad array of important energy related issues that face the Commonwealth. In order to maintain Massachusetts position as a national leader in energy efficiency and renewable energy, it is key that we continue to “push the envelope” to seek better and more cost effective ways to achieve our energy and related environmental goals.

Conservation Services Group (CSG) provides energy efficiency services in 25 states around the country and has seen tremendous job growth in the industry in recent years due primarily to the actions of state governments and regulatory authorities. CSG’s staff has nearly doubled, and the number of trade allies and contractors working under our direction has nearly quadrupled in recent years as state mandated energy efficiency programs around the US have expanded. As a result of our growth and the growth of our supporting contractor network, we completed over 64,000 efficiency projects in 2012 and saved nearly 2 million MBtus of energy. Much of that work was done in Massachusetts. Since our inception, our staff and sub-contractors have installed over 5 million CFLs, insulated over 1.3 million sq.ft. of multi-family buildings, and installed or replaced over 147,000 HVAC systems. All of this efficiency work means local jobs and environmental benefits in the communities where CSG works. Fully funding energy efficiency programs is good public policy.

Home Energy Assessments (aka “audits”) and the follow up work they encourage help participating Massachusetts residents, landlords, and businesses save billions of dollars on their energy bills every year. This helps to free up money that can be reinvested into Massachusetts’ many vibrant cities and towns. We would like to see more ratepayers take advantage of this program and more contractors involved in the program, as this will help to bring down the energy costs for everyone. The Energy Policy and Review Commission draft report presents many details of the successes of the various programs to deliver these results.

However, there are numerous inaccurate or incorrect statements, mostly in the appendix to the draft report that CSG would like to correct and comment upon.

- One member of the commission, who does not appear to have any formal education or experience in the science of energy efficiency program evaluation, has conducted an analysis of the Mass Save residential programs which appears in the appendix of the draft report. The claimed averages and totals in that draft analysis cannot be recreated or reconciled with the savings and costs reported by the Program Administrators (PAs). Given the fact that the PAs, under the direction of the Energy Efficiency Advisory Council, hire numerous professional Evaluation, Measurement, and Verification (EM&V) firms to evaluate the efficiency programs results and cost effectiveness, it seems inappropriate to include an analysis in this draft that was not developed by a professional EM&V consultant, even if just as footnote in the appendix. The analysis in the draft is merely one person's opinion that cannot be supported by facts, and therefore it is inappropriate to include it in an official report of the Commonwealth, in our opinion.
- There are claims, or opinions, stating that the Mass Save Home Energy Savings (HES) program has insufficient emphasis on weatherization and HVAC. However, the reality is that thousands of homeowners weatherize their homes each year in Massachusetts and nearly as many install high efficiency heating, air conditioning, and/or water heating equipment as a direct result of the Mass Save HES program. As stated previously, CSG manages energy efficiency programs in 25 states, and the volumes of residential weatherization and HVAC work that we see in Massachusetts far exceeds any other state in which we manage similar programs.
- There are numerous statements claiming that the Mass Save HES program inspects 100% of the projects and that this unnecessary and is wasteful of ratepayer funds. The reality of the program delivery is that just a fraction of projects are inspected. The only areas where 100% inspections are performed is on new contractors for their first five projects, or for projects that are being financed by the HEAT Loan in which the lenders do require 100% verification visits to back up the loans. Quality assurance is one of the great strengths of the Mass Save HES program. Consumers have confidence in the program because they know that the contractors are all held to high standards, and that the Program ensures quality and safety. In fact, focus groups and surveys have provided input that this is a service that consumers value, and which provides confidence to an industry that has been questioned by consumers in other states.
- Finally, there are numerous claims that the Mass Save HES program only attracts low performing, low quality contractors. These are completely groundless claims. CSG currently works with nearly 100 weatherization and home performance contractors and also with several hundred HVAC contractors. These trade allies are partners in the Mass Save programs and are delivering the highest quality and highest volume efficiency services in the country. It would be unfortunate if such unjustified and unsupported

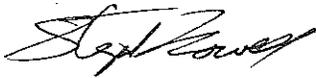
statements that insult hundreds of hard working professional contractors were to be included in the final, formal report of the Commonwealth.

In summary, CSG is proud to be part of the successful energy efficiency and renewable energy delivery infrastructure in Massachusetts. We employ hundreds of dedicated staff in Massachusetts and partner with hundreds of hard working trade allies to deliver excellent, high quality, and safe programs to our citizens. Although we work in twenty-five states, we are excited to be headquartered in the state that has been named #1 in the nation for energy efficiency by ACEEE for two consecutive years!

The Energy Policy Review Commission has in general done an outstanding job of presenting both challenges and successes. However, it is unfortunate that some misinformation, conjecture, and sloppy analysis have crept into the appendix of the report. We believe that those false or inaccurate statements should be eliminated or at least moderated by competing and corrective information.

Once again, thank you for the opportunity to provide these comments. Also, thanks to you and your staff for all of the outstanding work that has helped to make Massachusetts a national leader in renewable energy and energy efficiency.

Sincerely,



Stephen Cowell  
Chief Executive Officer  
Conservation Services Group

cc: Barbara Kates-Garnick  
Undersecretary for Energy  
Executive Office of Energy and Environmental Affairs