

I. Past Energy Efficiency Programs: Highly Cost-Effective, But Constrained

Massachusetts has a history of success delivering energy efficiency to residential, commercial and industrial customers. Through programs established by both state mandates and the cooperation of the state, utilities, and various stakeholders beginning in the 1980s, we have long had residential energy auditors, insulation contractors, and plumbers fanning out across the state making our aging housing stock more energy efficient. And for decades we have had engineers examining our commercial office

mandates and the cooperation of the state, utilities, and various stakeholders beginning in the 1980s, we have long had residential energy auditors, insulation contractors, and plumbers fanning out across the state making our aging housing stock more energy efficient. And for decades we have had engineers examining our commercial office buildings, city halls, hospitals, and industrial facilities replacing outdated lighting, motors, refrigeration equipment, and more.

The programs have been built on a basic model, though with many variations:

- get energy use data;
- prioritize high value efficiency opportunities (where the cost of a measure will be offset by significant short and long term bill savings); and

The tables below summarize the impacts of the Commonwealth's energy efficiency programs. Table 1 describes the impacts of the existing electric energy efficiency programs in the years 2003-2005.

Table 1
Participants and Annual Bill Savings, 2002-2005.
Program Summary 2003-2005

Program	Participants	Annual Bill Savings
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Program	Participants	Annual Bill Savings	Lifetime
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Table 2
Electric Efficiency Programs Since 1997

Year	Program Name	Agency	Program Description	Program Type	Program Status
1997
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Focus on energy efficiency has made Massachusetts one of the most energy-efficient economies in the nation. Our gross domestic product per MMBtu is well above the

II. The Green Communities Act: Expanding Efficiency and Renewable Energy

On July 2, Governor Deval Patrick signed into law the Green Communities Act.

by 10 percent in less than a decade.

Under the new law, the state will make energy efficiency programs compete on price with traditional energy supply. Utility companies (NSTAR, National Grid, Western Mass. Electric, etc.) will be required to purchase all available energy efficiency improvements that cost less than it does to generate power.

comprehensive energy reform law developed in close collaboration with House Speaker Sal DiMasi and Senate President Therese Murray (see Appendix for statute summary). The new law dramatically expands energy efficiency's role in the Massachusetts economy and sets as a goal reduction of energy consumption across the Commonwealth.

operator, held the first auction in its Forward Capacity Market, which is intended to ensure that the region has enough generating capacity to meet future needs. Two-thirds

The law also promotes energy efficiency in other ways. It requires the state Board of Building Regulations and Standards to adopt, as its minimum standard, the latest edition of the International Energy Conservation Code as part of the state Building Code. As the IECC is updated every three years, this requirement will keep Massachusetts building

All this gives us great confidence that there is tremendous potential to save money for residential and business consumers and reduce the use of imported fossil fuels by means of the expanded energy efficiency programs created by the Green Communities Act.

prohibited under the electricity restructuring of 1997 – up to 50 MW for each of the state’s four distribution utilities after two years. If utilities take full advantage of this new opportunity, it will help Massachusetts meet Governor Patrick’s goal of installing 250

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

funding from a variety of sources, including emissions allowance trading programs, utility efficiency charges, alternative compliance payments generated by the Renewable Portfolio Standard, and the Renewable Energy Trust Fund.

III. Other Administration Initiatives: Boosting Efficiency in All Sectors

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Governor has also issued Executive Order 484, entitled "Leading by Example," which requires all state agencies to reduce energy use at state-owned buildings 20 percent

from the unique circumstances of each state, taking into account age of building stock, industry concentrations, climate, and other factors. But federal policy can nurture and accelerate these efforts tremendously. A combination of strong state and federal policy can unleash energy efficiency tremendously, offering savings, energy independence, and

and major renovation projects to meet the Massachusetts LEED Plus standard, which is

protect the environment, and boost the economy by driving innovation. They hasten

battery chargers, commercial refrigeration and the dozens of other products currently under review by the U.S. Department of Energy. In particular, we call for the federal government to adopt the one-watt standby initiative to require all appliances to consume no more than one watt per hour when not in use. Research from Lawrence Berkley Labs

adoption of energy-saving technology in products, often with improved performance. Existing standards have saved more energy than we would have gotten from dozens of power plants, and the potential savings from new, higher standards could do far more.

Massachusetts supports swift and aggressive federal energy standards for small motors.

suggests that "vampire" or "phantom" load in homes accounts for 10 percent of residential electricity consumption for no useful purpose.

Carbon policies such as cap and trade mechanisms for particular sectors, as in the case of the Regional Greenhouse Gas Initiative (RGGI), or economy-wide caps adopted or under consideration in a number of states, will also drive major investments in energy

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V. Low-Income Households and the Winter 2008-09 Heating Crisis

