

Pushing the Envelope: Results from Massachusetts

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Disclaimer: All comments are mine and not necessarily those of my clients.

No Rap This Year (thankfully)

Look at those savings, they are soooo big
They must be from New England....

I like big bucks and I cannot lie
You other regions can't deny
When New England walks in with
savings in your face
We always win first place

I'm hooked and I can't stop saving
Our standards just keep raising
The other regions said their piece
But the best savings come from the East

I like 'em big, deep, and cost-effective

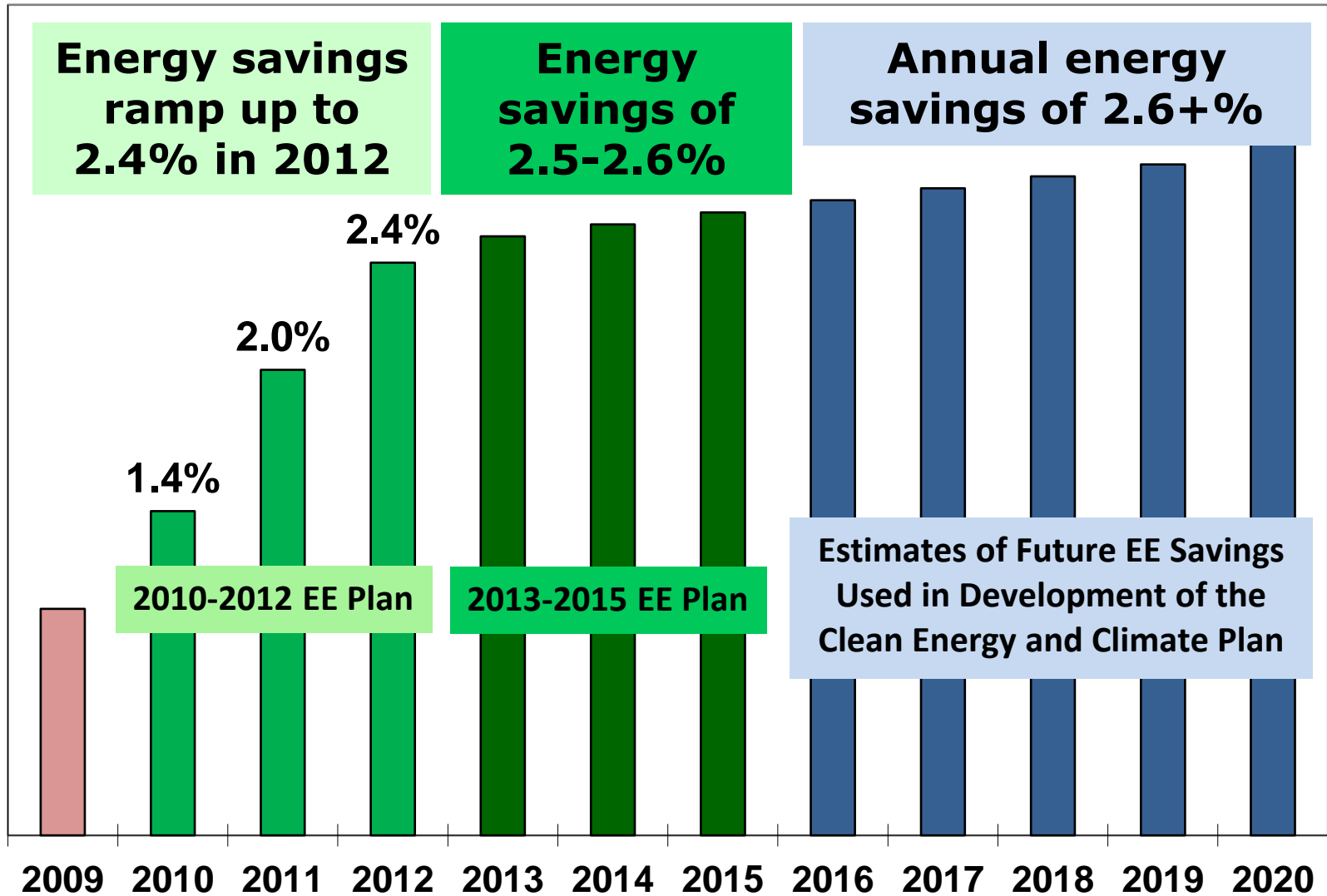


Sir Save-A-Lot

Key EE Policies in Massachusetts

- Acquire all cost-effective energy efficiency
- Require the procurement of all cost-effective energy efficiency that is cheaper than supply
- Full, flexible cost recovery (2.5 mils + surcharge)
- Multiple funding sources (RGGI, FCM)
- Reduce utility disincentives to EE through decoupling, and offer performance incentives
- Emphasize the multiple benefits of EE (including the economy, jobs, & environment)
- Establish stakeholder council (EEAC) to oversee planning, implementation, & reporting

