

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

The Berkshire Gas Company;)	
Eversource Gas Company of Massachusetts,)	
d/b/a Eversource Energy;)	
Fitchburg Gas and Electric Light Company,)	D.P.U. 21-120 through 21-129
d/b/a Unitil (gas);)	
Liberty Utilities (New England Natural Gas)	
Company) Corp., d/b/a Liberty Utilities;)	
Boston Gas, d/b/a National Grid;)	
NSTAR Gas Company d/b/a Eversource Energy;)	
Cape Light Compact JPE;)	
Fitchburg Gas and Electric Light Company,)	
d/b/a Unitil (electric);)	
Massachusetts Electric Company and)	
Nantucket Electric Company,)	
each d/b/a National Grid; and)	
NSTAR Electric Company)	
d/b/a Eversource Energy)	
(2022-2024 Three-Year Energy Efficiency Plans))	

REPLY BRIEF OF ACADIA CENTER

Acadia Center appreciates the opportunity to file its reply brief concerning the proposed Joint Statewide 2022-2024 Energy Efficiency Three-year Plan and the supporting Individual company plans filed by the Commonwealth’s Electric and Gas Program Administrators (PAs) (collectively “the Three-Year Plans”). In its initial brief, Acadia Center argued that the Three-Year Plans currently before the Department should be approved as filed. Of the 9 other parties filing briefs, 4 supported unconditional approval of the Three-Year Plans, and none advocated for a full rejection of the Plans. The evidence in these proceedings provides a strong record upon which the Department can and should base its approval of the Three-Year Plans. Acadia Center urges the Department to do so.

Acadia Center wishes to address several issues raised by MEMA in its initial brief. Acadia Center believes these points are based upon faulty logic and that their positions are without merit. In short, the evidence provided by MEMA does not establish that providing incentives for new, high-efficiency oil-fired equipment powered by biofuels would necessarily result in reduced use of energy, a reduction in greenhouse gas emissions, or consumer savings. More importantly, even if the evidence did establish such facts, the Department need not and should not upend the policy determination of the program administrators, Council, and stakeholders to rely on expanded electrification, rather than biofuels, to achieve greenhouse gas reductions and reductions in energy consumption.

I. MEMA’s Arguments are Unsupported by Evidence

a. Biofuels are Not an Energy Efficiency Measure and Not Necessarily a Low-Carbon Fuel, and the PAs Properly Excluded Them from the Plans.

By statute, the energy efficiency measures included in the Three-Year Plan must focus on a reduction of electric or natural gas demand or consumption in the Commonwealth.¹ The continuation of incentives to replace oil-fired heating equipment with high efficiency oil-fired heated equipment, even if it were somehow restricted to use only low-carbon biofuels, does not result in a reduction in electric or natural gas demand.

Nor would the continuation of oil-fired incentives necessarily result in any use of biofuels or significant reductions in greenhouse gas emissions. Acadia Center disagrees with MEMA’s assertion that biofuels are inherently a “low carbon fuel.”² In its initial brief, MEMA asserts that biofuels can show on average a 74 percent reduction compared to fossil-based petroleum. MEMA

¹ Tr. 1, at 77, and G.L. c. 25, § 21(a).

² MEMA Br. at 4.

also asserts that the PAs acknowledge that biofuel is a “low carbon fuel.”³ However, MEMA fails to note important qualifiers that the PAs included in their responses. When asked whether biofuels are considered a low-carbon fuel, the PAs responded that “generally” it would be “typically” included in the definition. These qualifications are notable as biofuels can have different feedstocks, different extraction methods, and wildly different greenhouse gas emissions.⁴ The Department’s certification of biofuels as a “low carbon fuel” without knowing any of the preceding factors would be irresponsible.

MEMA does not suggest – nor would the programs provide – a method by which consumers would have to use low-carbon biofuels, or any biofuel at all. Consumers could continue to use fossil fuel oil in the incentivized equipment, moving the Commonwealth and the energy efficiency programs further away from meeting the Secretary’s GHG reductions target. Further, many current models of boilers have warranties that prohibit biofuel blends above a certain percentage. This means that even if biofuels were to undergo incredible developments in efficiency, they would be unable to be used in many boilers currently on the market.

