



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

CONSULTANT TEAM

Massachusetts Energy Efficiency Equity Targets, Metrics & Reporting

Presented By: EERMC C-Team

Date: November 28, 2022



Presentation Overview

Background

- Mass Save Overview
- Timeline of Key Equity Developments
- Nonparticipant Studies

Equity Working Group (EWG)

- Environmental Justice (EJ) Municipalities
- Equity Investments
- Recommendations

Equity Targets and Performance Incentives

Where Are We Now in MA?

Lessons Learned/Advice to RI

Key Differences

We'll pause every few sections to highlight key differences between the process in MA and RI



Mass Save Overview

The Mass Save Program Administrators (PAs) work under a three-year plan

- Current plan term is 2022-2024



WE ARE MASS SAVE®:



Together, we make good happen for Massachusetts.

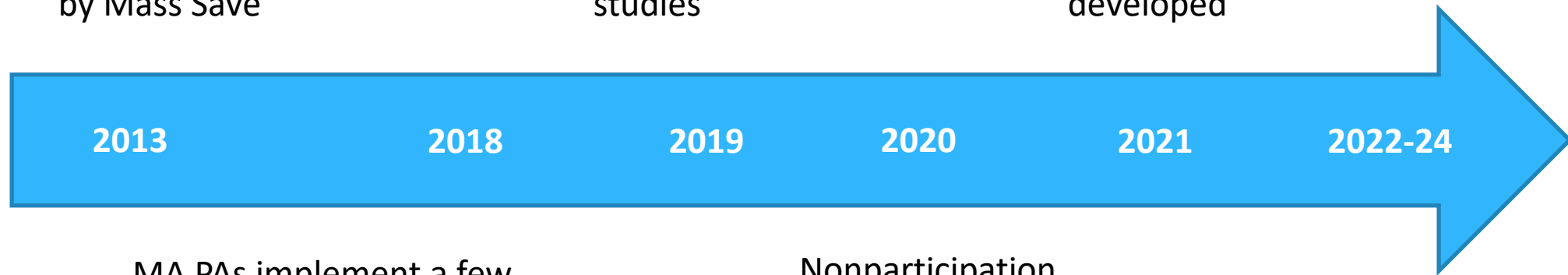


Timeline of Key Equity Developments

Green justice advocates regularly present public testimony at EEAC meetings about vulnerable populations not being well served by Mass Save

2019-2021 Plan filed and approved with commitment to conduct nonparticipant studies

Equity Working Group develops recommendations
Equity Targets developed



2013

2018

2019

2020

2021

2022-24

MA PAs implement a few different programs to serve renters and moderate income customers with tepid results

Nonparticipation studies completed
Equity Working Group formed

PAs implement equity commitments
Equity Targets tracked and reported



Nonparticipant Studies Background

When MA PAs questioned whether certain population groups were served at lower rates, the EEAC negotiated a commitment to conduct evaluation research to assess

Commitment for the 2019-2021 MA EE Plan:

The Program Administrators will conduct tailored evaluations in 2019 that address participation levels and potential unaddressed barriers for (a) businesses (small, medium and large) and (b) residential customers by income levels and by non-English speaking populations (utilizing proxy methods that do not rely on specific income or demographic information from Mass Save® participants). The Program Administrators will leverage the existing EM&V framework, and present full results of the studies to the EEAC.

