

C&I Stakeholder Hour

Tuesday, October 11th, 2022

12:00 PM – 1:00 PM

Zoom Meeting

The Commercial and Industrial Stakeholder Hour is hosted by the Department of Energy Resources (DOER) and the Sponsors of Mass Save (Berkshire Gas, Cape Light Compact, Eversource, Liberty Utilities, National Grid and Until that are also known as the Program Administrators (PAs). This stakeholder hour is part of the C&I Working Group, an initiative for increased engagement, communication and coordination among the Program Administrators (“PAs”), Department of Energy Resources (“DOER”) and stakeholders on the C&I programs. This session was open to stakeholder questions on the commercial and industrial programs offered by the Mass Save Sponsors.

The programs offered by the Sponsors are funded by an energy efficiency charge on ratepayers’ utility bills. Customers participating in the programs receive rebates and incentives for energy efficiency measures such as insulation, heat recovery systems, among others.

Commercial and Industrial panelists:

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Questions and Responses

Q: What is the three-year cycle for utility programs, and how can end-users provide input?

A: The Sponsors of Mass Save are required to submit a 3-year plan to the DPU every 3 years. Planning for the 3-year plan begins about 12 months in advance and is highly dependent upon any legislation that may have been issued relative to energy efficiency and code over the preceding months. For example, the climate bill issued in July 2021 changed the course of the planning that had been underway to incorporate GHG reduction, electrification and more.

There are many public comment sessions for stakeholder engagement in the next three-year plan from 2025-2027. These opportunities would begin in either late 2023 or early 2024 and are posted to the website <https://ma-eeac.org/> under the ‘public comment’ section. There are also monthly EEAC meetings where members of the public can either email in comments in advance

of the meeting to ma-eeac@mass.gov or submit their name to give public comment within the first 20 minutes of the meeting.

Q: Are any incentives being phased out? What new incentives are starting?

A: While the Program Administrators (PAs) always seek to maintain consistency and clarity in program offerings during a 3-year term, it is sometimes necessary to adjust offerings during this time. The PAs will provide as much advance notice as possible of any program changes.

While there are no measures that are being phased out or started between 2022 and 2024, there are offers associated with measures that have been changed. Recently, a prescriptive approach to weatherization for buildings under 8,000 sq ft and a more streamlined approach to prescriptive Building Management System savings have been rolled out. Later this year, a measure to support deep energy retrofits will be launched ¹.

Beyond this measure, there are no known changes for the 2022-24 Term, however; we do know that fossil fuel heating and water heating incentives will be phased out by 2025, per the Climate Act (with limited exceptions).

Q: Why do programs/incentives get phased out as time goes on?

A: The Program Administrators support commercially available energy efficiency measures or initiatives that are not well adopted in the market to encourage the proliferation of these particular end uses. Over the course of time, as the high efficiency products are adopted, they saturate the market. When code and other standards increase in stringency, the differential between the standard and the highest efficiency options, upon which program energy savings are based, becomes negligible. As that point, the programs offered by the Mass Save Sponsors would no longer be able to support these measures.

Q: Will lighting be able to receive comprehensive incentive increases in the future?

A: Not likely. Incentives and energy savings (upon which the incentives are based) for lighting have been decreasing over time as the adoption of more efficient lighting products like LEDs are more common in the marketplace. As mentioned in the previous response, the objective of the energy efficiency programs is to support the adoption of less common efficiency measures and continue to support them until they are mainstream. Given that the difference between what is standard and what is high efficiency is decreasing in lighting, the resulting energy savings and

¹ Update to the Deep Energy Retrofit offering: It was launched in December 2022. More information can be found at < <https://www.masssave.com/en/business/programs-and-services/deep-energy-retrofit>>

therefore the need for the Sponsors of Mass Save to transform the market for these products is lower as well.

For example, previously supported energy efficient equipment like residential refrigerators are no longer incentivized by efficiency programs because they are now considered mainstream and, in many cases, required by code.

Q: Are incentives for lighting controls projects expected to go away after 2024?

A: We have not seen evidence of that at this time. The Sponsors of Mass Save encourage the implementation of lighting controls and ensuring these controls are working well after installation to deliver the energy savings projected. At this moment, we cannot speak to what will occur with incentives for controls in the future.

Q: Why do Building Management Systems (BMS) incentives from the Sponsors of Mass Save vary depending on whether a BMS is already installed? New installations get a prescriptive incentive, but existing systems, even if they are decades old, get a 'custom' incentive.

A: The main drivers for project incentives from the Sponsors of Mass Save are cost effectiveness and energy savings. It is likely that the greater the demonstrable energy savings are, the higher the resulting incentive will be. If replacement of an existing system does not add sequences of operation resulting in improved efficiency and energy savings, then there is likely to be a lower incentive.