Savings Goals Through the Decade

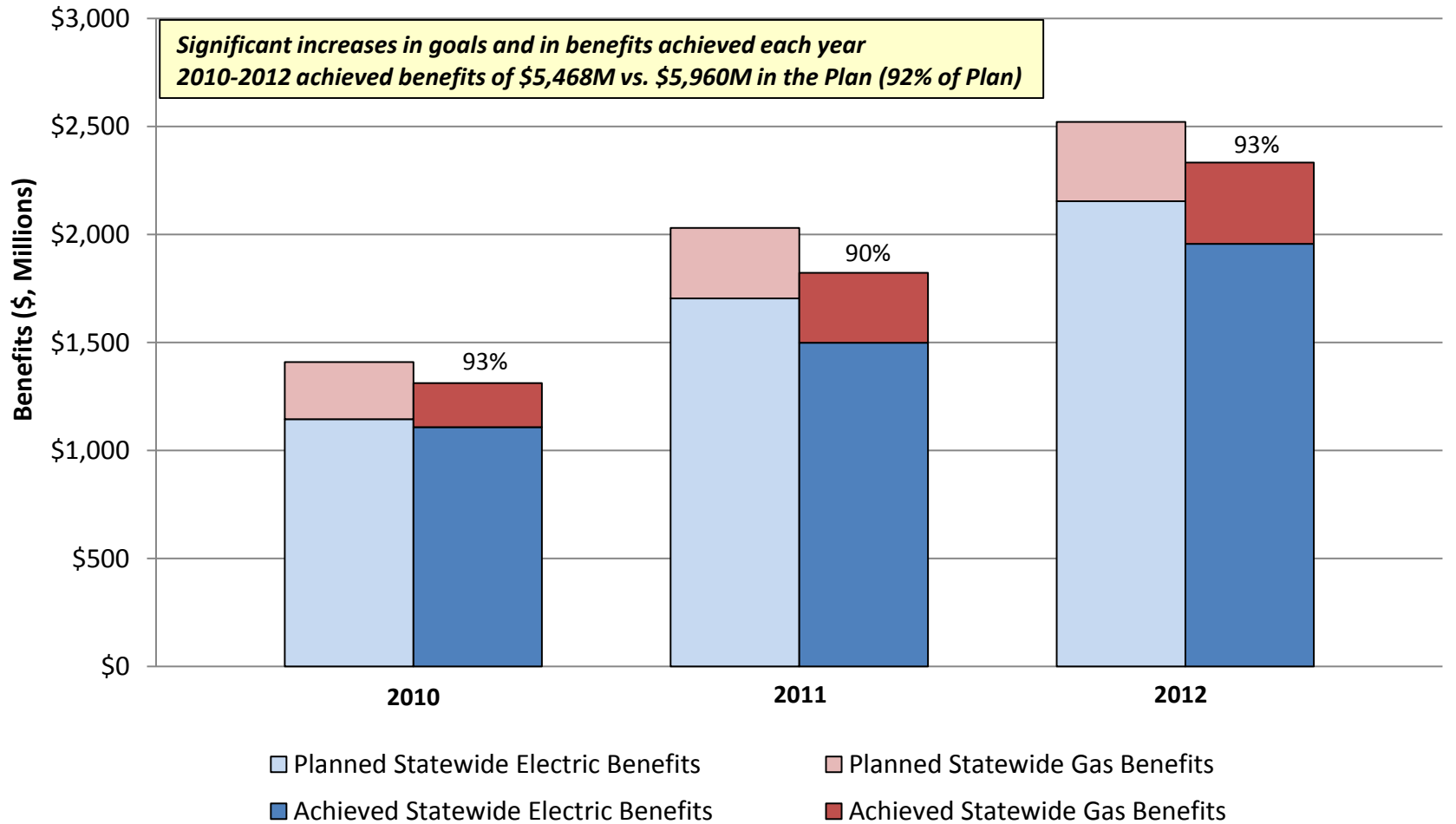


Massachusetts Goals – Not Just Annual Savings

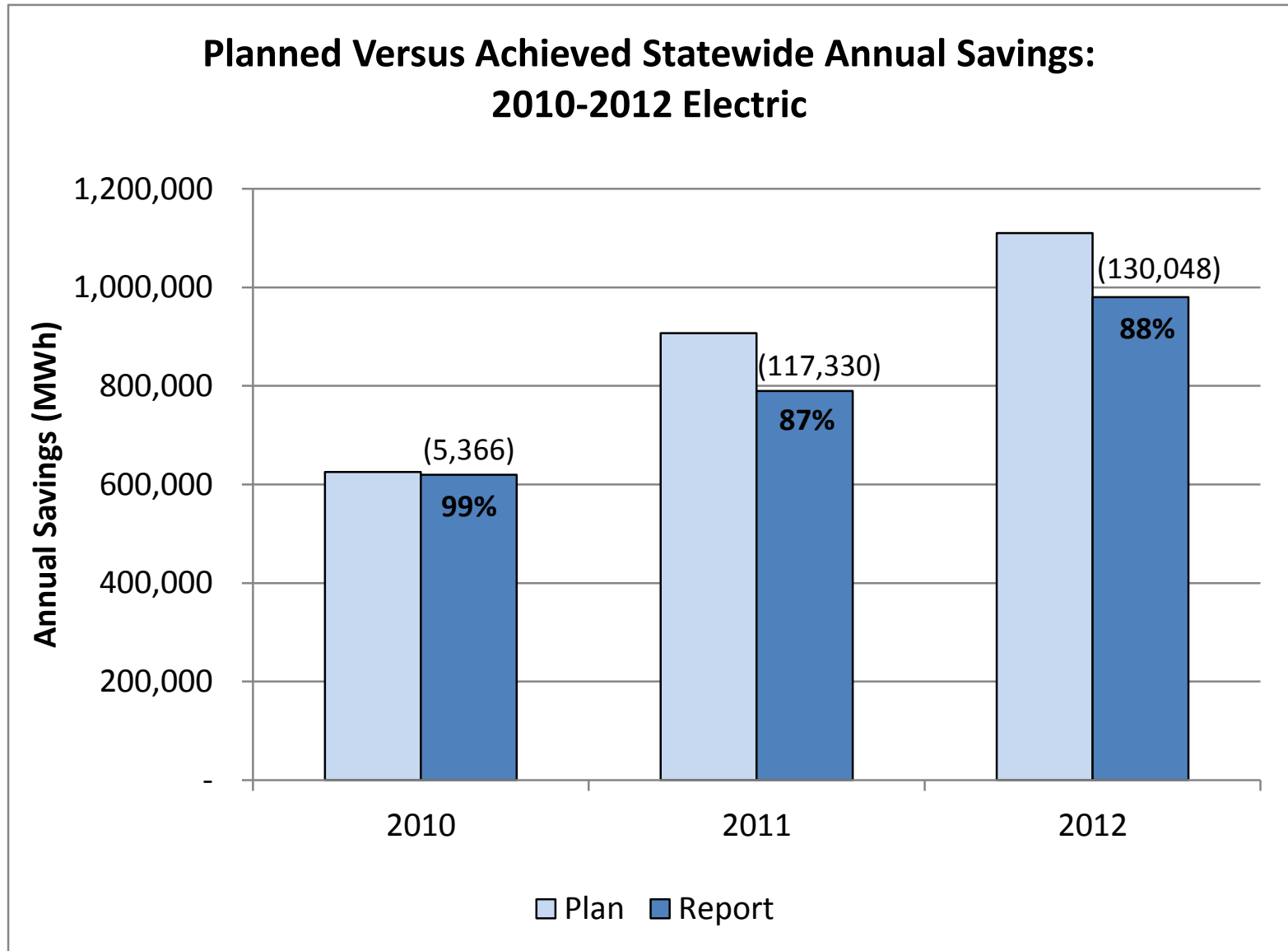
- Benefits and Net Benefits
 - \$5.5 billion in benefits achieved in 2010-2012
 - \$8.9 billion in benefits planned for 2013-2015
- Lifetime Energy Savings
 - Electric, gas, fuel oil and other fuels
- Annual Energy Savings
- Climate/GHG Emissions Reductions
 - Clean Energy and Climate Plan (CECP)
- Performance incentives are based on lifetime benefits and net benefits

