



Massachusetts Department of Energy Resources

Creating A Greener Energy Future For the Commonwealth

Energy Efficiency in Massachusetts

Energy Efficiency Advisory Council
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Mike Sherman

Director, Energy Efficiency Programs

Mike.Sherman@state.ma.us



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Long Standing Efficiency Programs

- Electric and gas programs date from the mid 1980's
- Collaborative process: 1989 - 2008
Stakeholder settlement process determined:
 - Levels of investment by the utility program administrators,
 - Mechanisms for paying program costs
 - Appropriate performance incentives
 - Established overall savings goals programs and focus of energy efficiency efforts.

EE Investment Has Varied

- Investment levels were as high or higher than current levels.
 - 1991 Electric expenditures exceeded **\$168 Million**.
 - 1991 Gas expenditures were in the neighborhood of **\$50 million**.
- Expenditures declined sharply from 1994-1997, to a low of \$106 million. Gas expenditures declined more sharply through this period.

Recent Electric Efficiency Funding

- 1997 Electric Utility Restructuring Act funded efficiency through a non-bypassable System Benefits Charge (SBC).
 - Initially set at 3.3 mils/kWh sold, declining annually to a “final” 2.5 mils in 2002.
 - SBC renewed in 2002 and again in 2005 through 2012
 - SBC continued @ 2.5 mils in the Green Communities Act plus “other resources”



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SBC Funding

- The 2.5 mils charged produced ee programs averaging \$125 million statewide annually.
- In Summer 2008 DOER petitioned DPU to solicit increase requests for 2008, resulting in an additional \$7.6 million for the year.
- Proposals before the DPU for 2009 will bring total electric funding to \$186 million.

Gas Efficiency Programs

- Gas efficiency programs followed a separate track, in a series of 5-year efficiency plans, with annual update filings. Statewide total funding has been \$25 million
- Gas PA's also submitted supplemental proposals in 2008, substantially boosting program sizes and extending them through 12/31/09 to synchronize with the first 3-year plan under the Green Communities Act. Total Gas efficiency for 2009 is approximately \$30 million.



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Annual system Benefit Charge Expenditures in Recent Years @ 2.5 mils.

	2003	2004	2005	2006	2007
Annual Program Expenditures of SBC dollars					
National Grid	\$56,174,465	\$55,291,093	\$53,350,346	\$57,249,181	\$56,405,471
NSTAR Electric	\$44,058,132	\$57,383,742	\$51,920,587	\$52,946,063	\$49,684,356
WME Co	\$9,514,524	\$10,536,739	\$12,163,429	\$13,576,030	\$7,869,472
FG&E Electric	\$1,439,850	\$1,527,892	\$1,735,037	\$1,154,946	\$1,149,970
CLC	\$5,107,724	\$7,579,783	\$4,313,601	\$5,555,329	\$5,048,090
\$-SBC Total	\$116,294,695	\$132,319,249	\$123,483,000	\$130,481,548	\$120,157,359



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LifeTime Megawatt-Hour (MWh) Savings 2003-2007

	Administrator	2003 Report	2004 Report	2005 Report	2006 Report	2007 Report
Lifetime MWh Savings	National Grid	1,965,300	2,044,079	2,137,756	2,003,792	2,414,693
	NSTAR Electric	1,794,970	2,328,255	2,297,759	1,975,711	2,152,208
	WMECo	470,787	644,428	525,866	532,394	356,072
	FG&E Electric	58,969	58,930	43,456	30,273	35,751
	CLC	131,453	203,263	118,901	211,430	158,599
Life MWh Total		4,421,479	5,278,954	5,123,738	4,753,601	5,117,323