Recently, the prescriptive BMS program was changed (as of 9/29/22) to consider BMS for buildings adding new controls to existing equipment or replacing existing controls that are greater than 10 years old. The sequences of operation that are being added to the control system drive the savings and the incentives rates are based on whether the controls are Add-on, Replacement or New. This is the link to the offering <

<https://www.masssave.com/business/rebates-and-incentives/building-and-hvac-controls/building-management-systems-and-controls>>

The new offer that has been introduced will likely be studied/reviewed in the future to ensure the program guidance and tools are leading to BMS installations with tangible energy savings. The prescriptive project verification via trend set up and data collection is very important and unique to this prescriptive offer.

Q: Are there incentives offered for upgrades when existing windows are not up to the current code?

A: As mentioned above, energy efficiency programs are driven by energy savings or the energy difference between what is standard in the marketplace and what is high efficiency. The most efficient product is not always the same as what is required by building energy code. Instead, the Program Administrators aim to move customers from what is the most common windows in the existing MA commercial and industrial building stock to purchasing the most efficient products available in the marketplace.

Windows are a challenging measure to determine energy savings for as there is wide variability in U-values, infiltration, commercial window types, and baseline conditions. However, there is a working group of engineers and others looking at the baselines of the existing commercial building stock relative to code and determining the prospect of a prescriptive window offer through the commercial and industrial programs offered by the Mass Save Sponsors. As with all measures, demonstrating cost effectiveness is a key element to incentivizing a measure and given the variety of available options for improving envelope efficiency with windows (double pane, triple pane, window film, adding a third pane, etc.) there are a variety of options under consideration.

Until a prescriptive offer is available, commercial and industrial customers interested in exploring how much energy savings may be involved in upgrading their windows would pursue the custom project pathway. More information about the custom savings approach can be found on the Mass Save website at < <https://www.masssave.com/en/business/programs-and-services/custom-incentives-and-technical-support/custom-incentives> >

Q: Are there any plans to host "custom express" type tools on the Mass Save website?

A: Yes. The Mass Save website is in the process of an overhaul to allow for improved access and functionality for our customers and vendors. You can find the Prescriptive BMS Calculator posted to the website here < <https://www.masssave.com/business/rebates-and-incentives/building-and-hvac-controls/building-management-systems-and-controls>>. The modified Weatherization Custom Express tool has been also added to the website and can here found at < <https://www.masssave.com/business/rebates-and-incentives/building-insulation-and-weatherization>>. The Program Administrators acknowledge that an ease to calculating energy savings expedites the application process and supports our customers in consistent savings results. It is our goal going forward with the new website to increasingly post statewide tools that can assist in determining project energy savings.

Q: Are there any guidelines for how to identify good candidates for building electrification and weatherization?

A: Usually, the easiest targets for weatherization are older buildings with older singular heating or cooling systems. In this case, we know that the code when the building was built was less

stringent relative to current insulation levels and air sealing criteria. The other factors that go into weatherization and right sizing equipment are how much outdoor air is being conditioned (as in a heat driven or process driven building) and whether reductions in this case can be considered to lessen the load of the HVAC equipment as well.

Finally, with respect to electrification, there is a wide range of considerations based on the existing building systems and the extent to which a customer may want to offset their current fuel use (partial, full, etc.). The Program Administrators can support electrification opportunities with 'Scoping Studies.' The first step involves identifying the systems in place and then considering the available electrification technologies relative to what is on site and the level of effort to go beyond the current level of energy efficiency. Options like heat recovery, generation, etc. add even more color and complexity to projects of this type. In short, one solution will not be right for all. A lot of thought must go into what might be involved in electrifying the building given the existing site conditions and the customer's goals.

Q: How will C&I programs be incentivizing large scale campus decarbonization projects that transition from fossil fuels to electric?

A: The Program Administrators first support campus decarbonization projects through Scoping Studies. As mentioned earlier, these studies take the variety of building systems into consideration and provide clarity on the various approaches that could be taken to optimize systems for greenhouse gas reduction. Then, dependent upon the approach to electrification and the cost effectiveness of the associated energy savings, a plan to tackle the electrification project can be made. If as mentioned earlier these projects are unique in nature, they will likely involve a technical assistance study (TA) to determine the energy savings that would result from implementation and then a custom incentive would be applied relative to the incentive guidance.

Q: What are the incentives for Heat Pumps /Variable Refrigerant Flow (VRF). How are energy savings estimated for these?

A: The best reference for information pertaining to a specific piece of equipment like a heat pump or Variable Refrigerant Flow equipment is the Mass Save website or application. These resources provide all the details about the available incentives and how to apply.

Energy savings for heat pumps through the prescriptive pathway are based on what the average commercial and industrial customer in the average Massachusetts climate would save under average conditions. Savings also depend on the type of fuel that is being offset. As mentioned in previous responses here, the best approach is to get an energy assessment. The resulting assessment report would estimate the annual energy savings, costs, and other information about the technology being sought. If the project is complex then it is likely it

would follow the custom instead of the prescriptive pathway. The program administrators can support the customer determine the best approach.

Q: Will electric vehicle (EV) charging incentives be changing?

A: Eversource and National Grid have filings with the Department of Public Utilities (DPU), Docket 21-90 and 21-91 respectively, for their next phases of EV programs. Upon receipt of Order from the Regulators, incentives will be adjusted and programs modified based on this Order.

