



To: Massachusetts Energy Efficiency Advisory Council Members
 From: Affordable Housing and Clean Energy Stakeholders and Representatives
 Re: EEAC Three-Year Plan 2022-2024
 Date: December 15, 2020

The LEAN Program is a critical resource for affordable housing owners and residents. Thanks to the LEAN Program, thousands of affordable housing apartments across the Commonwealth have benefited from millions in energy efficiency investments.

The organizations collectively submitting these comments are proud partners with and advocates for the LEAN Program, with some organizations owning and operating affordable multifamily housing. As such, we respectfully request the EEAC consider making certain strategic changes in the next Three-Year Plan to ensure a pipeline of projects that more meaningfully address carbon emissions across the affordable multifamily sector. In order to achieve the aggressive emissions reductions required by the Global Warming Solutions Act, along with new and evolving local carbon emissions mandates in cities like Boston and Cambridge, where much of the State’s multifamily affordable housing is concentrated, the Income Eligible Programs must incorporate deeper and inevitably costlier whole building solutions. These next-generation energy retrofit scopes of work include multi-measure solutions, addressing exterior envelope thermal performance and air infiltration, as well as the electrification of building systems. In order to successfully decarbonize affordable multifamily buildings, the EEAC should consider the following for its next Three-Year Plan:

- **Commit new or greater funds to the LEAN Program for custom projects that achieve at least 50% total energy savings with electrification.** This recommendation complements the Passive House Massachusetts’ proposed Passive Housing Retrofit Incentive Program, and builds upon the success of Mass Save’s current Passive House Incentive Program for new construction. (Refer to NYSERDA’s “RetrofitNY” Program, which incentivized \$40,000 per unit as part of a whole building solution.)
- **Establish a value for carbon savings** in addition to energy (kWh, BTUs) in cost-benefit analyses to better support costlier projects, while aligning with state and local emissions mandates. This recommendation is of special importance and should be considered regardless of the outcome of Massachusetts’ Senate Bill 2500. In short, Massachusetts will not achieve its Global Warming Solutions Act obligations without transitioning to a carbon reduction program benefit analysis.
- **Incentivize performance-based savings regardless of measures performed,** considering a pre- and post-retrofit payment structure based on modeled savings (pre-retrofit) and actual savings (post-retrofit) following measurement and verification.
- **Permit greater cost-share mechanisms/options,** whether mortgage financing, on-bill financing, PACE, or out-of-pocket. Consider sizing incentives to 3-5 year payback period thresholds (not to exceed a certain buy down threshold). (Refer to PSE&G Residential Multifamily Housing Program which sizes incentives to lesser of either i) 3 year SPP or ii) 6 year payback buy down.)

- **Allow incentive payments** to be made to building developers, general contractors, and/or subcontractors/vendors **depending upon scope, complexity, and larger transaction needs**, allowing for greater leveraged funds. (Refer to Energize CT Programs.)
- **Provide for rapid installation of 100% funded smart electric meters with real time electric demand data to affordable housing properties**, including common area and all residential meters, to allow for greater opportunities to control and value energy, and participate in demand response programs. Such programs should expand beyond demand savings from smart thermostats to encourage building owners, occupants, and third-party facilitators to monetize demand management and time-of-use savings for apartment communities. (Refer to ConEd GridRewards program in NY.)
- **Evaluate the potential positive impacts of raising the affordability restriction from 60% SMI to 80% SMI**, in an effort to serve more HUD Section 8 properties currently ineligible for LEAN.

We are confident that these proposed LEAN Program improvements, together with our partner organizations' complementary recommendations (submitted separately) – to **enhance the successful Passive House Incentive and Training Programs; develop a Passive House Retrofit Incentive Program; and establish an Equitable Workforce Development Program** – will enable the Commonwealth to achieve its ambitious carbon emissions reduction goals while ensuring affordable housing communities meaningfully lead and benefit from a just energy transition. Thank you for your consideration and commitment.

Sincerely,

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