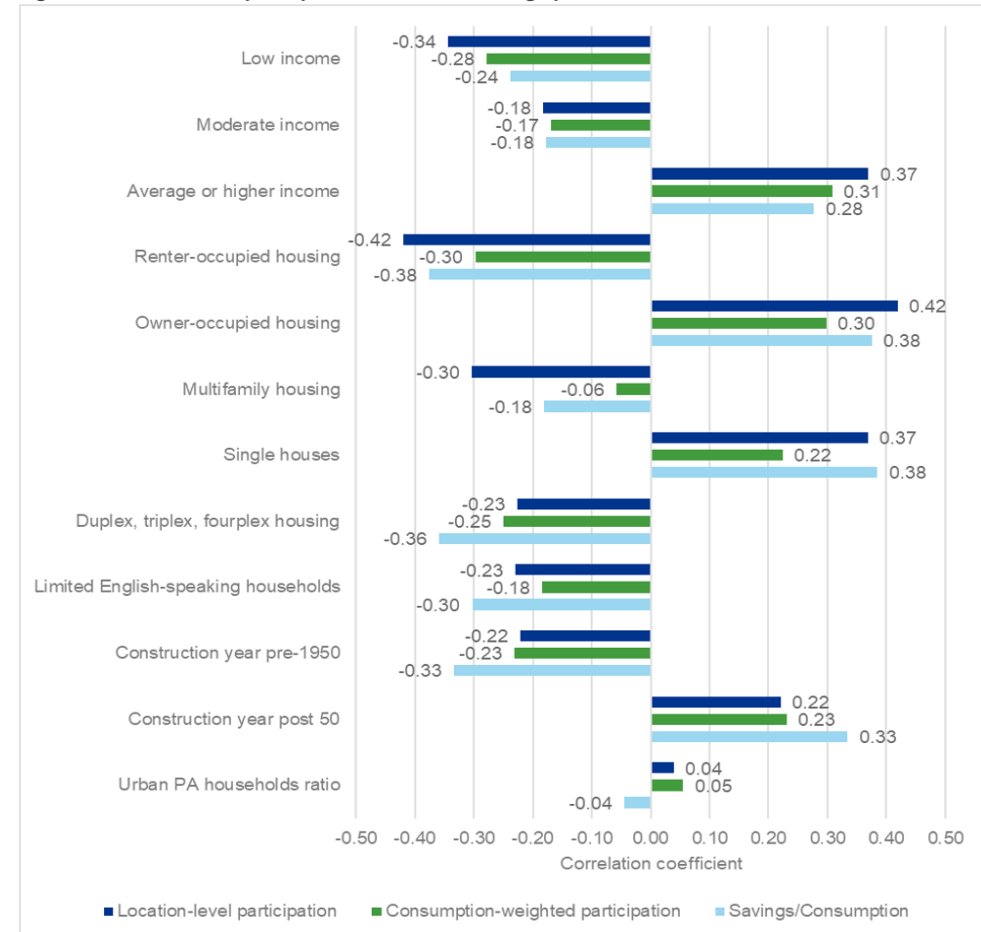


Res Nonparticipant Studies Findings

Key Takeaway

Moderate-income households, renter households, and limited English-speaking households participated at a lower rate than other populations in 2013-2017

Figure 5-1. Correlation of participation metrics with demographic variables – electric



