

Patrick-Murray Administration Announces Significant Energy Savings for First Year of Statewide Energy Efficiency Plans

Energy usage and costs savings accomplished under budget

[The 2010 Report of the Massachusetts Energy Efficiency Advisory Council](#)  2MB

BOSTON - Thursday, July 7, 2011 - Massachusetts Energy and Environmental Affairs (EEA) Secretary Richard K. Sullivan Jr. today announced that ambitious energy efficiency improvements undertaken by businesses, homeowners, and state and local agencies across the Commonwealth in 2010 resulted in significant electric, natural gas, and greenhouse gas emission reductions. These savings - accomplished under three-year energy efficiency plans authorized by the Green Communities Act of 2008 - are equivalent to the annual electricity usage of 85,000 households, the annual natural gas usage of 14,000 homes, and the annual reduction of greenhouse gas emissions from over 74,000 cars.

The results are outlined in a report filed with the Legislature by the Massachusetts Energy Efficiency Advisory Council (EEAC), a panel established to guide the development and monitor the implementation of the three-year energy efficiency plans authorized by the Green Communities Act signed into law by Governor Deval Patrick in 2008. The year-one results indicate the Commonwealth is meeting 98 percent of its electric and 103 percent of its natural gas savings goals.

The Massachusetts Energy Efficiency Advisory Council is chaired by EEA's Department of Energy Resources (DOER) and made up of 11 voting members representing the energy and environmental communities as well as consumer, labor and industry groups.

"We're making changes that matter to all parts of our economy and our environment, by trimming energy costs that save money for businesses, communities, and households," said Secretary Sullivan. "Each day, we're getting closer to our goals to invest in energy efficiency, increase renewable energy adoption, reduce greenhouse gas emissions, and create jobs."

Over the next three years, it is estimated these efforts will reduce electricity demand by more than 2,636 gigawatt (GWh) hours, natural gas consumption by 58 million therms, and greenhouse gas emissions by more than 1.5 million tons, while creating or retaining more than 4,000 jobs. Already, jobs in energy efficiency services in Massachusetts have doubled since 2007.

Massachusetts investor-owned gas and electric utilities and energy efficiency providers (known in the context of the efficiency plans as "program administrators") achieved these results while spending 10 percent less than budgeted, during a year of difficult economic conditions. Costing \$301 million to implement - well below the \$346 million budgeted in the plans, efficiency measures implemented in the first year will produce total benefits of nearly \$1.4 billion in benefits over the lifetime of the improvements made in 2010.

For 2010, the three-year plan set a goal of electricity savings of 625 GWh and the program administrators achieved an annual energy savings of 610 GWh, 98 percent of the goal. The natural gas savings goal of nearly 13.6 million therms was exceeded slightly at 13.9 million therms, or 103 percent of the goal. The annual greenhouse gas emissions reduction goal was just under 376,000 metric tons; actual reduction was 370,000 metric tons, or 99 percent of goal. Buildings consume more than 50 percent of the energy used in Massachusetts and are therefore responsible for the greatest GHG emissions of any sector, 49 percent.

"We're making progress in reducing Massachusetts' dependence on the costly, volatile price of fossil fuels while getting

traction on tapping energy efficiency as our first fuel for reducing energy consumption and cutting costs," said DOER Commissioner Mark Sylvia. "I'd like to thank the Energy Efficiency Advisory Council and the program administrators for their hard work in this important effort."

Examples of how utility customers are pursuing energy efficiency efforts include the Residential HEAT Loan Program to finance energy efficiency improvements in their homes - such as insulation, high efficiency boilers and hot water heaters. Another program funds efficiency improvements projects in low-income housing units. Efficiency services were also expanded at new construction projects at commercial and industrial project sites, under a program that strives to capture efficiency opportunities at the time of building design.

"Energy Efficiency programs represent one of the most cost effective and fastest ways for ratepayers to mitigate high energy costs. Through our work with the Patrick Administration and other stakeholders on the Council we have implemented aggressive plans that are producing results while balancing the costs of these programs to ratepayers," Attorney General Martha Coakley said.

