



October 6, 2015

Senate Chair Ben Downing
Committee on Telecommunications, Utilities and Energy
Room 413F
State House
Boston, MA 02133

House Chair Tom Golden
Committee on Telecommunications, Utilities and Energy
Room 473B
State House
Boston, MA 02133

Dear Chairs Downing, Golden and Members of the Committee:

On behalf of National Grid, a gas and electric distribution company serving over 2 million customers I would like to take the opportunity to express our concerns with some of the legislation currently before the Committee that deal with the energy efficiency programs administered by the Commonwealth's gas and electric utilities.

**H.2886, An Act relative to further reducing energy use by encouraging investments in energy efficiency, and
S.1793, An Act relative to an energy pilot program**

H.2886 and S.1793 would require utilities to run a self-direct pilot for our 10 largest electric and gas customers as a part of our next 3-year energy efficiency plans. A pilot like this was offered in 2013 – 2015 as a result of previous legislation. These pilot efforts showed that desired results were not produced as a consequence of making this self-directed effort available to eligible customers. Customers required significant assistance from their utility company to explore energy efficiency opportunities and energy efficiency investments by these customers fell short of the savings expected. In some cases, eligible customers who initially elected to participate in the pilot have requested dropping out of the pilot to participate in energy efficiency services in the more traditional manner. Another pilot is not needed to test out a self-direct approach. For these reasons, we respectfully request that the Committee place this legislation into a study order.

S.1761, An Act relative to home energy efficiency

S.1761 has the potential to significantly increase the number of required home energy audits, without the recipients utilizing the incentives contained in the existing programs. If the number of audits is increased, it will result in significantly higher costs without commensurate savings, impacting the energy efficiency budgets. National Grid would welcome the opportunity to work with the Committee to increase the opportunities for expanded audits that would complement the existing programs.

S.1774, An Act fueling job creation through energy efficiency

S.1774 would create Property Assessed Clean Energy (PACE) financing for non-residential customers. The bill calls for automatic approval for projects eligible for funding in utility EE programs and encourages participation in those efforts. Other states and municipalities have attempted to encourage clean energy investments by using PACE with little affect. In MA, the Mass Bankers Association is engaged to provide financing for EE investments (not a lot of activity though) and it isn't clear if PACE would take the place of the private market or if it would lead to increased clean energy investments. It's not clear that the benefits of PACE would exceed costs unless an assessment is completed. For these reasons, we respectfully request that the Committee place this legislation into a study order.

S.1771, An Act promoting zero net-energy buildings in the Commonwealth

S.1771 would require zero net energy (ZNET) to become code for residential construction by 1/1/20 and for C&I construction by 1/1/30. This bill does not consider the costs associated with this directive. We would suggest that this potential change to code get considered by the BBRS including consideration of benefits and costs rather than making it a statutory requirement. For these reasons, we respectfully request that the Committee place this legislation into a study order.

S.1753, An Act relative to affordable housing energy efficiency

S.1753 calls for the creation of multifamily low and moderate income rental housing energy efficiency. This is already a focus of existing energy efficiency programs. This bill would create competing programs and would lead to consumer confusion. For these reasons, we respectfully request that the Committee place this legislation into a study order.

S.1749, An Act requiring the disclosure of energy usage data

S.1749 proposes to make building use history available to the public for all except customers who opt out. Currently, this building use information is considered to be confidential and customer authorization is required before the information can be shared. Given that building use information can provide intelligence that a homeowner or business may not want to share, the current process where a customer can authorize this sharing should be maintained and this bill should be defeated. The status quo is, in effect, an opt-in opportunity that should be maintained. For these reasons, we respectfully request that the Committee place this legislation into a study order.

H.2912, An Act relative to capturing cost-effective energy savings for Massachusetts customers

H.2912 would require a technical potential study as part of the 3-year energy efficiency planning process. Given that technical potential studies require as much art as science, completing studies like this every 3 years would likely add administrative expenses to the energy efficiency effort without creating any added value for consumers. For these reasons, we respectfully request that the Committee place this legislation into a study order.

H.2909, An Act further promoting energy efficiency and green jobs, and S.1766, An Act further promoting energy efficiency and green jobs

H.2909 and S.1766 propose to create an oil energy efficiency charge. These bills should be amended to make it the responsibility of electric PAs to administer oil related services. There is no need to bid out those services. It's not clear that these bills would lead to an increase in the energy efficiency services provided to residential customers given the fuel blind nature of current services. If oil related energy efficiency were limited to the funding provided through the oil surcharge, it's possible that less would be getting done. Before considering passage of this bill, an assessment should be completed to determine if the proposed charge on oil would be sufficient to fund needed services. For these reasons, we respectfully request that the Committee place this legislation into a study order.

H.2889, An Act promoting residential energy efficiency improvements

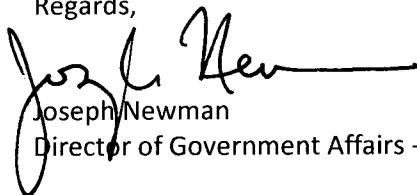
H.2889 proposes to create a residential PACE financing program. This bill does not require or give preference to consumers who participate in utility energy efficiency programs. In addition, the HEAT Loan program currently provides needed financing for energy efficiency investments in homes in collaboration with local banks. PACE isn't really needed to support residential energy efficiency efforts. For these reasons, we respectfully request that the Committee place this legislation into a study order.

H.2857, An Act relative to energy efficiency education

H.2857 mandates education and training for commercial building managers and operators through the Building Operator Certification (BOC) Program. National Grid already provides BOC training through our energy efficiency program services, and expanding this program appears to be duplicative. For these reasons, we respectfully request that the Committee place this legislation into a study order.

Thank you for allowing me the opportunity to comment on these bills. If you have any questions, or would like any additional information, please contact me at 617-263-3380.

Regards,

A handwritten signature in dark ink, appearing to read "Joseph Newman", with a long horizontal flourish extending to the right.

Joseph Newman
Director of Government Affairs - Massachusetts