

**STATEMENT TO MASSACHUSETTS DEPARTMENT OF ENERGY
RESOURCES
OF JERROLD OPPENHEIM FOR LOW-INCOME ENERGY AFFORDABILITY
NETWORK
REGARDING EXECUTIVE ORDER 562 - REGULATION REFORM**

Thank you for this opportunity to be heard on these matters of such importance to both the environment and the Commonwealth's low-income families.

My name is Jerrold Oppenheim and I am counsel to the Low-Income Energy Affordability Network (LEAN) which includes the low-income weatherization and fuel assistance program network mandated by the General Court to implement the utility low-income energy efficiency programs overseen by the the Department of Energy Resources (DOER), Energy Efficiency Advisory Council (EEAC), and Department of Public Utilities (DPU)

G.L. c. 25, sec. 19(c) (Green Communities Act, St. 2008, c. 169, sec. 11) provides that “The low-income residential demand side management and education programs shall be implemented through the low-income weatherization and fuel assistance program network and shall be coordinated with all electric and gas distribution companies in the commonwealth with the objective of standardizing implementation.” LEAN is the organization of agencies that make up the low-income weatherization and fuel assistance program network that implement programs under the Act.

LEAN is very appreciative of DOER's support of low-income energy efficiency and we urge DOER to preserve all of its regulatory underpinnings. Executive Order 562 requires that regulations “essential to the health, safety, environment or welfare of the Commonwealth’s residents shall be retained.”

Low-income consumers are finding it increasingly difficult to afford their energy bills due to both (a) volatile but generally increasing energy prices and (b) the general economic crisis, which is causing falling incomes. Energy efficiency plays a critical role in making energy more affordable for low-income consumers. LEAN has weatherized and installed efficient lights, appliances, and heating systems in about 100,000 low-income homes. In partnership with the Program Administrators (PAs), this award-winning program has set the pace nationally for low-income energy efficiency programs, saving 20-40% of the energy previously used in gas-and oil-heated homes by employing a comprehensive, whole-house approach.

Independent evaluation research, sponsored by the Massachusetts PAs, shows that low-income programs also provide substantial non-energy benefits (NEBs) to program participants.¹ These benefits to program participants include: improved health and safety;

¹ As defined by DPU regulation (D.P.U. 08-50-B (2009), EE Guidelines at sections 3.4.3.1, 3.4.4.1(b)(ii), 3.4.4.2(b)(ii)), which are documented in the Technical Reference Manual (TRM) 416 *et seq.* (Appendix C),

increased property values; decreased maintenance costs; increased comfort including reduced noise; and, for utilities and their ratepayers, reduced costs such as bad debt, arrears, and shut-off/reconnection costs.²

In addition, the Green Communities Act requires consideration of both (1) economic development benefits, such as increases in jobs and worker productivity, avoidance of predatory loans and reliance on taxpayer food assistance, and increased economic output; and (2) environmental benefits, such as societal savings due to improvements in health.³ The economic value of energy efficiency has been widely understood for decades -- economic development (jobs) and environmental (climate change) benefits being among the largest of those values.⁴ In Massachusetts, \$1,000,000 invested in gas energy efficiency, for instance, results in 46.7 job-years.⁵ A national US study for the US Department of Energy found that energy efficiency also substantially reduces healthcare costs, a benefit that is alone in excess of efficiency investments.⁶

DOER regulations currently inhibit energy efficiency treatment for oil-heated multi-family buildings, but DOER has proposed a regulatory revision to allow such measures in conformity with statute. LEAN urges approval of this revision at the earliest opportunity so that oil-heated multi-family buildings can be incorporated into the PAs' Three Year Energy Efficiency Plans that begin January 1, 2016.

Thank you.

available at <http://ma-eeac.org/studies/>.

² NMR Group, Inc., "Massachusetts Special and Cross-Sector Studies Area, Residential and Low-Income Non-Energy Impacts (NEI) Evaluation." Madison, Wisc.: *Tetra Tech*, 2011).

³ G.L. c. 25, sec. 21(b)(2)(viii)-(ix) re: economic development, sec. 22(b) re: environment.

⁴ E.g., Acadia Center, "Benefits of the 2010-2015 Statewide Energy Efficiency Plans/Commonwealth of Massachusetts" (2015); --, "Benefits of Massachusetts' Energy Efficiency Programs (February 2015); J. Howland *et al.*, "Energy Efficiency: Engine of Economic Growth [in New England]/A Macroeconomic Modeling Assessment," (Environment Northeast, Oct. 2009); S. Nadel *et al.*, "Energy Efficiency in the United States: 35 Years and Counting" (ACEEE Report E1502, June 2015) and reports cited therein.

⁵ Computed from Environment Northeast, "Energy Efficiency in Massachusetts: Engine of Growth" (Oct. 2009), *see* J. Howland *et al.*, "Energy Efficiency: Engine of Economic Growth [in New England]/A Macroeconomic Modeling Assessment," (Environment Northeast, Oct. 2009).

⁶ Computed from B. Tonn, E-cubed, presentation to NARUC Consumer Committee, New York, July 12, 2015, based on Oak Ridge National Laboratory national study of DOE Weatherization Assistance Program.