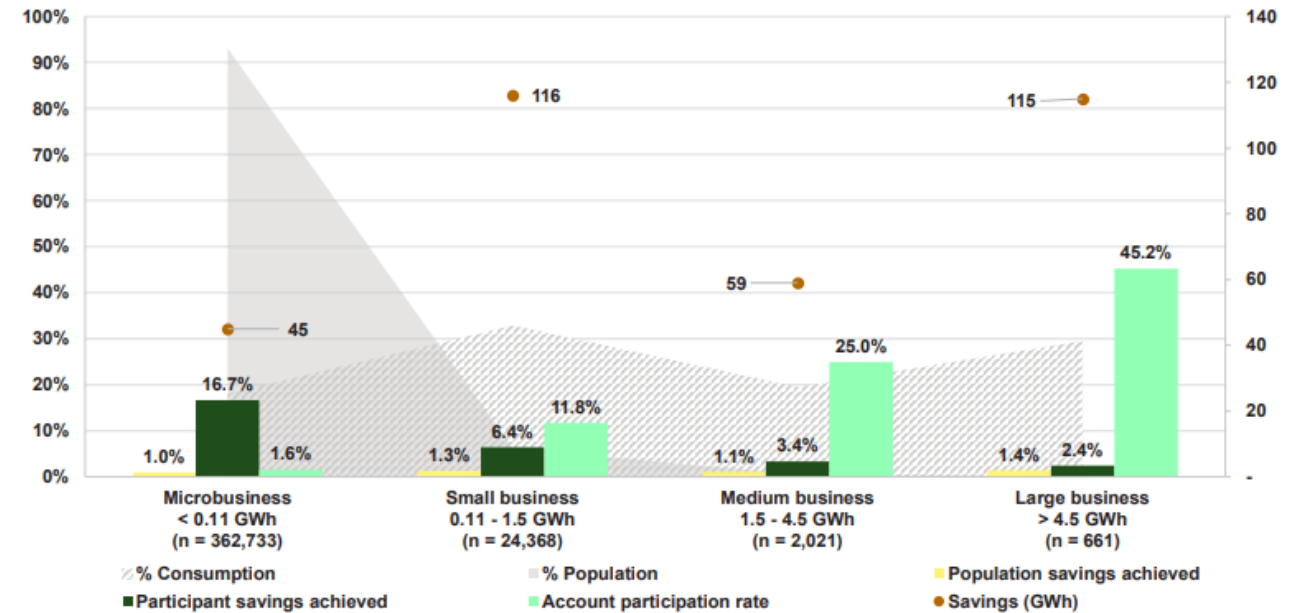


C&I Nonparticipant Studies Findings

Key takeaway

Microbusinesses have consistent patterns of lower population savings and account participation rates than small and non-small businesses.

2020 participation, savings achieved, and total savings (GWh) by consumption size, electric





Differences

| Category | Massachusetts | Rhode Island |
|-------------------------------|--|--|
| Timeline of Addressing Equity | Work to address equity concerns begins with negotiation of 2019-2021 Plan, including performance incentive for renter participation and nonparticipant studies | Addressing equity concerns begins with establishment of the equity working group in 2021 |
| Energy Efficiency Plan Terms | 3-Year Plans are binding with no regular associated annual plan Current iteration is 2022-2024 | 3-Year Plans are illustrative with binding annual plans Current iteration is 2021-2023 with planning occurring in 2023 for the 2024-2026 3-Year plan and 2024 Annual Plan |
| Nonparticipant Studies | Studied both residential and small commercial segments | Studied only residential segments |



Equity Working Group

Formation of EWG approved by EEAC in May 2020 after presentation of nonparticipant studies results

Includes six voting representatives of the Council, four PAs, Low Income Energy Affordability Network, consultants, and three outside stakeholders

Co-chaired by two voting members of EEAC; agenda planning and meeting preps conducted by co-chairs, DOER, and consultants conferring with PAs when appropriate

Initial focus was to develop equity-related recommendations for the 2022-2024 Plan

Met 2 times per month for more than six months

Outside stakeholders participated at many meetings to provide input



Focus populations/program areas

Renters

Workforce

Moderate income customers

Partnerships

English isolated customers

Environmental justice municipalities

Small businesses



EJ Municipalities Defined

Communities the PAs will focus on for:

- targeted equity investment and outreach strategies
- the Environmental Justice Municipalities equity target
- equity component of the performance incentive mechanism

EJ Municipalities must:

- (1) be served by an electric and/or gas Program Administrator
- (2) **contain at least one environmental justice population** as defined by the Executive Office of Energy and Environmental Affairs Environmental Justice Policy, and
- (3) **have historically low participation rates** (combined consumption-weighted participation rate of 27 percent or less according to nonparticipant studies)

60 municipalities (out of 351) and 8 Boston neighborhoods meet criteria



Equity Working Group Recommendations

Informed significantly by stakeholder input supplied at EWG meetings in fall of 2020

EWG made 71 detailed recommendations, organized by focus populations/program areas noted above as well as reporting and rewarding performance

EWG weighed in with different versions of these recommendations at all stages of plan development in 2021

- Prior to submission of first draft due April 30
- In Council's formal comments on first draft in July
- In final resolution for the 2022-2024 Plan in October



Equity Investments

| Equity Investments 2022-2024 | | | |
|--|----------------------------|----------------------------|-------------------------------------|
| Metric | Investments ^(b) | Net Lifetime MMBtu Savings | Participants |
| Moderate Income ^(a) | \$136,074,730 | 8,769,488 | 19,085 |
| Renters and Landlords ^(a) | \$44,306,061 | 4,016,133 | 27,412 |
| Income Eligible Renters & Landlords | \$208,238,560 | 11,221,235 | 87,351 |
| Language Isolated Customers ^(c) | \$9,141,743 | N/A | N/A |
| Small Businesses | \$185,108,288 | 10,722,738 | 17,574 |
| Pre-weatherization barriers, MR | \$22,965,893 | N/A | N/A |
| Pre-weatherization barriers, IE | \$6,331,445 | N/A | N/A |
| Partnerships | \$6,300,000 | N/A | 20+ teams across 30+ municipalities |
| Workforce Development | \$49,585,533 | N/A | N/A |
| Total | \$668,052,254 | 34,729,594 | 151,422 |

- (a) There will be some overlap of Moderate Income and renter/landlord and pre-weatherization incentives.
- (b) Investments above represent Participant Incentive spending except for Partnerships and Workforce Development.
- (c) Includes projected marketing spend, development of language access plan, and costs associated with interpretation services for customers
- (d) These numbers do not include any additional planned full-time equivalents (FTEs) that may be required for implementation or evaluation of equity initiatives.