Total Benefits – 2010-2012

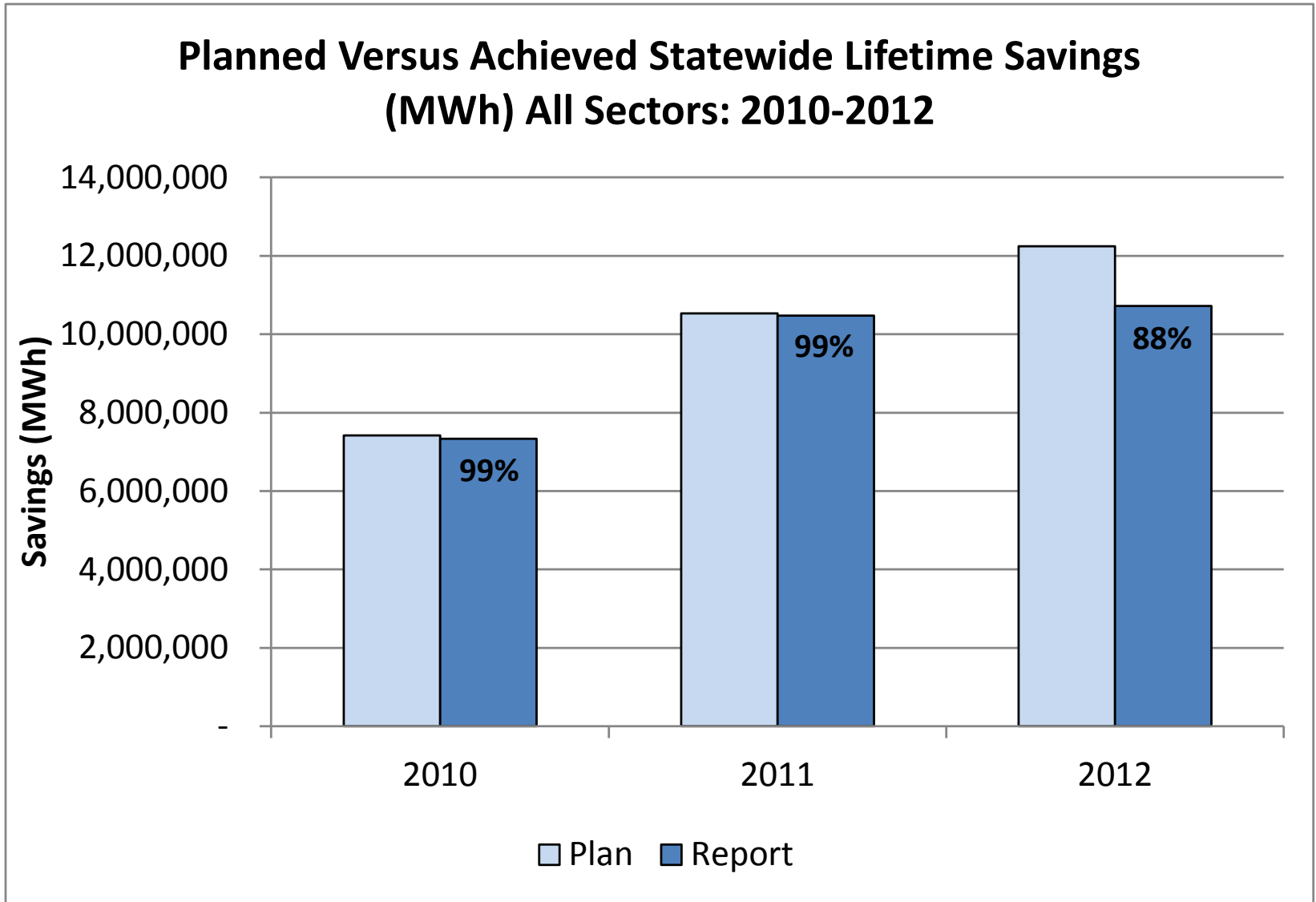
Planned Versus Achieved Statewide Total Benefits:
2010-2012 Electric and Gas



