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April 20, 2017

Dear Stakeholders,

In February 2016, the Baker-Polito Administration announced the Affordable Access to Clean and Efficient Energy (AACEE) Initiative in order to expand low and moderate income (LMI) Massachusetts residents' access to cost-saving clean and efficient energy technologies. As part of this initiative the Department of Energy Resources (DOER) and the Massachusetts Clean Energy Center (MassCEC) committed \$15 million in funding for new and expanded LMI renewable energy and energy efficiency programs.

The AACEE Initiative coordinates the common goal of the Executive Offices of Energy and Environmental Affairs (EEA) and Housing and Economic Development (HED) to promote affordable and clean energy to all Massachusetts residents regardless of income. Low and moderate income residents may face unique barriers to investing in clean and efficient energy technologies including reduced access to traditional financing, limited savings for use as upfront capital, and lower rates of homeownership. In order to identify the most efficient and effective ways to address these and other barriers, DOER and our partners at the Department of Housing and Community Development (DHCD) convened an inter-secretariat working group. Public, quasi-public, and private stakeholders met five times beginning in April 2016 to discuss barriers and recommend paths forward to expand access to clean energy technologies.

On behalf of the Baker-Polito Administration and the inter-secretariat working group, I am happy to release the results of this effort and announce multiple funding opportunities that will support recommendations from the working group. The enclosed Working Group Final Report outlines 16 recommendations that address barriers to effectively reaching low and moderate income populations with clean energy financing and programs. DOER and MassCEC have developed and are releasing the following programs, which align with the Working Group recommendations, as the remainder of our \$15 million Initiative commitment.¹

¹ Before the release of this report, DOER and MassCEC released new or expanded programs as part of the AACEE Initiative representing \$5 million in committed funding. These programs are DOER's Renewable Thermal for Homes on Fuel Assistance (\$1.4 million), which provides renewable secondary heating for

- **The Affordable Clean Residential Energy (ACRE) RFP** (\$3 million)

This program, coordinated by DOER and MassCEC, will competitively select model delivery methods to provide renewable thermal technologies paired with solar PV for low-income, owner-occupied, single family homes. This combination of technologies coordinated with energy efficiency upgrades is expected to provide \$4.5 million in combined energy savings for approximately 170 households. This program follows recommendations from the Working Group to support energy-saving renewable energy technology in low income homes.

- **Affordable Access Regional Coordination (AARC) Grants** (\$800,000)

This program, coordinated by DOER's Green Communities Division, will fund Regional Planning Authorities (RPA) and other public technical assistance organizations to develop programs and provide clean energy training to municipal or community organizations that support low income populations. This funding will allow RPAs to increase internal knowledge of the Commonwealth's low income residential clean energy programs, expanding the reach of existing successful programs. This program supports recommendations from the Working Group to utilize Green Communities for low income outreach at the regional and local level, to increase access to technical assistance, especially for small portfolio housing developers, and to increase communication about the many benefits of clean energy and energy efficiency.

- **DHCD Affordable Access for Public Housing Interagency Services Agreement (ISA)** (\$1.5 million)

DOER will continue their successful work with DHCD to fund renewable thermal projects at state-sponsored public housing. These technologies provide up to 20% annual energy savings for the participating housing authorities, reducing energy costs for the State, and increase clean energy access to Massachusetts residents in the most need of support. This program follows recommendations from the Working Group to fund public housing projects and target the lowest income populations.

- **Whole Building Incentive Program Request for Information (RFI)** (\$4 million)

In addition to the many programs released today, DOER is also releasing an RFI to develop a whole building incentive program for subsidized and public affordable housing. The Whole Building Incentive program will fund demonstration projects that install both energy efficiency and renewable energy technologies to maximize cost savings. This program follows recommendations from the Working Group to maximize the clean energy opportunities in multifamily housing at times of major upgrade and develop financing and incentive structures to support whole building improvements.

LIHEAP recipients, MassCEC's Low Income Clean Energy Challenge (\$2 million) and Clean Heating and Cooling Rebate Adders for Low and Moderate Income Residents (\$1.6 million). The MassCEC's Energy Challenge provided four grants that increase access to clean energy including whole building energy audits, technology optimization, innovative solar PV financing, and renewable thermal in low income homes. The Clean Heating and Cooling Rebate Adders expanded existing and successful MassCEC programs to low and moderate residents.

- **Zero-Energy Modular Affordable Housing Initiative (ZE-MAHI) Grants (\$400,000)**

DOER is also announcing the ZE-MAHI grant program, which will help Massachusetts demonstrate the significant potential improvements in the energy performance of manufactured housing in the Commonwealth through the replacement of existing manufactured homes with new modular zero energy housing. This grant follows on DOER's successful Pathways to Zero grants for commercial zero-energy buildings, and supports the recommendations from the Working Group that grant programs provide increased focus on low and moderate income residents.

- **Community Shared Solar Grants (\$300,000)**

DOER recently released a proposal for the next generation of solar incentives. This new proposal seeks to maintain solar growth with widespread access for all ratepayers, including low income residents and community shared solar. Once a new solar incentive has been finalized, DOER will provide a competitive project grant for a low income community shared solar project that demonstrates an effective use of the new incentive while providing energy savings to low income residents. This program supports recommendations from the Working Group to increase low income solar access and target low income populations.

DOER and DHCD will continue the successful collaboration of the Initiative through a new Affordable Access Team comprised of representatives from housing, housing finance, housing authorities, and energy agencies. This team will explore a number of the other recommendations in the next few years, such as identifying common metrics, sharing data sets, coordinating existing and new communication strategies, and sharing expertise.

As part of DOER's mission to create a clean, affordable and resilient energy future for the Commonwealth, DOER is committed to reducing barriers to clean and efficient energy so all residents, regardless of income, can access clean and cost saving technologies. The AACEE Initiative has brought together stakeholders from across the state to identify the most impactful ways to achieve this goal. DOER is pleased to share this report and the details of the suite of programs to accelerate the deployment of clean energy and energy efficiency to all residents of the Commonwealth.

Sincerely,



Judith F. Judson
Commissioner
Department of Energy Resources