

January 10, 2012

ATTN: EEAC Public Comments
c/o Jerrylyn Huckabee
Residential Energy Efficiency Program Coordinator
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

RE: MACDC Comments on the Second Statewide Three-Year Energy Efficiency Investment Plans

Dr. Ms. Huckabee:

On behalf of the Massachusetts Association of Community Development Corporations (MACDC), I offer these comments on the needs and objectives of the Commonwealth envisioned by the Second Statewide Three-Year Energy Efficiency Investment Plans of electric distribution companies, natural gas distribution companies, and municipal aggregators for the period 2013 through 2015.

Formed in 1982, MACDC is an association of mission-driven community development organizations dedicated to working together and with others to create places of opportunity where people of diverse incomes and backgrounds access housing that is affordable, benefit from economic opportunities and fully participate in the civic life of their community. We achieve this by building and sustaining a high performing and adaptive community development sector that is supported by private and public investment and sound public policies.

Our membership includes over 60 community development corporations and 20 other nonprofit organizations, all of whom are involved in developing affordable housing and/or community development. MACDC supports the efforts of our members to develop and preserve affordable housing in the Commonwealth, in urban, suburban and rural areas of the state. A key component of preservation for both MACDC and our members is improving energy efficiency in the existing project portfolio.

As such, we have a keen interest in the upcoming Three Year Energy Efficiency Investment Plans ("The Plans"). Through their work, our members recognize, and further, the link between environmental sustainability and community development. For detailed information on our members' efforts to promote this link, see the report MACDC published in October, 2010, at [http://macdc.org/MACDC Green CDCs Report October 2010.pdf](http://macdc.org/MACDC_Green_CDCs_Report_October_2010.pdf).

We support much of the testimony that we anticipate will be provided by other environmental advocacy organizations at the January 10th Public Meeting of the Energy Efficiency Advisory Council (EEAC). Of the issues raised by other environmental advocates, MACDC is most concerned with reducing barriers and increasing access to programs that will ensure that more customers are taking advantage of the programs, helping to ensure that the goals of

the 3 year plans are achieved, and the targets required under the Green Communities Act and the Global Warming Solutions Act and detailed in the State's Clean Energy and Climate Action Plan are met.

The Three Year Plan for 2010-2012 previously adopted by the EEAC has had many positive impacts. Chief among these, for the community development corporations and other nonprofits who are our members, was the implementation of the LEAN Multifamily Program. Under this program, nonprofit and public owners of buildings of 5 or more units occupied predominantly by low income households were provided:

- tools to benchmarking a development/building's energy use;
- an energy audit to assess energy-saving opportunities, regardless of fuel source and whether metered usage is paid by the owner or tenant; and
- grant funds to support cost-effective measures.

The grant funds, provided by the utilities, and mandated by the Three Year Plan, are crucial to the program's success. According to the LEAN Multifamily Program's Administrators, as of November 7, 2011, over 13,000 units statewide have been assisted and over \$11.7 million invested in energy improvements.

Despite the success of the LEAN Multifamily Program during the first two years of its implementation, some problems have arisen, and some lessons have been learned, to guide the development of the upcoming Three Year Plan for 2013-2015. We are particularly concerned with three issues, and urge the EEAC to address them in adopting a new 3-Year Plan.

1. The impact of the Program would be increased by a renewed emphasis on making the funding for energy improvements fuel-blind. To date, there have been excess funds available for electrical improvements, and insufficient funds available to improve gas-fired heating systems. In addition to limiting savings in buildings heated by gas, the use of separate vendors to conduct audits required for electric and gas improvements is inefficient. To the extent permitted by the statute, EEAC should require that the utility funds be available on a fuel-blind basis.
2. The Total Resource Cost (TRC) test, used to determine whether a measure is cost-effective, needs to be applied differently. We agree with other environmental advocates that, overall, TRC calculations of benefits should, in determining whether they are cost effective, incorporate other benefits: cleaner air, reduced emissions, improved public health and job creation. Specifically with regard to the LEAN Multifamily Program, there is some confusion about whether an owner can use the LEAN MF funds to achieve the level of energy efficiency deemed cost effective, and then obtain a higher level of efficiency than that determined to be cost effective by paying the additional cost itself. The EEAC should require utilities to allow owners to pay for this additional level of efficiency.
3. The EEAC should require that the LEAN Multifamily Program utilize a third party administrator, separate from the utilities, as is the case for most of the utilities involved in the program. National Grid is a major exception to this, as their insistence on administering the program themselves has significantly slowed down its implementation and impact. The

EEAC should require all utilities to utilize the third party administrative infrastructure in implementation.

MACDC and its members stand poised to work with the various stakeholders on the implementation of the new 3-year plan and the strengthening of the LEAN Multifamily Program. We ask the EEAC to do everything in its power to maximize the impact of the 3-year plan, including establishing more aggressive requirements for utilities in relation to the LEAN Multifamily Program.

If you have questions or would like additional information, feel free to contact me or Don Bianchi, MACDC's Senior Policy Advocate. We can be reached at 617-426-0303; Don at extension 26, and me at extension 22.

Thank you,

A handwritten signature in black ink, appearing to read "Joe Kriesberg". The signature is fluid and cursive, with the first name "Joe" written in a smaller, more legible script than the last name "Kriesberg".

Joe Kriesberg
President and CEO