

Massachusetts Makes Energy Efficiency “First Fuel”; 3-Year Utility Plans Approved by DPU

February 5, 2010

ENERGY TECHNOLOGY & RENEWABLES ALERT - FEBRUARY 5, 2010

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On January 28, 2010, the Massachusetts Department of Public Utilities (DPU) approved [three-year energy efficiency plans](#) submitted by the state’s investor-owned electric, natural gas utilities, and the Cape Light Compact, which serves portions of Cape Cod. The goal of the plans is to achieve a 2.4 percent reduction in electricity use across the state, and a 1.15 percent reduction in natural gas use.

The DPU-approved plans are a result of the 2008 Green Communities Act, which requires utilities to secure for their customers all available energy efficiency and demand reduction resources that cost less than new energy supply. As Energy and Environmental Affairs Secretary Ian Bowles put it in the [EEA press release](#), the idea is to make energy efficiency the “first fuel” used by the Commonwealth to power homes and businesses.

Utilities will invest approximately \$2.2 billion in expanding efficiency measures over three years (2010-2012). Although the utilities’ plans provide programs for residential customers, there is a heavy emphasis on achieving savings from commercial and industrial customers. The electric energy efficiency budgets for the two largest utilities, National Grid and NSTAR, allocate 56% and 66% of program resources to the commercial/ industrial sector, respectively. The programs provide rebates and other incentives for the following types of equipment and projects:

- Lighting & Controls
- HVAC Systems
- Motors
- Mechanical Systems
- Compressed Air
- Variable Speed Drives
- Vending Machine Sensors
- Energy Efficient Time Clocks
- Occupancy Sensors
- Walk-in Cooler Measures
- Improvements During Construction or Renovation
- Load response programs

- Other/Custom Projects

Funding for the program comes from a number of sources, including existing system benefit charges on ratepayer bills, carbon allowance auction proceeds from the Regional Greenhouse Gas Initiative (RGGI), and regional energy market revenues. In addition, utilities will be allowed to recover the cost of the efficiency programs from ratepayers through a new energy efficiency surcharge. At the same time, the Commonwealth estimates that resulting improvements will save participating customers more than \$6 billion over three years. The bottom line for large and small energy users is that to offset the increase in utility bills associated with the cost of these programs, customers are well-advised to participate in these programs to decrease their natural gas and electricity consumption and thereby lower their utility bills on a net basis.

For more information on the utility energy efficiency programs see:

- [NSTAR Electric Programs for Business](#)
- [National Grid Energy Efficiency Programs for Business](#)
- [Western Massachusetts Electric Save Energy for Your Business](#)
- [Fitchburg Gas & Electric / Unitil Commercial and Industrial Customer Information](#)
- [Cape Light Compact Commercial and Industrial Programs](#)