Electric Annual Savings – 2010-2012



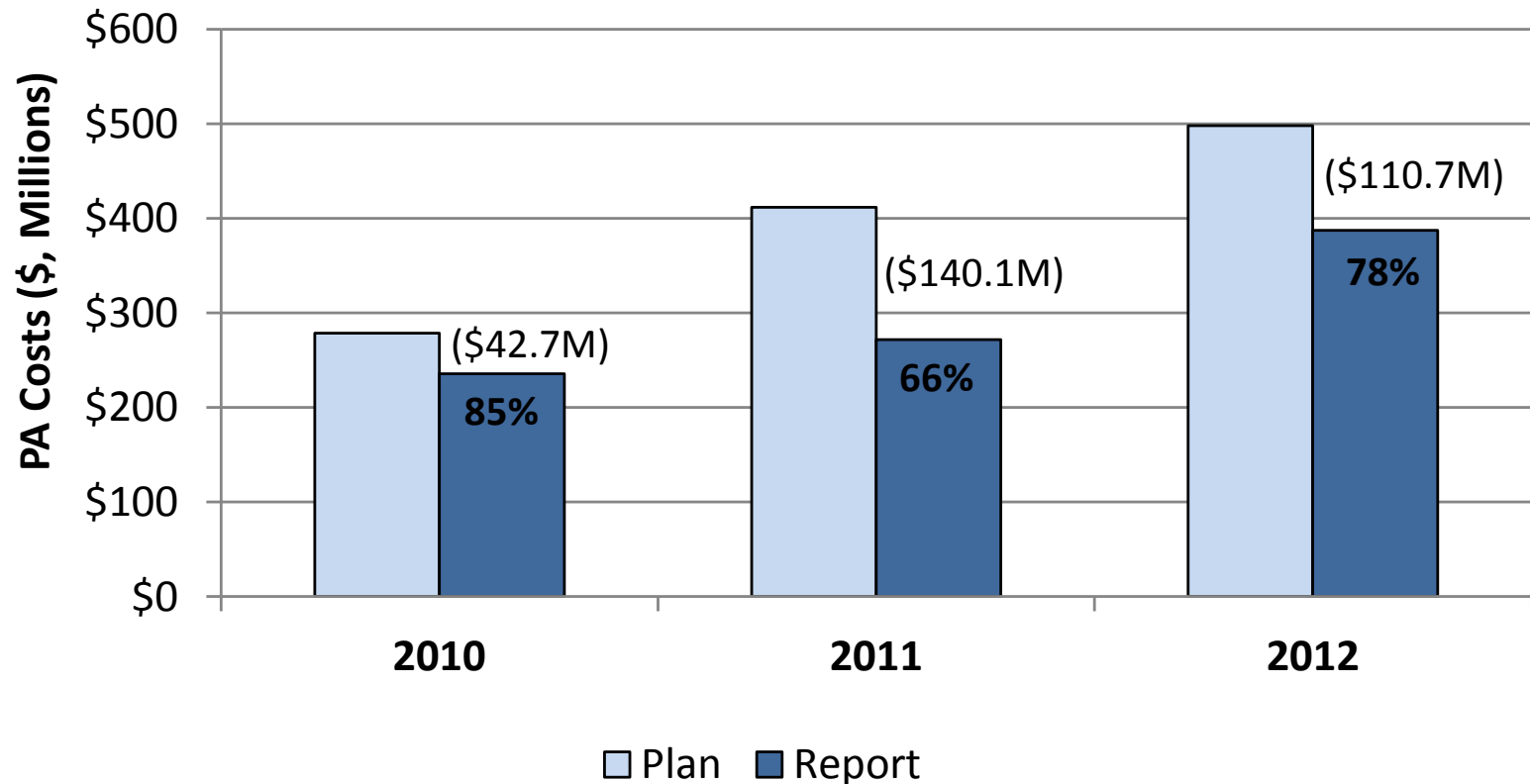
Electric Lifetime Savings – 2010-2012



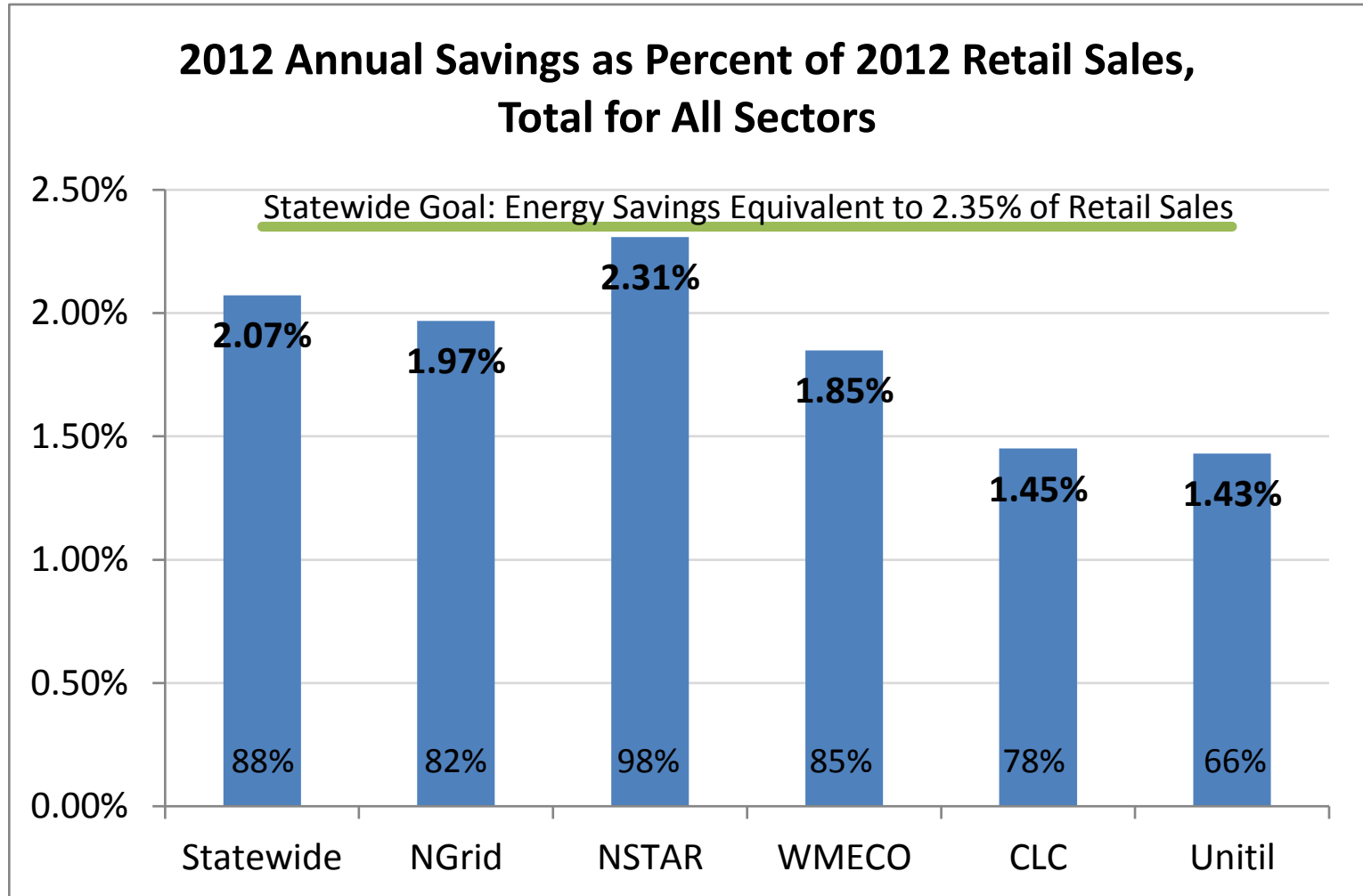
Achieved 95% of Lifetime Savings at 75% of Planned Costs

