

Expanding Access, Transparency, and Equity in the Massachusetts Energy Efficiency Sector

“An Act Regarding Community Access to Energy Efficiency Programs and Green Jobs (H 1774)”

LEAD SPONSORS: Representative Carl Sciortino and Senator Jamie Eldridge

Since the 1980s utility companies have provided energy efficiency services in the Commonwealth. Two decades later, the Commonwealth restructured the electric and gas energy efficiency industry by adopting the *Green Communities Act (GCA)* in 2008. GCA propelled this industry forward with new goals for both electricity and gas energy efficiency plans – an unprecedented **\$1.4 billion public subsidy investment**. Under the new law, utility distribution companies were mandated to expand the scale and scope of their energy efficiency programs to retrofit the majority of the state’s homes and buildings, starting with more than **100,000 residential units, particularly low-income, and 20,000 commercial and municipal units over 3 years**.

In January 2010, the *Energy Efficiency Advisory Council (EEAC)*—created to oversee the development of new electric and gas energy efficiency plans—approved a three year electric and gas energy efficiency plan, which **estimated that consumers will save over \$6 billion through energy efficiency programs, \$3.9 billion in economic benefits, while creating 4,000 jobs in the State**. Furthermore, to develop career pipelines for low-income residents to these jobs, the *Green Jobs Act (GJA) of 2008* established the *Pathways out of Poverty* program to fund programs that connect un- and underemployed workers to these jobs in Gateway Cities. Together, the GCA and GJA have begun to build the infrastructure for the Commonwealth’s clean energy economy.

Funding Sources for Energy Efficiency Programs:

- Consumer Systems Benefit Charge (0.25 cents/kWh)
- Proceeds from the Forward Capacity Market (FCM)
- Proceeds from the Regional Greenhouse Gas Initiative (RGGI)
- Outside Sources (to the extent they can be found)
- New Reconciling Surcharge –must be enough to make up the difference between total budgets and the funds provided by the other four sources

The Problem:

- There is a lack of transparency as to the Energy Efficiency programs, which communities are benefiting, and efficacy of programs.
- While raw data exists on who is served, there are no requirements for utilities to report on whether hard to reach, low-to-moderate income (those earning 60-120% of state median income) residents are being served.

Solutions included in H1774:

- **Expanding Access: By Establishing Weatherization Goals.** Directs the Department of Energy Resources (DOER) to set annual benchmarks to weatherize 100% of residential homes and 50% of businesses in the state by 2030, along with establishing benchmarks for equitable access for all ratepayers.
- **Energy Efficiency Program Data Collection.** Requires that all utility companies, in consultation with the EEAC, report the outcomes (e.g. location, measures provided, dollars spent, energy savings, residential type) of energy efficiency programming to DOER for residential and commercial rate payers, especially for hard to reach, low-and-moderate income (those earning 60-120% of state median income) communities.
- **Ensuring Good Green Jobs.** Mandates the collection of data on jobs created, demographic information of employees, adoption of hiring goals, and inclusion of Responsible Employer Language in all state Requests For Proposals and contracts.

Supported by the Green Justice Coalition – a broad-based partnership of more than 50 organizations across Massachusetts building a socially just and environmentally sustainable economy.

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