Q: Can we expect incentives for battery storage?

A: There is a program by the Sponsors of Mass Save for demand response and storage <<https://www.masssave.com/saving/business-rebates/demand-response-and-storage>>. Please reach out to your Program Administrator for more information.

Q: Are there incentives to help municipalities transition to battery powered lawn equipment?

A: In the current three-year plan (2022-2024) the Sponsors of Mass Save do support incentives for electrified lawn equipment. Please refer to the Mass Save website for the current incentives: <https://www.masssave.com/en/business/rebates-and-incentives/specialty-equipment/lawn-equipment>

Q: Could there be incentives also for battery powered Zambonis?

A: A large portion of our current 3-year plan is focused on electrification. If there are demonstrable, cost-effective energy savings between the current fossil fuel products being used and an electrified version, then this equipment can certainly be considered for incentives. Many of the energy savings measures supported by the Sponsors of Mass Save are prescribed in the Technical Reference Manual (TRM). This manual explains what the savings are for a given measure as well as other supporting technical information. Other measures that are not found in the TRM can still be considered for incentives through the custom pathway if there is energy saved and the measure is determined cost effective.

Q: What are the available rebates for multifamily projects and how are they classified?

A: Similar to the responses for schools and towns provided above, the best place to start is an energy assessment. The rebates or incentives for multifamily are varied. Multifamily falls into

the residential as well and the commercial programs dependent upon the meter type. The space in common areas would be served under the Mass Save commercial program if they are metered under a commercial rate. If the meter is on a residential rate, the space is served under the residential energy efficiency program. Multifamily customers should contact their program administrators who will direct them to vendors equipped to serve multifamily facilities. The vendors can identify measures for both the residences and common spaces and can provide a list of eligible energy efficiency measures accordingly.

Q: What are the energy saving programs for new & existing school facilities?

A: First, programs offered by the Sponsors of Mass Save are an option for schools seeking energy efficiency support, but it is not the only option. There are also DESE (Department of Elementary & Secondary Education), Massachusetts School Building Authority (MSBA), and Green Communities.

Specific to programs offered by the Sponsors, any measure including those that may be customized are available to all commercial and industrial customers, including schools and municipalities. The Program Sponsors recommend the best place to start is an energy assessment. An assessment involves having a third party look at existing equipment and building systems like insulation, weatherstripping, faucet aerators, etc. and then using the resulting report as a guidepost for how to proceed based on budget, GHG reduction goals or whatever is driving the desire to improve energy efficiency. To find out more about energy assessments for any commercial and industrial building, please visit the website here < <https://www.masssave.com/en/business/programs-and-services/building-energy-assessments> >

Typically, an energy assessment report provides a list of measures and the estimated energy savings by measure. If the proposed measures are unique and the magnitude of energy savings is uncertain, the Program Administrators can help support a Technical Assistance (TA) study to quantify the associated savings.

Q: What are some best practices for towns to complete energy efficiency plans? What information can towns share with their businesses on how to do so?

A: Similar to schools, towns can consider applying for grants to Green Communities in addition to the programs offered by the Sponsors of Mass Save. An energy assessment would be a good approach if no measures have been outlined. If you have existing plans or goals already relative to gas and electric energy savings, please reach out to your Program Administrator(s). They are best equipped to go through your plans with you and offer incentives if the measures are cost-

effective. But the PAs can also guide you towards an energy assessment to tackle energy efficiency plans.

Q: Have Sponsors of Mass Save considered incentivizing asbestos surveys that are required for weatherization projects?

A: Asbestos surveys are not incentivized by the Sponsors of Mass Save. The new commercial and industrial prescriptive weatherization offer has a fixed incentive rate targeted to cover a certain percentage of project costs. This rate was calculated with consideration for pre-weatherization barrier mitigation like asbestos or vermiculite removal as part of the total project cost. With custom weatherization projects, there is also consideration for barrier mitigation to be incentivized if the comprehensive project cost is determined to be cost effective.

Q: How have the Sponsor of Mass Save incorporated integrating incentives created by Congress into state efficiency plans?

A: At this point in time, the Program Administrators do not know how the Inflation Reduction Act (IRA) will factor into our programs. The Act itself is still in the very early stages. Though the Program Administrators have been comparing the qualifying equipment parameters of our electrification equipment tiers to those in the IRA, even these are subject to change. As a result, we will continue to work closely with the DOER to ensure that federal rebates are well coordinated with our programs, and once complete, the Program Administrators have an FAQ (Frequently Asked Questions) portion of the Mass Save website dedicated to this topic. The website with the FAQ is located here < <https://www.masssave.com/inflation-reduction-act#:~:text=A%3A%20The%20Inflation%20Reduction%20Act,energy%20efficiency%20and%20beneficial%20electrification.>>

Q: Can we expect to receive incentives for renewables?

A: This question relates to legislation in terms of the type of programs the Program Administrators can support. Current Mass Save incentives support energy efficiency programs associated with fuels provided by utilities.