Equity Targets Overview

Modeled on equity targets created by Energy Trust of Oregon

A key goal of targets is to provide accountability for tracking and achieving results for plan commitments and associated financial investments

Negotiated primarily by consultants and PAs; reviewed, revised, and approved by EWG and then EEAC and then submitted by PAs with full 2022-2024 Plan and approved by DPU

- PAs' approach was that they would not agree to a target they did not feel they could meet

Quantitative focus where possible

- Leveraged existing reporting in several instances to establish baselines
- Where new data collection was required, worked to keep reasonable

Some task-oriented commitments as well

Various reporting schedules



Differences

| Category | Massachusetts | Rhode Island |
|--------------------------|---|--|
| EWG Composition | <ul style="list-style-type: none"> • 6 Voting Councilors • Utilities • Low Income Energy Affordability Network • MA DOER • EEAC C-Team • Outside Stakeholders | <ul style="list-style-type: none"> • 1 Voting Councilor • Utility • CAP Agencies • RI Office of Energy Resources (OER) • Division of Public Utilities and Carriers • Independent facilitator • Outside Stakeholders |
| EWG Meeting Coordination | Agenda and topics developed by voting Councilor co-chairs, DOER, and C-Team conferring with utilities when appropriate | Meetings coordinated by independent facilitator overseen in part by utility staff |
| EWG Recommendations | Over 70 recommendations made to advance increased equity emphasis in programs included in 2022-2024 Plan | 14 recommendations which were adopted as commitments in EE Plan with limited review through EE Plan development process |
| Equity Targets | Plans include quantitative target levels to support assessment of success of increased equity focus | Plans do not yet include target levels |



Renters

Increase renter unit participation by 24% from 2021 to 2024, achieved as an increase of 7% in 2022, 7.5% in 2023, and 8% in 2023 in RCD* (baseline to be established using 2021 actual data normalized with the 2022-2024 BCR model). PAs will prepare a strategic plan with detailed examples of how the PAs will serve renters, with a draft by the end of Q2 2022, and a final by the end of Q3 2022.

- *RCD is Residential Coordinated Delivery initiative, comparable to RI's EnergyWise Program

Increase number of renter units served in attached low-rise buildings by at least 16% from 2022 to 2024, achieved as an increase of 8% year over year for both Residential RCD and Income Eligible Coordinated Delivery, which shall be reported separately (2022 to be baseline year). Report separately the number of attached low-rise projects that are 25+ units.

Data to be reported twice each year.



Moderate Income

Increase number of moderate-income weatherization jobs by 700% from baseline to 2024, achieved as an increase of 100% year over year (baseline to be established using 2019 actual data).

Increase number of moderate-income heating systems replaced by 56% from 2022 to 2024, achieved as an increase of 25% year over year (2022 to be baseline year).

Data to be reported quarterly.



English Isolated

Defined as households in which no one 14 and over speaks English only or speaks a language other than English at home and speaks English very well.

Increase number of participants who receive a Home Energy Assessment (HEA) in Residential Coordinated Delivery or online assessment, or energy assessment in Income Eligible Coordinated Delivery, in Spanish or Portuguese by 21% from 2022 to 2024, achieved as an increase of 10% year over year in Residential and Income Eligible sectors, which sectors shall be reported separately (2022 to be baseline year). Data to be reported twice each year.

Increase by 10% from 2022 to 2024, achieved as an increase of 5% year over year the number of participants who receive weatherization after receiving an HEA in Residential Coordinated Delivery or energy assessment in Income Eligible Coordinated Delivery in Spanish or Portuguese (2022 to be baseline year). Data to be reported twice each year.