Energy efficiency must be a crucial component of our short- and long-term energy

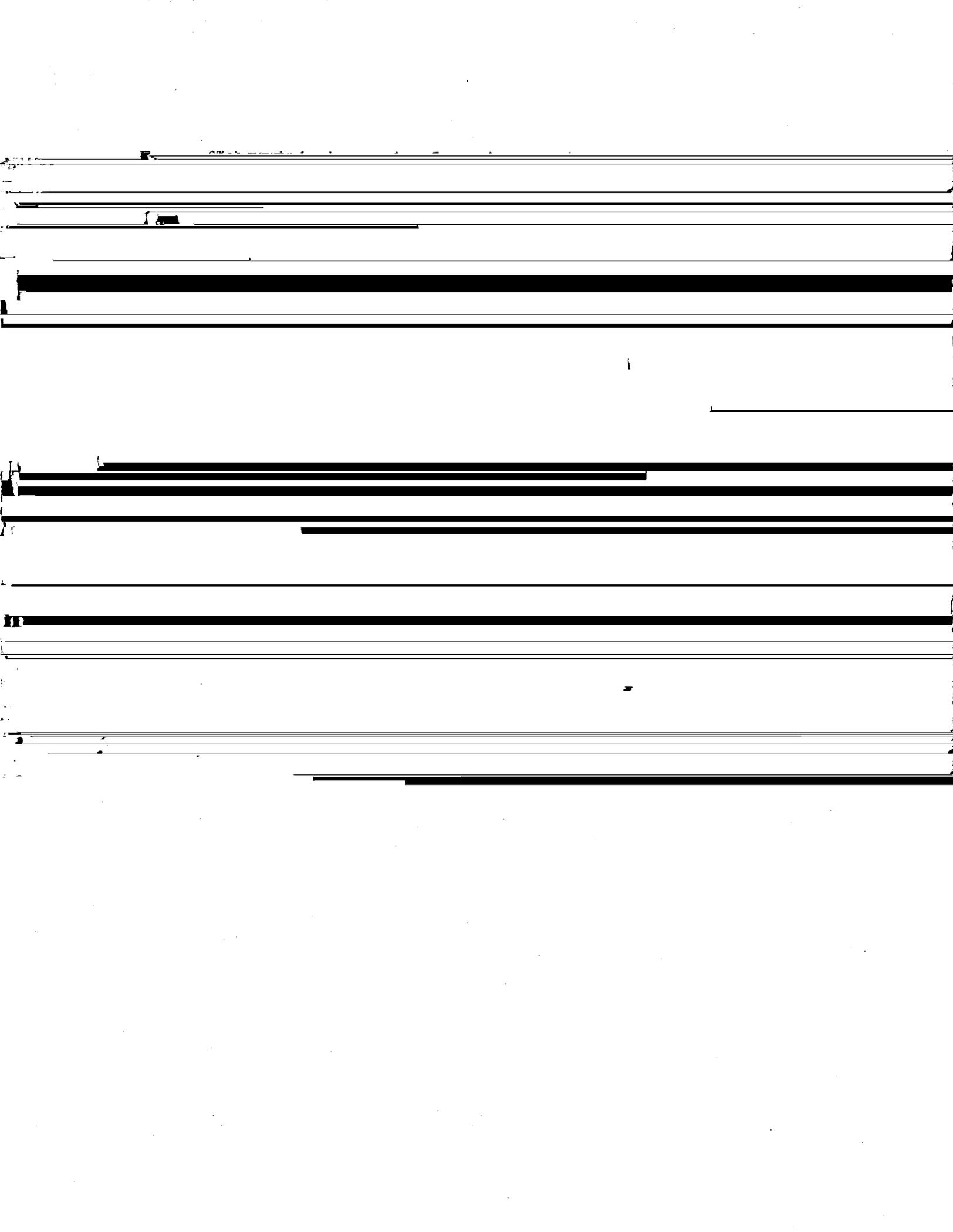
years ago. An average household that spent \$1,800 to heat its home with oil in the winter of 2005-06 could spend in excess of \$3,750 next winter.

We are already working with utility program administrators and regulators to expand home weatherization and insulation programs this summer and fall in order to help as

strategies, and the Commonwealth of Massachusetts is making it the centerpiece of our state's response to the current rise in energy prices. Of particular concern is the anticipated impact of sharply higher fuel prices for home heating this coming winter. At \$4.71 a gallon, the price of home heating oil is now more than double what it was three

many people as possible stay warm this winter. But state efficiency resources are only one part of the solution for the home heating crisis we see unfolding this winter.

As the governors of all six New England states said in a July 9th letter to House and Senate leadership, never before in modern history has New England faced the prospect of



Appendix A. Summary of the Green Communities Act

Energy Conference Report – Summary of Major Provisions

DOER Reorganization: Establishes the Department of Energy Resources (DOER) within

“Green Communities” program to provide technical and financial assistance to municipalities to implement energy efficiency and renewable activities. Funding of \$10 million for the Green Communities program is made available through 1) RGGI and NOx allowance trading programs; 2) efficiency funding from the electric utility System

that are cost effective or less expensive than supply. These plans will be subject to vetting through the Energy Efficiency Advisory Council, a new entity appointed and convened

from renewable energy developers twice during the period. If the distribution company receives reasonable, cost-effective proposals for long-term (10 to 15 years) contracts from developers of renewable energy generation facilities, it must enter into such contracts. This provision creates a new financial incentive for renewable energy.

by the DPU and chaired by the Commissioner of the Department of Energy Resources.

Long Term Contracts for Renewables: Creates a renewable energy long term contracts pilot program (capped at 3% of the electric load) for Massachusetts projects. For a period

Alternative Energy Portfolio Standard: Creates a new alternative portfolio standard that includes gasification, flywheel storage, plasma gasification, combined heat and power

carbon and that DOER shall set emission performance standards and the required procurement level.

Siting Commission: Establishes an Energy Facilities Siting Commission to examine opportunities to maximize the development of clean and renewable generating facilities in the Commonwealth.

Energy Code: DPU oversight of steam distribution systems. Authority of the DPU.

any facility that substitutes its fossil fuel source with an equal or greater amount of alternative paper-derived fuel source approved by DEP, energy efficient steam technology, or any other technology approved by DOER. This section requires that coal gasification technology must have the ability to permanently capture and sequester