

Updating Residential Conservation Services post-GCA

June 2014

Agenda

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- Background
- Current Residential Landscape
- RCS Authority
- Desired RCS Updates with Discussion
- Proposed Next Steps

Background

- Residential Conservation Services (“RCS”) - DOER promulgated regulations for in-home energy services
- Implemented via 3-year plan within Home Energy Services (“HES”) and Multifamily Retrofit programs
- Originally intended to encourage energy efficiency as a consumer protection strategy

Current Residential Landscape

- 2,345,859 residential electric customers, 226,787 to be served in 2013-2015
- 1,388,585 residential gas customers, 129,399 to be served in 2013-2015
- 95 installation contractors, 22 home performance contractors
- Oil heated homes (1-4) receive weatherization and heating system services through HES
- HEAT Loan offered primarily through HES*

Current Residential Landscape

- By 2030, more than 15k MF buildings with 200k units will be heated with unregulated fuels, more than half built pre-1950
- Although 180,000 residential customers are likely to convert to gas,
 - approx 20-30k in gas territory will not be eligible.¹
 - Additional 700k no gas service option

1. According to the DOER Gas Expansion Study, January 2014

Current Residential Landscape

- Oil customers eligible for some but not all services
- HEAT loan is primarily offered through HES program
- Customers are looking for alternatives
- No savings associated with fuel switching (e.g. biomass, solar thermal, heat pumps as a heating replacement)

Current Residential Landscape

- Gas products program funds conversions without accurately accounting for activity

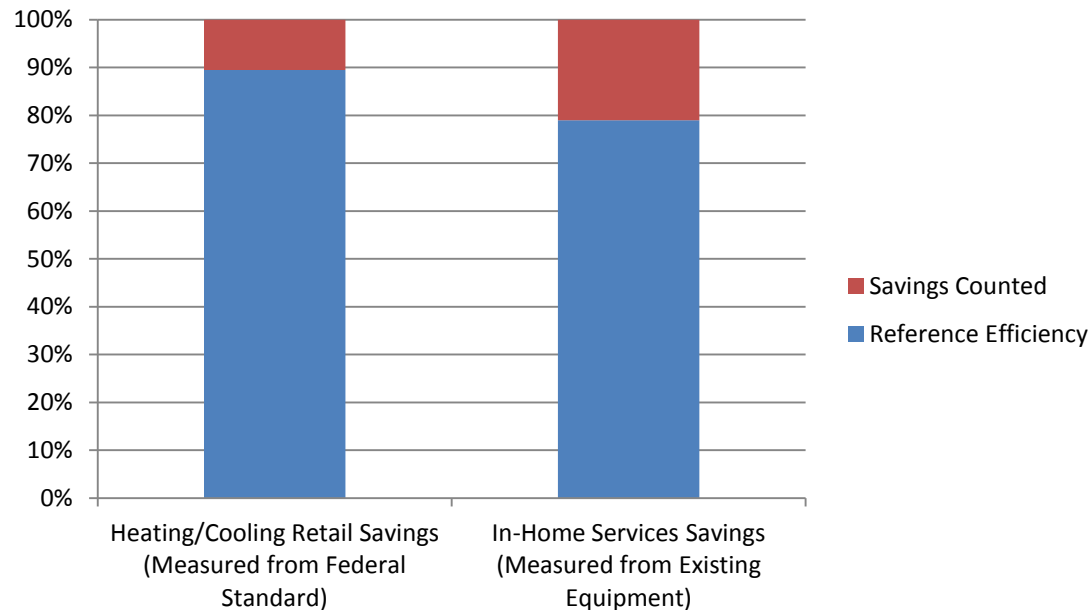


Figure 1 – Numerical figures for illustrative purposes only – not actual data

Opportunities for Broader Coverage

- Some residential customers fall through RCS cracks – e.g. multifamily residents in oil heated buildings
- RCS heating system recommendations are limited to the customer's existing fuel source
- RCS recommendations focus on PA offered incentives
- Contractor criteria to participate vary among PAs' programs

RCS Authority

- RCS established by Chapter 465 of the Acts of 1980 (M.G.L. c. 164 App. §§ 2-1 to 2-10)
- Commercial and apartment conservation services program authorized in M.G.L. ch. 25A §11A
- Residential RCS regulations promulgated in 2001 in 225 CMR 4.00 (no commercial and apartment regs issued) to better align with the Restructuring Act
- Guidelines to the RCS regs issued in 2001.

RCS and Other Relevant Authority

- Green Communities Act (Chapter 169 of the Acts of 2008) further refined the energy efficiency/conservation landscape in the Commonwealth
- Regs at 220 CMR 7.00 cover budgeting and cost recovery for RCS activity – currently under review by DPU per...
- Chapter 209 of the Acts of 2012 combined RCS with GCA budget processes and PA level planning
- Chapter 298 of the Acts of 2008 charged EEA and DOER to consider and track greenhouse gas emissions in policy and rulemaking

RCS Language of Note

- 225 CMR 4.02
 - Program Measure is both efficiency and/or renewable measure
 - Residential Customer is anyone who receives a bill for their own energy use in a residential building
 - Fuel Neutral Reward is a financial incentive that facilitates implementation of Program Measures
- MGL ch. 164 app. §2-9 – contractor registration

Desired RCS Updates

- Universal application of ‘fuel-neutrality’ in HES
 - Residential customer qualification for HES services
 - Expand recommended measures
- Renewable program information in HES assessments
- RCS application to multifamily buildings (2-4 & 5+)
- Set clear qualifying and performance standards for contractors who participate in HES

Outcome – Universal Application of Fuel Neutrality

- Provide consistent services to all residential customers who pay in to the program
 - Including multi-family not using gas
- Offer comprehensive options to customers regardless of their current fuel use
- Ensure that available incentives reflect fuel neutral policy
 - Rebates not limited to customer's existing fuel
 - Measure savings to ensure that PAs account for all efficiency upgrades – e.g. Figure 1

Example of Existing vs. Revised Program

Existing

- Oil customer recommendations limited to oil heating & weatherization upgrades

Revised

- Oil customer eligible for oil, heat pump (elec) or renewable (biomass, solar) upgrades and weatherization

Example of Existing vs. Revised Program

Existing

- Multi-family heated with oil receives electric audit, but ineligible for weatherization and heating system improvements

Revised

- Multi-family with oil heat receives audit and recommendations, weatherization and heating system upgrades

Outcome - Renewable Information in HES

- Ensure that consumers receive appropriate & relevant information about renewable program offerings
 - PA sponsored programs
 - Clean Energy Center programs
 - Solar Domestic Hot Water
 - Biomass Boilers Pilot
 - Ground Source Heat Pump Pilot
 - Cold Climate ASHP Pilot
 - Solar PV
 - DOER pilot and grant funded activities
 - Home MPG
 - Electric Vehicles rebates

Outcome - RCS Contractor Standards

- Create a process for determining standard, statewide requirements to participate in HES.
- Ensure that contractors who do work within HES programs are aware of contracting standards statewide
- DOER to formalize the standards process initiated by the Best Practices Working Group

Proposed Next Steps

- Stakeholders to provide written feedback on the 4 desired outcomes by 07/18/2014
 - Universal application of fuel neutrality
 - Renewable program information distributed
 - Apply RCS regulations to multifamily housing
 - Set clear statewide standards for participating contractors
- DOER to review feedback and issue memo establishing work plan