A Mass Save Language Access Plan will be developed, with analysis completed in 2022 for Residential Coordinated Delivery and Income Eligible Coordinated Delivery, and implementation commencing by the end of the second quarter of 2023. The full Language Access Plan will be completed by the end of Q1 2024. The Plan will address how customers are to be served in their preferred language, and will coordinate PA language resources to allow PAs, lead vendors, contractors, and suppliers to access needed translation and interpretation services.

By the end of 2024, the PAs will be able to offer Home Energy Assessments (either performed by a fluent contractor or with an interpreter) in five languages other than English, which are currently expected to be Spanish, Portuguese, Mandarin, Cantonese, and Haitian Creole.



Small Business

Complete 600 small business weatherization projects in 2022, 700 in 2023, and 800 in 2024.

By 2024, complete a repeat of the C&I 2020 nonparticipant study to analyze participation rates of small and microbusinesses (including small nonprofit organizations) and study barriers to participation. Comparing results of the 2020 and the 2024 studies, increase the percentage of population savings achieved (combined for electric and gas) for non-lighting end uses among microbusinesses by 5%.



Workforce

Conduct EM&V study and share initial results in 2022 to analyze whether and to what extent substantial disparities exist between the availability and PA utilization of state-certified minority and woman-owned business enterprises (M/WBE) in procurement for lead vendors and subcontractors by the PAs (statewide and individually) related to energy efficiency programs and services, including actionable recommendations for how to increase both the availability and PA utilization.

Over the three-year term, at least 120 people will complete training and be placed in relevant industry positions through Clean Energy Pathways, with at least 90 people being Women, Black, Indigenous, or People of Color, fluent in language(s) other than English, and/or from EJ block groups at time of enrollment. PAs will emphasize the value of retention to the measurable success of Clean Energy Pathways and will study success in achieving retention in both training and job placement in the evaluation of the program.

PAs will track and report annually on the number of M/WBEs contracts and spend for contracts that are directly between PAs and vendors that are M/WBEs and also report total number and spend of all direct contracts.

PAs will hold at least two workshops per year for contractors to provide education on PA programs in order to increase ability of new M/WBE vendors to participate; PAs to target advertising for the workshop to likely M/WBE contractors.

At least once per year, the PAs will perform direct targeted outreach to all Massachusetts-certified M/WBEs listed in the Massachusetts Supplier Diversity Office's Directory of Certified Businesses with a Description of Services that indicates that they provide services or equipment that are likely eligible for Mass Save contracts, subcontracts, or incentives. A description of the outreach methods and number and types of businesses contacted will be reported annually in the Q4 report.



Partnerships

Partnerships with municipalities, community organizations, or business associations will be established in at least 75% of Environmental Justice Municipalities. These partnerships may be formal “Municipal and Community Partnership” arrangements or other partnerships outside of that program that aim to improve service to one or more of the identified underserved customer groups.

Track and report annually the number of customer accounts participating and units served in the PA programs in the established Municipal and Community Partnerships municipalities, broken out and reported by sector and by renters, moderate-income qualified, English-isolated customers, and small business turnkey.

Track and report annually the number of outreach activities (marketing campaigns, events, community engagements, etc.) initiated and completed by Municipal and Community Partner for each underserved customer segment focused on by each Partner (renter, moderate-income, English-isolated, and small/microbusiness).

Track and report annually the level of program investment (award amount) for each Partnership Team and which segments each Partnership Team is focusing their efforts on.



EJ Municipalities

Increase Plan over Plan investment¹ by each PA in Environmental Justice Municipalities. Percent increases will be established for each PA and each sector separately.²

Increase number of participants in Environmental Justice Municipalities Plan over Plan by a percent to be set for each PA individually.

Baselines to be established using 2019-2021 actual data normalized with the 2022-2024 BCR model with lighting removed from the baseline and actuals.

Data to be reported annually in the Q4 report.

¹ “Plan over Plan” is 2019-2021 compared to 2022-2024. “Investment” is defined as incentives and money spent for Clean Energy Pathways internships, Municipal Partners, targeted marketing, and other direct/geographically targeted investments.

² PAs will gather and report data on 2019-2021 EJ investment by PA and by sector by the end of Q1 in 2022. Percent increases will be established by the EEAC and PAs by the end of Q2 in 2022.