Planned Versus Actual Statewide Total PA Costs: 2010-2012 Electric

Underinvestment in 2010-2012: \$294 Million (25% of Plan)



Electric Savings as % of Sales



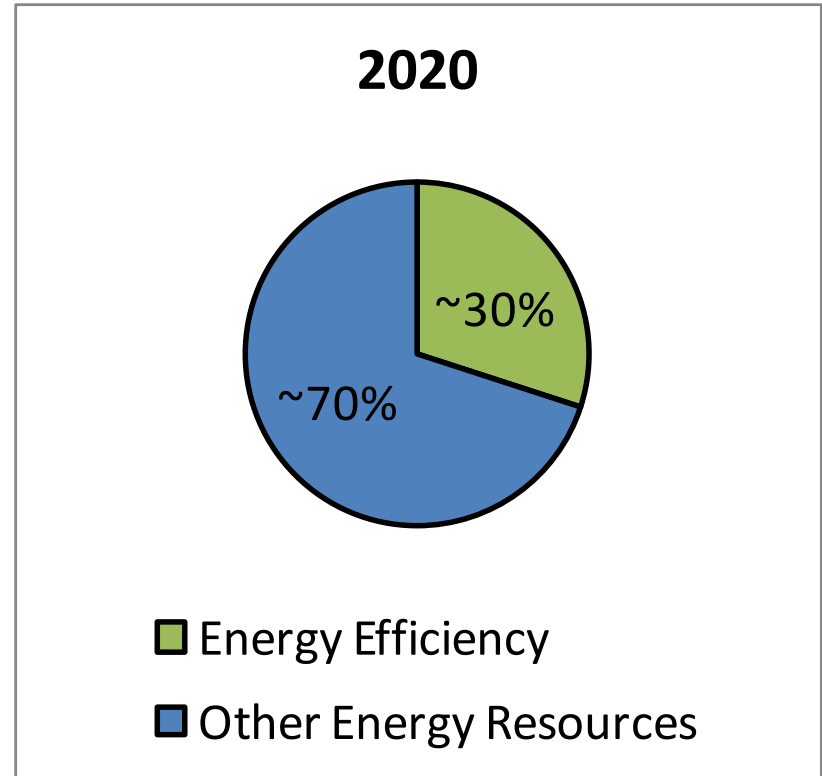
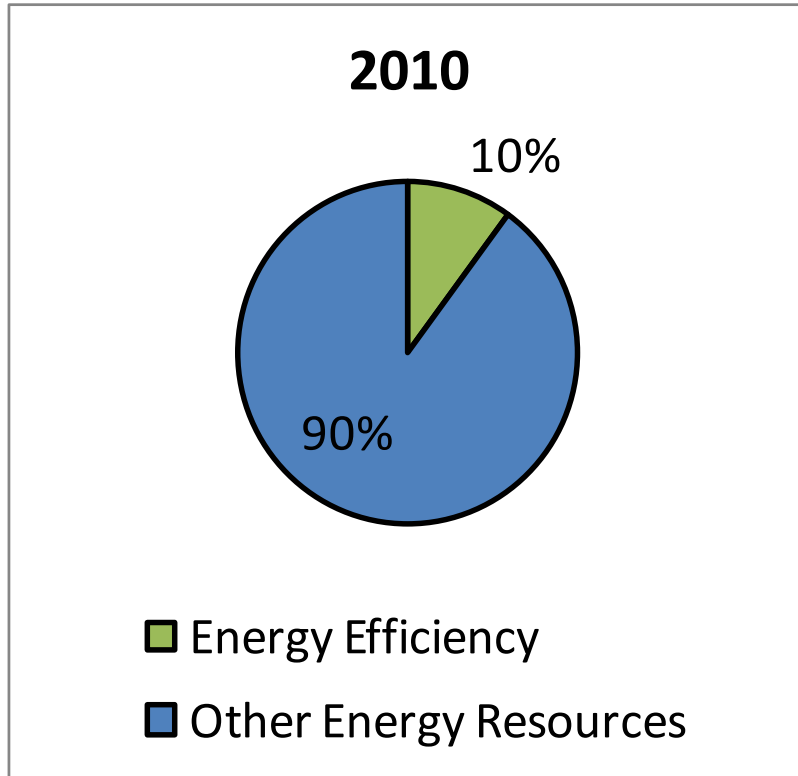
% values at the bottom of the columns show savings as % of individual PA goal