"Massachusetts is leading the nation in energy efficiency," said Jeremy McDiarmid, Massachusetts director of Environment Northeast, the environmental representative on the EEAC. "The report documents the great results that we are already seeing in homes and businesses across the state. A well-coordinated effort among utilities, stakeholders and the Commonwealth is bringing over a billion of dollars in lifetime benefits to customers while making substantial cuts in harmful greenhouse gas emissions."

"The expansion of energy efficiency programs has boosted innovation through multi-year plans, new financing options and energy efficiency services for more businesses," said Executive Vice President of Associated Industries of Massachusetts (AIM) Robert Rio. "By reducing energy costs, Massachusetts businesses can better focus on their competitiveness and long term planning."

Some highlights of 2010 statewide energy efficiency efforts include:

- Successfully integrated the delivery of program offerings and services across multiple fuels and utility service territories, to make it convenient for customers to save energy and money on all energy bills at the same time;
- Established a single statewide energy efficiency brand, Mass Save®, with a website, educational material, and events, to improve education, outreach, and marketing to customers and trade professionals;
- Began pilots to test the capability of changing behavior to impact energy use and to test partnerships with community-based organizations as a method for delivering energy savings benefits to communities with historically low participation, while supporting job training and creation;
- Redesigned the Home Energy Services Program to provide new opportunities for multiple types of residential contractors, allowing them to bring customers into the program and creating a more open market for comprehensive services;
- Effectively engaged with several large institutional customers who signed long-term commitments to multi-stage, facility-wide energy efficiency investments;
- Worked with the Massachusetts Bankers Association to develop readily available and accessible sources of capital for project financing;
- Designed a new Low-Income Multifamily Program to deliver efficiency services to public and non-profit housing complexes.

Funded over three years with \$1.7 billion from distribution charges on electricity bills, the proceeds of Regional Greenhouse Gas Initiative allowance auctions, customer contributions, and third-party capital, the electric energy efficiency plans are expected to lock in customer benefits of nearly \$6 billion.

Under the statewide three-year energy efficiency plan, a result of the Green Communities Act of 2008, Massachusetts is engaged in one of the most ambitious energy efficiency efforts in the US - investing more in energy efficiency per capita than any other state. By the end of 2012, the plan is projected to produce the following results for the citizens and businesses of Massachusetts.

- \$6 billion in total lifetime benefits to the citizens and businesses of Massachusetts (\$3.8 billion in net benefits are expected to be generated, after a projected \$2.1 billion in total investments by programs and participants)
- Electric savings of over 2600 GWh over three years, with 2012 savings representing 2.4 percent of annual retail energy sales. Lifetime electric savings from the three-year plan are projected to exceed 30,000 GWh;
- Natural gas savings of nearly 60 million therms over three years, with 2012 savings representing 1.16 percent of annual retail gas sales. Lifetime gas savings from the three-year plan are projected to reach nearly 900 million therms;
- Greenhouse gas reductions of nearly 1.6 million metric tons over three years, which is approximately 1.7 percent of the statewide GHG emission inventory and almost 7 percent of the Global Warming Solutions Act goal. Lifetime greenhouse gas reductions from the three-year plan are nearly 20 million metric tons.

Meeting goals of the three-year energy efficiency plans is an important component of the Clean Energy and Climate Plan for 2020, a blueprint for reaching greenhouse gas emissions reductions required by the Global Warming Solutions Act (GWSA), also enacted in 2008. The GWSA mandates the gradual reduction of greenhouse gas emissions in the Commonwealth, establishing a schedule of emissions goals designed to spur innovation and promote research and development in the area of clean energy. In compliance with the GWSA, the Commonwealth in December 2010 set a 2020 greenhouse gas reduction target of 25 percent below 1990 levels, and released the Clean Energy and Climate Plan outlining a portfolio of policies and programs for meeting the goal.

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