NOTE: These targets are still being negotiated



Reporting

PAs report progress against targets in their quarterly reporting

EWG is considering a more thoughtful annual review

Energy Trust of Oregon provides a model for annual reporting worth considering:

| Program Administrators | Moderate Income Weatherization Jobs | | | |
|-------------------------|-------------------------------------|--------------|--------------|--------------|
| | 2019 | 2022 | 2023 | 2024 |
| Electric PAs | | | | |
| National Grid | 234 | 66 | | |
| Eversource | 63 | 17 | | |
| Cape Light Compact | 139 | 28 | | |
| Unitil | 1 | - | | |
| Gas PAs | | | | |
| National Grid | 129 | 54 | | |
| Eversource | 26 | - | | |
| EGMA | 86 | 14 | | |
| Unitil | 4 | - | | |
| Liberty | 11 | 3 | | |
| Berkshire | 6 | 2 | | |
| STATEWIDE TOTAL | 699 | 184 | | |
| STATEWIDE TARGET | | 1,398 | 2,796 | 5,592 |

Goal 1B: Support participation of small and medium commercial business customers and commercial business customers in rural areas.²

| 2021 Target | Results | Status |
|--|---|--------|
| Serve 1,082 small and medium businesses and 54 customers in very rural areas | Served 1,270 small and medium businesses and 39 customers in very rural areas | |

- Energy Trust served 1,270 small and medium businesses in 2021, exceeding goals for this customer group by 17%. Small and medium businesses installed lighting, smart thermostats and food service equipment most commonly.
- Energy Trust fell short of its goal to serve more businesses in very rural areas. Staff should develop more solutions to support businesses in these areas by continuing to focus on local community engagement.



Performance Incentives

An equity-focused performance incentive (PI) component (\$3 million pool for renters) was first attempted in the 2019-2021 Term, but was rejected by DPU

Crafting an equity PI component for the 2022-2024 that the DPU would approve was a very high priority of the collective parties for the 2022-2024 Term

Equity PI component is the result of extensive negotiations between DOER, PAs, Consultants, and Attorney General's office. It is based on benefits achieved in EJ Municipalities (not including large C&I) and for moderate income customers statewide, including from electrification

DPU restructured PI in its approval order, which resulted in reduced equity benefits. Final numbers:

- Electric: \$17.7 million/15% of total electric PI
- Gas: \$9.8 million/28% of total gas PI



Differences

| Category | Massachusetts | Rhode Island |
|-------------------------------------|---|---|
| Reporting | Progress on targets reported as frequently as quarterly to provide near real time assessment | Progress on commitments reported in bi-annually |
| Performance Incentives | A share of the performance incentive pool is dedicated specifically to performance on achieving equity benefits | No current performance incentive plan for achievement of equity commitments |
| Specificity of Targets/ Commitments | Nearly all targets include quantifiable metrics for which to assess a level of success | Most of the commitments in the Plan do not include clear quantifiable metrics |



Where Are We Now in MA?

Equity Working Group continues to meet

- Has transitioned at this time to implementation oversight
- In process of being made a formal subcommittee of the Council

Equity topics and performance are regular agenda topics at the EEAC

Achieving equitable program delivery and results are heavy lifts

- PAs are struggling to achieve targets in early stages of Plan



Lessons Learned/Advice to RI

Structure of EWG is important; Council ownership of this process allowed it to steer achievement of its priorities

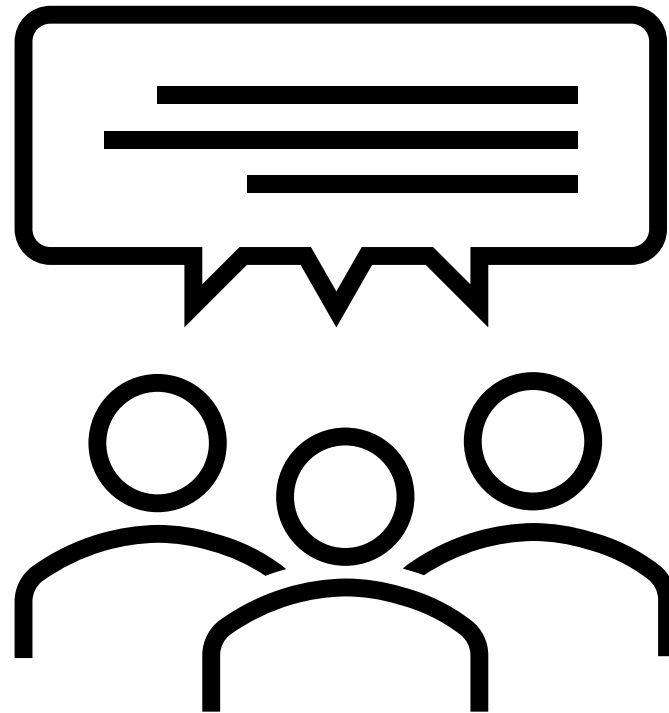
Establish as much tracking for measuring equity efforts as is possible, as soon as possible

