



MACDC Energy Policy Recommendations May 4, 2015

Background: Community Development Corporations and sustainable energy: Community Development Corporations (CDCs) in Massachusetts are leading on energy, climate and sustainability issues by pursuing innovative new approaches to energy efficiency and renewable energy projects and policies. CDCs across the Commonwealth are greening their affordable housing and commercial real estate portfolios and lowering energy and utility costs for themselves, their residents and the small- to medium-sized businesses they serve, while also reducing the state's greenhouse gas emissions and dependence on fossil fuels.

The Massachusetts Association of Community Development Corporations (MACDC) and its 89 members play a critical role in supporting low-income and vulnerable populations, helping more than 72,000 families with housing, jobs and other services in 2014 alone. MACDC Members have almost 18,000 rental units in their portfolios and over the past three years, CDCs have secured over \$14.8 million to complete energy retrofits for 3,600 of these units. Additionally, CDCs have administered programs over the past three years that have provided \$17.8 million to homeowners and businesses for energy retrofits.

MACDC calls for strong energy policies that support CDCs in providing these benefits to low-income communities and advancing Massachusetts' ambitious climate and energy goals.

Energy Efficiency Policy Recommendations

1. **MACDC calls for goals of at least 3.0% annual electric savings and 1.5% annual gas savings to be incorporated into the state's final three-year energy efficiency plan for 2016-2018.** These goals are consistent with the Assessment of Potential report that was recently completed for the Energy Efficiency Advisory Council. Thanks to strong policies and aggressive goals, the Commonwealth has been the number one state for energy efficiency in the country for the past four years, and MACDC supports energy efficiency goals and measures that will continue this strong track record of leadership. The benefits of strong efficiency policies have far outweighed the costs: thousands of jobs have been created and the economy has grown, while energy use has decreased.
2. **MACDC believes that the state's three-year energy plan should maximize the potential for energy savings for multifamily buildings occupied by low-income families by providing:**
 - a. Sufficient resources, through the LEAN Multifamily Program, for both gas and electric energy retrofits for low-income multifamily buildings. Currently, the queue for funding for gas retrofits has sometimes required waits of two years or more. Funding for low-income multifamily retrofits must be prioritized and expedited to ensure that vulnerable populations receive timely access to energy efficiency services.
 - b. Creation of an initiative for the commercial (multifamily) affordable housing sector, designed to work in sync with recapitalization and refinancing transactions. The full complement of financial incentives should be available to owners at the point of moderate rehabilitation, with a whole-building approach that permits the owner to incorporate deeper greening elements than is practical at mid-lifecycle. The funding should be integrated into the subsidy allocation process in partnership with the Commonwealth's affordable housing agencies, and the capital work should be incorporated into the owner's moderate rehab scope of work and undertaken by the owner's contractor. This new initiative

will be an excellent complement to the existing LEAN Multifamily Program, with its focus on providing mid-lifecycle retrofits.

- c. A comprehensive statewide energy efficiency database, starting with the Interim Step ordered by the Department of Public Utilities on December 1, 2014 (D.P.U. 14-141), which requires utilities to populate an energy efficiency database, with data aggregated by zip code. Such a database will create the following benefits:
 - a. Lenders and public subsidy funders will be able to glean energy savings information from a large dataset to inform underwriting criteria and operating budgets. A comprehensive statewide database will demonstrate energy savings and unlock private capital to transform the market for building sustainability.
 - b. A comprehensive statewide database will help the utilities create strategic community partnerships to help them achieve their energy efficiency goals. In addition, organizations that work in specific geographic locations and within low-income communities can add appropriate efficiency program offerings to their financial coaching, first-time homebuyer training, sustainability organizing, job placement, and other programs.

Solar Energy Policy Recommendations

1. **MACDC calls for raising the State's solar net metering cap to at least 1,600 megawatts (MW)** and continuing the SREC II program up to that point. This will ensure that solar projects in the Commonwealth can continue to move forward, preserving the 12,000 solar-related jobs that already exist in the Commonwealth, while also creating thousands of new jobs and reducing greenhouse gas emissions. MACDC applauds Governor Baker's support for the Commonwealth's goal of 1,600 MW solar by 2020. MACDC sees this goal as an achievable policy objective that we can build upon, and supports policies that will ensure the continued growth of a robust solar sector in Massachusetts that benefits all populations, including low-income communities. MACDC supports "An Act Relative to Net Metering, Community Shared Solar and Energy Storage" (SD-1770/HD-2852), sponsored by Senator Eldridge, Rep. Calter, and Rep. Mark. This legislation would increase the aggregate solar net metering capacity from its current level of 1,000 MW to 1,600 MW.
2. **MACDC calls for the preservation of virtual net metering in its current form to ensure equitable access to solar.** Only about 20 percent of homes in Massachusetts have appropriate roofs for solar, and the low-income populations MACDC and its members serve often face additional barriers to accessing solar because they lack financial resources or do not own their homes. Ensuring that residents and businesses can purchase affordable clean energy that is virtually net metered from offsite solar projects (also known as community shared solar) will not only provide a positive financial impact for the low-income communities that need it the most – it will also create incentives for additional solar projects that will help the Commonwealth meet and exceed its 1,600 MW solar goal.
3. **MACDC proposes that any rate correction policies do not reduce customers' control over their energy costs.** In particular, we are concerned with fixed and minimum bill charges that would disproportionately affect low-income residents, who want to be part of the Commonwealth's clean energy future.