Cost Per Lifetime kWh Saved

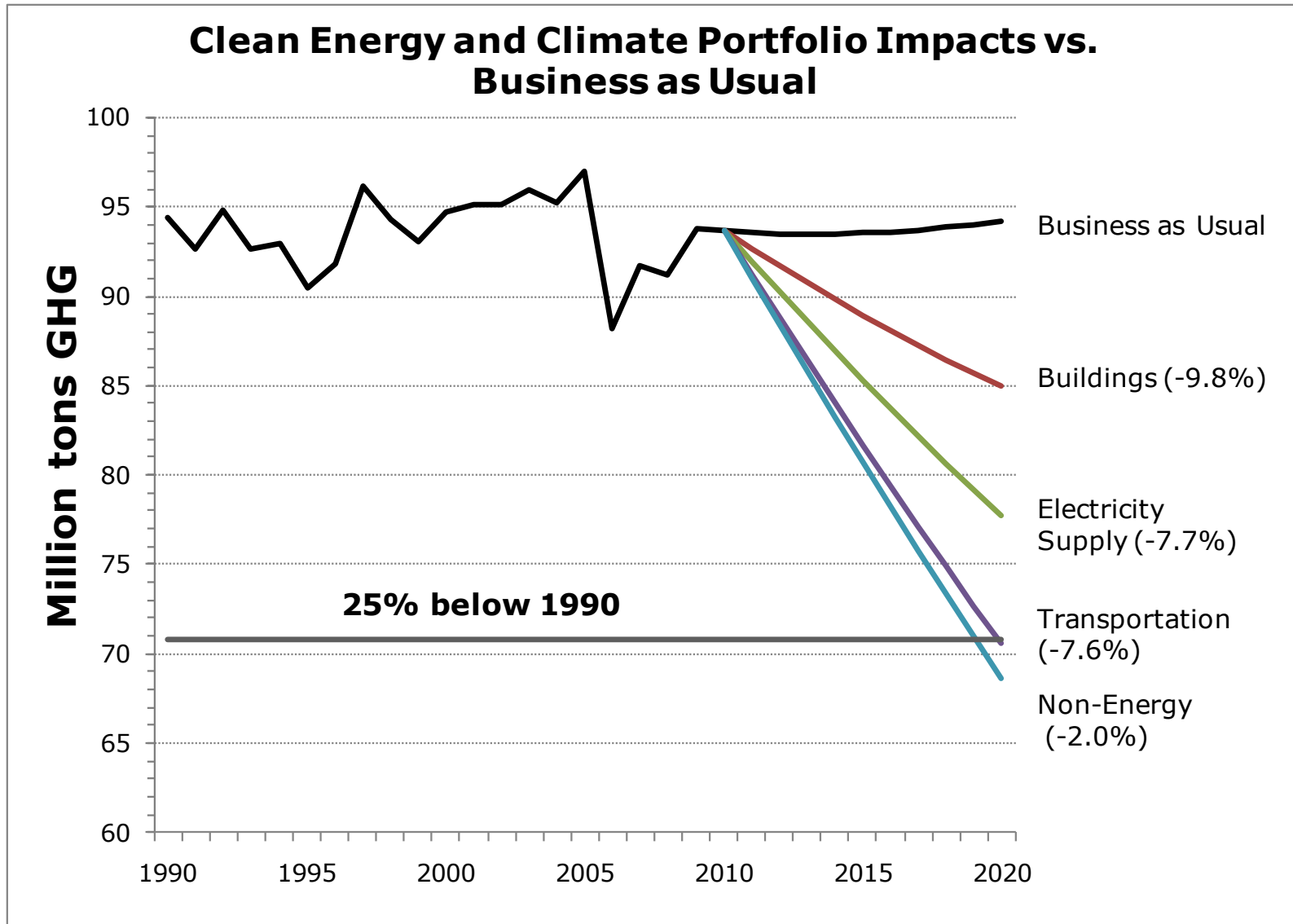
	Plan	Report
2010	0.038	0.032
2011	0.039	0.026
2012	0.041	0.036
2010-2012	0.039	0.031