Outside stakeholders have important insights to provide and should be engaged as much as possible

Equity targets and equity performance incentive component appear to be motivating PA efforts



Questions and Discussion





APPENDIX





Additional Resources

- [Residential Nonparticipant Customer Profile Study](#)
- [Nonparticipant Market Barriers Study](#) (residential)
- [Nonparticipant studies presentation](#) to EEAC (residential)
- [Commercial and Industrial Small Business Nonparticipant Customer Profile Study](#)
- [Equity Working Group Recommendations](#) to inform 1st draft of 2022-2024 Plan
- [Massachusetts Equity Targets](#)
- [Final EEAC resolution supporting 2022-2024 Plan](#)
- [Energy Trust of Oregon DEI goals progress report](#)



RI EWG Recommendations

2022 RI EWG Prioritized Recommendations

- 1) Promote energy efficiency at community gathering places and events
- 2) Provide enhanced outreach, promotion, and education of all energy efficiency offerings in underserved communities
- 3) Partner with and cross-train other home visiting programs and other community organizations/resource groups to expand the reach and impact of Rhode Island Energy's energy efficiency programs.
- 4) Continue to explore opportunities to support innovative education programs, helping to revitalize neighborhoods and fostering the development of the future workforce
- 5) Develop recruitment material and explore opportunities for participation in local career fairs and partnerships with local trade schools, vocational programs, and community organizations
- 6) Complete an internal needs assessment across all departments to determine opportunities for internships, mentorships, or job shadowing



Example of Equity Content in MA EE Plan

| Equity: Rental Properties | | | |
|--|---|--------------------------|-----------------------|
| Goals | | | |
| <ul style="list-style-type: none"> • Increase the number of rental properties that are served by Residential and Income Eligible Sector programs. • Create greater ease of access to Residential and Income Eligible Sector programs for owners of rental properties. | | | |
| Barriers | Example Tactics | Applicable Initiative(s) | Short, Mid, Long-Term |
| <ul style="list-style-type: none"> • Split incentive whereby the landlord is the decisionmaker and the tenant pays the utility bills affects customer interest and engagement. • Lack of customer awareness of services and incentives, especially landlords of smaller (5-25 unit) buildings. • Customer lack of time to participate in an HEA. • Landlord concern for code violations limiting unnecessary access to the property. • Lack of priority for property owner. | Create a rental unit strategic plan with additional tactics to increase renter customer outreach and unit participation. | RCD | S |
| | 100% weatherization incentive for individually-metered rental units. | RCD | S |
| | Updated approach for 3–4-unit homes where only one unit is income eligible (Mixed-Income Protocol) to both streamline delivery of services by both RCD contractors and CAP agencies. | RCD, Income Eligible | S |
| | Continue to leverage online assessments and virtual HEAs for renters, while continuing to try to reach the landlord to serve the whole building. | RCD | S |
| | Consideration of no cost high-efficiency lighting provided to renters in addition to other instant savings products delivered via the Online Store. | RCD, Retail | S |
| | Use of data and alignment with Community First Partnership Program for targeted outreach to owners of 5–25-unit buildings in municipalities with an above-average density of rental units. | RCD, Income Eligible | S |
| | Provide owners of rental properties and customers who are renters information about income-based HVAC and pre-weatherization barrier incentives, in addition to the 100% weatherization incentive. | RCD, Retail | S |
| | <ul style="list-style-type: none"> • Explore a targeted marketing approach through the use of visual aids to better inform and connect renters and landlords to energy efficiency offerings. • Foster opportunities with external stakeholders to deepen understanding of varying incentive models to increase renters' and landlords' program participation rates. • Work with local industry partners who service and engage landlords to market energy efficiency programs. | RCD | S, M, L |