To: Massachusetts Energy Efficiency Advisory Council
From: Todd Olinsky-Paul, Clean Energy Group
RE: Recommendations on Equity Provisions for Battery Storage
Date: July 20, 2022

Clean Energy Group (CEG), a national nonprofit organization working to accelerate an equitable and inclusive transition to clean energy, has been a longtime advocate of the ConnectedSolutions battery storage program, providing policy and technical support for the development of this groundbreaking program in Massachusetts, and its adoption in other states. From the start, CEG has also advocated for equity provisions within the program. To date, no equity provisions have been proposed by the program administrators (PAs).

Now is the time for the EEAC to mandate that equity provisions be developed and implemented into the ConnectedSolutions program.

Before the program's inception in 2019, CEG urged Massachusetts energy agencies and the energy efficiency program administrators to adopt basic equity provisions that would enable underserved communities to participate in the battery storage program within ConnectedSolutions. It is unconscionable to leave behind the very communities most in need of the resilience and energy cost savings offered by new clean energy technologies such as battery storage. It was assumed – based on the Commonwealth's Affordable Access to Clean and Efficient Energy Initiative – that Massachusetts' energy agencies held similar ideals.

Unfortunately, despite promises to include such provisions back in 2018 when the program was being designed, the PAs have never put forward any kind of proposal for income-eligible participation in the ConnectedSolutions battery program.[1] It was omitted from the 2019-2021 Triennial plan, and it was omitted from the 2022-2024 Triennial plan. In fact, as noted in the EEAC Consultant ADM Report of April 2021, none of the PAs even bothered to model the potential for an income-eligible storage program. Most recently, the PAs declared during a stakeholder call this year that they have no plans to add any income-eligible provisions whatsoever – meaning that as Massachusetts advances its energy storage programs and markets, low-income residents will continue to be left behind.

Fortunately, what CEG has been advocating regarding equity provisions in the battery storage program is no longer without precedent. Connecticut has launched a nine-year, 580-MW Energy Storage Solutions program, modeled after ConnectedSolutions, but with important added equity features. The Connecticut Energy Storage Solutions program includes exactly the kind of equity provisions that are needed.

[1] The one exception to this is Cape Light Compact, which did propose a low-income battery plan. However, that plan was not approved by the DPU.

Clean Energy Group applauds the inclusion of the following equity provisions in the Connecticut program:

1. An upfront rebate in addition to customer performance payments, to help defray battery capital costs and encourage third-party low-cost financing;
2. A rebate adder of 100% for qualifying low-income residential customers;
3. A rebate adder of 50% for qualifying residential customers in underserved communities;
4. An on-bill payment option;
5. A Justice 40 goal for the program, meaning that 40 percent of the targeted 580 MW of new behind-the-meter battery storage will be in low-income and underserved communities.

Attached are several Connecticut program documents, so that the EEAC and PAs can learn more about the design of the program (and since Eversource co-administers the program in Connecticut, they should already have a good understanding of its structure).

How to achieve a similar equity battery program in Massachusetts?

Obviously, Massachusetts cannot simply import the Connecticut program wholesale. We recognize that ConnectedSolutions in Massachusetts is based on a performance payment model rather than Connecticut's performance-payment-plus-rebate model; however, in the absence of rebates, higher performance payment rates could and should be offered to income-eligible customers in Massachusetts. A 2x income-eligible performance payment rate would attract developers and installers who could bring their own financing to bear, and it would enable them to essentially provide free equipment in low-income communities.

The idea of offering enhanced incentives for efficiency upgrades to income-eligible customers is not a new one. Currently, MassSave offers income-eligible customers a range of no-cost efficiency improvements, including free heating systems, insulation, programmable thermostats, and appliances (refrigerators, air conditioners, washers, etc). Clearly, MassSave recognizes that making clean and efficient energy accessible to all requires a tiered approach to incentives – this is the reason the income-eligible tier exists. Massachusetts should extend this idea to include the ConnectedSolutions battery program and begin offering enhanced incentives to income-eligible participants.

Equally important is Connecticut's commitment to the Justice 40 goal for their statewide Energy Storage Solutions program. This means that 40 percent of the 580 MW of new distributed battery storage to be developed under the Connecticut program will be in low-income and underserved communities. Massachusetts has no such goal for its battery program – but it should. Without such a goal, there is no way to measure success, and no accountability. It is fine to announce, as Massachusetts did in 2016, that "the Affordable Access Initiative aims to help low- and moderate-income Massachusetts residents access cost-saving, clean and efficient energy technologies." However, these words have little meaning in the absence of concrete programmatic goals and the mechanisms to achieve them.

Clean Energy Group is ready to help the EEAC, program administrators, and Massachusetts energy agencies to design and incorporate income-eligible provisions into the ConnectedSolutions battery program. Other states have done so: there is no reason that Massachusetts, the national leader for energy efficiency and originator of the ConnectedSolutions program model, cannot do the same.

Thank you,

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