- Cost per kWh saved are lower than expected and lower than planned
- Cost per unit savings vary widely by sector, with C&I cost per kWh much lower than Residential and Low Income sectors

EE is a Large Contributor to Total Resources



EE as an Emissions Reduction Strategy

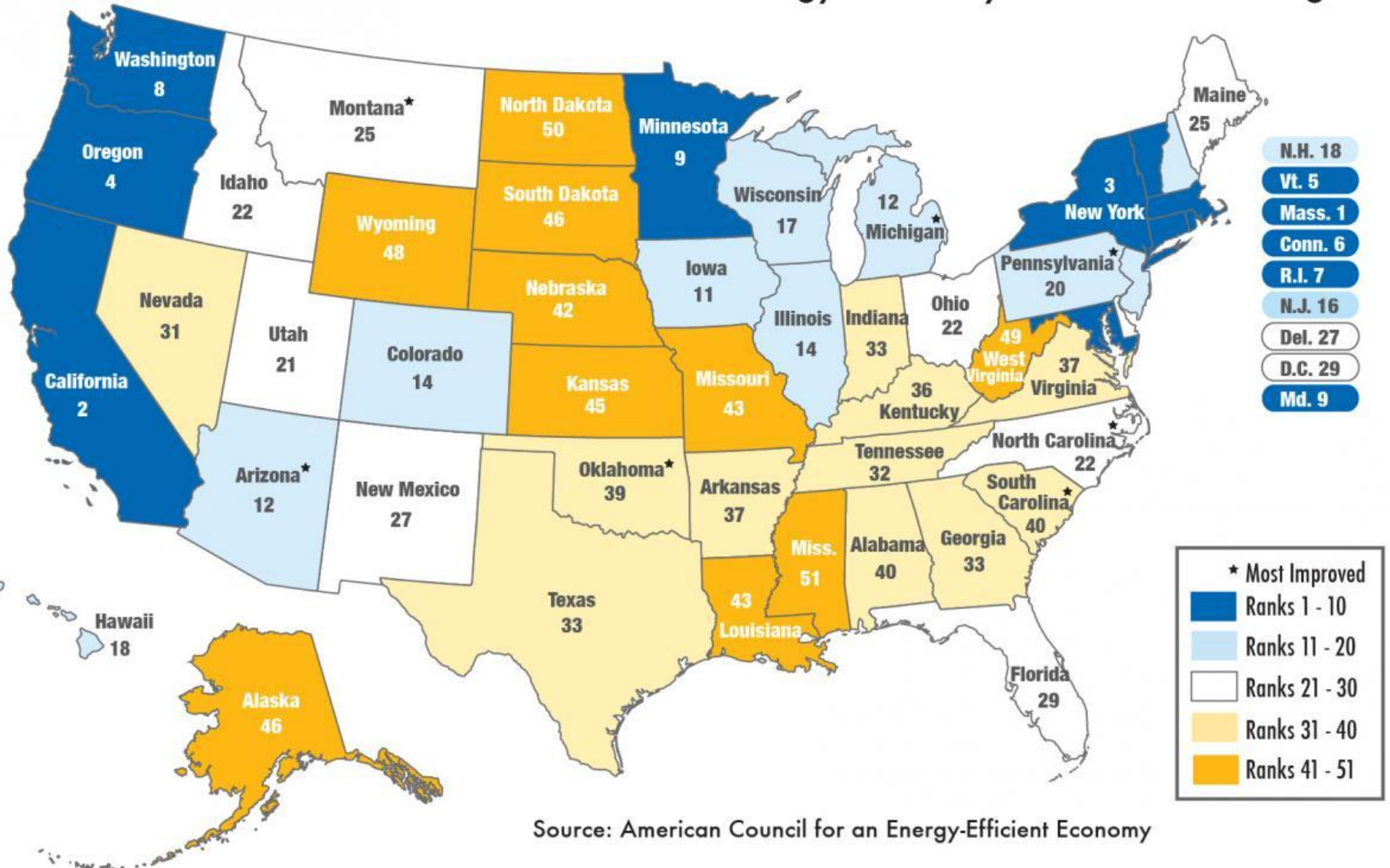


Moving Towards Deeper Savings

- **Deeper:** Capture all the cost-effective opportunities and maximize energy cost savings
- **Broader:** Reach more customers
- **Integrated:** delivery of electric, gas, & oil savings
- **To achieve the energy savings goals and to meet the requirements of the Green Communities Act and Global Warming Solutions Act:**
 - Each customer needs to *save more energy* (15% to 30% energy savings and much more)
 - EE programs need to *reach more customers*
 - Annual savings *must exceed 2% of retail sales*

Massachusetts #1 in 2012 Scorecard

2012 State Energy Efficiency Scorecard Rankings



Source: American Council for an Energy-Efficient Economy