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May 17th, 2013

To: Barbara Kates-Garnick
Undersecretary for Energy
Massachusetts Executive Office of Energy and Environmental Affairs
(via electronic submission to lauren.farrell@state.ma.us)

From: Peter Shattuck, Director of Market Initiatives
Christina Dietrich, Policy Analyst

RE: Public Comments to Energy Policy Commission

ENE appreciates the opportunity to submit comments on the draft Energy Policy Commission Review Report to the legislature. The broad charge provided to the Commission by S. 2395, “An Act Relative to Competitively Priced Electricity in the Commonwealth” presents a challenge to the Commission to develop useful findings to the legislature in the time provided, but conversely suggests that discretion was intended in determining the scope of the report. In light of the numerous regulatory proceedings and reports currently underway relating to Massachusetts energy policy, we recommend that the Commission highlight existing information and identify information gaps, while avoiding duplication of existing assessments. As the joint report is written we believe that as a matter of process the Commission should not base any policy recommendations on positions of individual members that do not reflect a consensus position of the full Commission.

Our comments focus first on energy efficiency, as we believe that continued investment in reducing energy use and associated costs through the Commonwealth’s proven efficiency programs is the best means of achieving the goals identified by the Legislature in S. 2395, specifically:

“to (i) further expand the commonwealth’s renewable energy portfolio and promote energy efficiency; (ii) encourage business development and job creation; (iii) reduce the costs associated with energy programs funded, in whole or in part, by the commonwealth, while maximizing the benefit of these programs; (iv) reduce the cost of electricity for commercial, industrial and residential customers; and (v) increase electricity reliability.”

Energy Efficiency

Massachusetts has the strongest energy efficiency policy framework in the country, reaffirmed by the #1 ranking in the annual State Energy Efficiency Scorecard of the American Council for an Energy Efficient Economy (ACEEE). This recognition validates the policy course by set by the Green Communities Act of 2008 (the “GCA”), which brought about a shift in how the state approaches energy efficiency.¹ At its core, the efficiency provisions in the law require utilities to treat energy efficiency as an energy resource alongside traditional supply (e.g., electricity, natural gas) when making procurement decisions, and requires them to procure energy efficiency when it is cheaper than additional electricity or natural gas.

¹ Chapter 169 of the Acts of 2008.

The GCA directs Program Administrators (“PAs”) to develop three-year statewide energy efficiency investment plans for both natural gas and electricity, requires each PA to develop an individual three-year plan that is consistent with the statewide plan, establishes the Energy Efficiency Advisory Council (the “Council” or the “EEAC”),² and creates a stakeholder and regulatory process for review of the energy efficiency investment plans.³ As a practical matter, this has led to significant increases in efficiency investments in recent years and has put us in a position to reap huge economic and environmental benefits for decades to come. In addition to delivering billions of dollars in economic benefits to the Commonwealth, energy efficiency is also a key strategy for reducing greenhouse gas emissions and achieving the Commonwealth’s emissions reduction targets established in the Global Warming Solutions Act.⁴

We strongly urge the Energy Policy Review Commission (“Commission”) to think carefully before proposing changes to the Commonwealth’s nation-leading energy efficiency policy. There are challenges that need to be addressed within the implementation process, but large scale policy changes are not necessary at this time. The structure set forth by the GCA is adequate to deal with such challenges, and this structure should be preserved going forward. The Commission should be mindful of the role of the EEAC as the most appropriate venue to address energy efficiency program implementation issues and should not wade too deeply into the details of efficiency policy. The Department of Public Utilities has conducted open and transparent processes in developing energy efficiency guidelines and the Commission should not disturb this effective approach with policy recommendations that conflict with the existing structure.

Evaluation Metrics

Evaluating the economic and environmental performance of Massachusetts energy policy is an integral and challenging endeavor. ENE believes that it is important for the Commission to recognize existing evaluation efforts and inherent uncertainty before recommending overly prescriptive metrics that may be inconsistent with other assessments and therefore create confusion. As discussed at Commission meetings, one objective of the report should be to capture all of the current evaluations in one location.

The report could also identify information gaps that may need to be addressed in different forums. For example, ISO-NE would be best equipped to determine the extent to which renewable energy installations reduce energy costs and avoid transmissions investments to support electric reliability. In light of growing solar investments in MA, the capacity of these installations to reduce peak summer load should be evaluated. A similar, though distinct example is provided by wind resources, which tend to produce peak output in the winter and thereby alleviate demand for natural gas generation, which can be very expensive in cold weather when gas demand for heating is highest.

In summation, we believe that an evaluation of the Commonwealth’s energy policies reveals significant net benefits, and while additional information and program modifications may be required, any changes should be made in venues appropriate to each specific policy. Ongoing public processes to evaluate and oversee energy efficiency and renewable energy policy provide ample information and capacity for engagement, and this commission can complement existing efforts by identifying and tasking appropriate bodies with filling information gaps.

² ENE has a staff member who has been appointed to the EEAC. Among the interveners in the above-captioned proceedings, the Department of Energy Resources, the Attorney General and the Low-Income Energy Affordability Network are also represented on the EEAC.

³ G.L. c. 25, § 21, 22.

⁴ G.L. c. 21N, §§ 3(b), 4(a) and Massachusetts Clean Energy and Climate Plan for 2020.

Respectfully submitted,

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