Therefore, given that biofuels are not an energy efficiency measure and that they have a specious connection to greenhouse gas emissions reductions, the PAs and Council properly excluded them from the Plans.

b. Oil-Fired Boiler and Furnace Rebates were Properly Discontinued

MEMA also cites consumer cost concerns and grid stability as a reason for continuing boiler and furnace rebates. The cost concerns they cite highlight why, more than ever, it is time to eliminate incentives for fossil-fuel boilers and furnaces. When arguing for the continuation of boiler and furnace rebates, MEMA fails to mention that the reason for the issues they’ve identified

³ *Id.*

⁴ Tr. 2, at 314.

is constraints in fossil fuel supply. Higher fossil fuel prices are expected this winter in part due to supply chain issues stemming from the global pandemic, extreme weather, and international instability.⁵ Though exacerbated by these issues, volatility in fossil fuel price and supply is common. Consumers are regularly harmed by spiking fossil fuel prices driving up bills in the winter. Continuing policies that lock in fossil fuel infrastructure simply defies common sense, especially in light of the fact that the Commonwealth has an expressly stated policy to use less fossil fuels. Therefore, the PAs are well within their authority to eliminate boiler and furnace rebates, and the Department should approve this aspect of the Plans.

II. The Policy Decision from PAs and Council Support Electrification, Not Biofuels

The PAs testified at the hearing that use of biofuel is not something they would support in the Three-Year Plans.⁶ MEMA asserts that this position is at odds with the purpose of the Plans.⁷ This assertion is incorrect. The development of the Three-Year Plans is a process that requires significant coordination between the PAs, the Council, and other stakeholder groups.⁸ Though there are specific requirements for the plan, the PAs and Council, by necessity, make dozens of policy decisions while developing the Plans.⁹ The governing statute assigns this power of evaluating the overlap and interplay of different policy choices and stakeholder values to the Council because this stakeholder body provides a venue at which such issues should be raised and discussed. This issue has been raised and discussed at the Council – but the Council, stakeholders and PAs decided to favor electrification over decarbonized fuels.

⁵ See https://acadiacenter.org/want-to-avoid-painful-price-spikes-end-the-dependency-on-fossil-fuels/#_ftn1.

⁶ Tr. 3, at 458.

⁷ MEMA Br. at 5.

⁸ G.L. c. 25, § 21.

⁹ *Id* at (b)(2).

The Council made electrification and the phasing-out of fossil fuel incentives part of its priorities in its resolution dated March 24, 2021.¹⁰ These priorities were carried through the planning process and are embodied in the final draft of the Plan, which was unanimously approved by the Council in October.¹¹ This plan includes not just short-term electrification goals, but also long-term market transformation efforts.¹² Use of the programs to develop such markets is explicitly authorized in statute.¹³ Removing funding from these electrification efforts to incentive biofuels would undercut this explicit objective of the Plans and the will of stakeholders. The Department should not upend the years of work by thousands of stakeholders by overruling this prioritization and policy choice to put a thumb on the scale for a fuel that is neither mentioned in the governing statute nor proven to be “clean” or renewable.

III. Conclusion

Based on the foregoing and its Initial Brief, Acadia Center recommends that the Department approve the 2022-2024 Statewide Plan and the Companies’ individual Three-Year energy efficiency plans and associated budgets, including revised performance incentives, expanded electrification, and CVEO.

¹⁰ See EEAC Resolution Concerning Council Priorities for the Development, Implementation and Evaluation of the 2022-2024 Three- Year Energy Efficiency Plan, March 24, 2021, available at: https://ma-eeac.org/wp-content/uploads/FINAL-EEAC-Priorities-Resolution_Adopted-3.24.2021.pdf.

¹¹ Exh. Common-1, Appendix N.

¹² Exh. Common-1, at 13.

¹³ G.L. c. 25, § 21(b)(2)(D).

Respectfully submitted,
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CERTIFICATE OF SERVICE

I hereby certify that on January 6, 2021 I electronically served the foregoing documents upon each person identified in the DPU's service lists for the above-captioned proceedings.

Respectfully submitted,

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