NESEA BUILDING ENERGY BOSTON 2023

Bringing 2050-Ready Electrofits to Scale:

Strategies from MassCEC's Decarbonization Pathways Pilot

PETER MCPHEE, SENIOR DIRECTOR, BUILDINGS

MASSCEC





Mission:

The Massachusetts Clean Energy Center's mission is to accelerate the clean energy and climate solution innovation that is critical to meeting the Commonwealth's climate goals, advancing Massachusetts' position as an international climate leader while growing the state's clean energy economy.

How we approach our work:



Innovation

MassCEC supports innovation to develop new solutions to unmet challenges, and reduce cost and increase performance of existing solutions.



Workforce Development

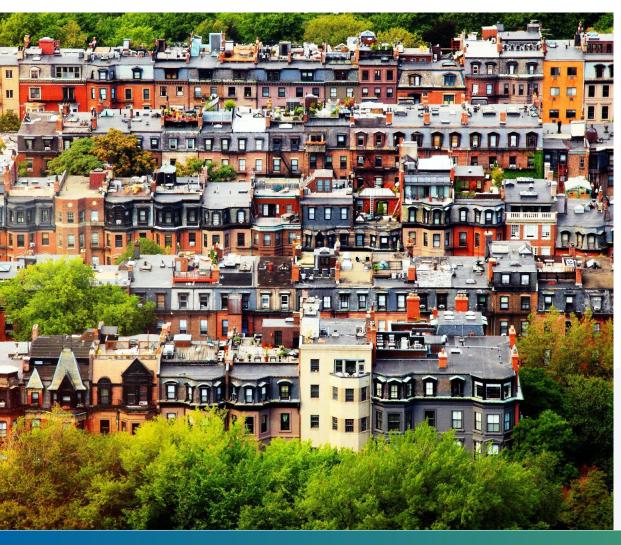
MassCEC ensures we have a diverse and equitable workforce that is trained and ready to take part in the growing clean energy industry.



Market Development

MassCEC de-risks commercially ready technologies paving the way for broad adoption, filling gaps unmet by the private sector.

Buildings: Energy, Carbon, and Affordability



2.5 million

Number of buildings in MA

95%

Residential emissions reductions 1990 - 2050

35%

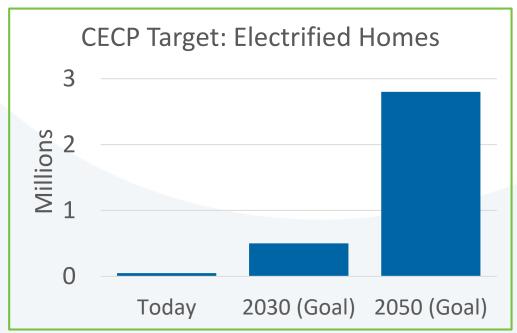
MA emissions from buildings' onsite fuels

\$2,800

Annual household energy spending

Policy Drivers For Building Decarbonization

- ➤ Clean Energy & Climate Plans: 2025, 2030 & 2050
 - ► Established emissions sublimits for buildings
- Commission on Clean Heat (2022)
- Decarbonization Roadmap (2020)
 - ➤ Vast majority of buildings electrified and made efficient
- ➤ Municipal Ordinances (e.g., Boston's BERDO 2.0, Net Zero Codes)

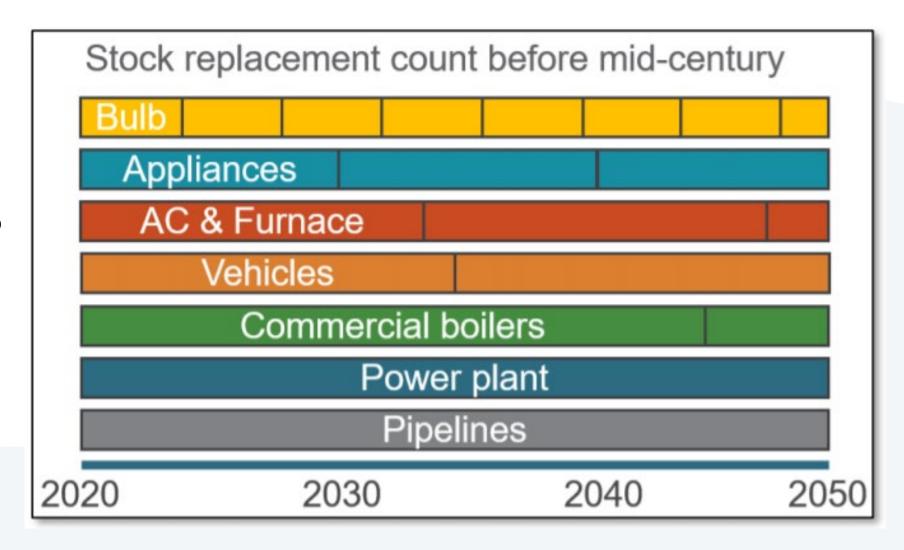




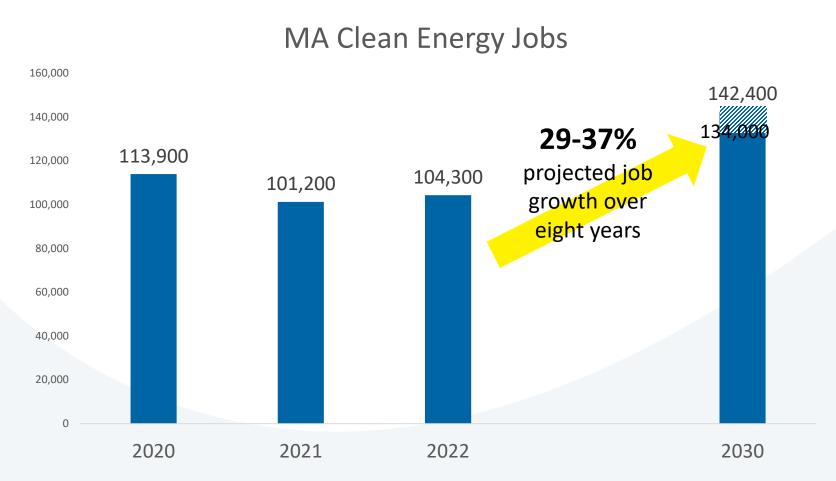
3/28/2023

Fundamental Challenges in Building Decarbonization

- Stock Turnover in buildings is very slow!
- ➤ Replace on failure: does not leave enough time to transition
- ► Inertia toward the status quo
- ➤ Cost differentials make upfront and operational costs challenging
- Awareness is low
- Consumer and industry not yet scaling at needed pace



Our Clean Energy Workforce Today & Tomorrow



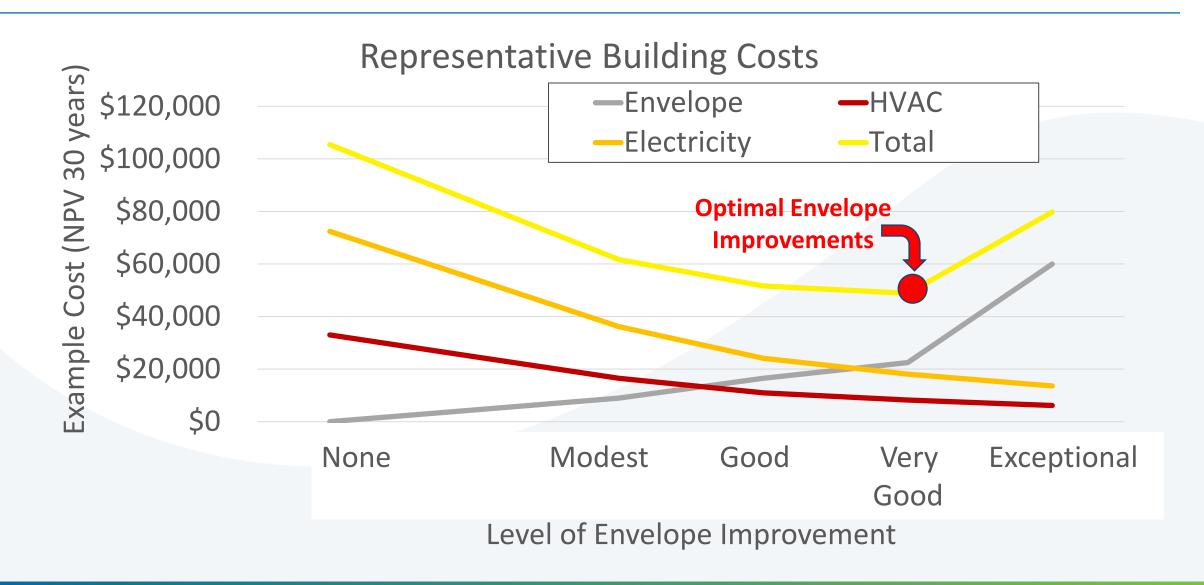
Sources: 2021 MA Clean Energy Industry Report and preliminary data from forthcoming Clean Energy Workforce Needs Assessment from BW Research Clean energy sector employers are already citing insufficient employee pipelines as a limiting factor slowing growth

Many of the fastest growing jobs in the clean energy industry from Electricians to Plumbers to General Managers are also growing in the broader economy and have existing supply gaps.

Strong numbers of new entrants to the industry are needed. Training providers consistently report recruitment challenges, and many programs have unfilled seats.

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Cost-Effectiveness in Electrification



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Building Electrification & Transformation Accelerator (BETA)



DECARBONIZATION APPROACHES

Demonstrate approaches for electrifying and decarbonizing individual buildings of varying typologies, as well as building portfolios.



DECARBONIZATION POLICIES

Inform building electrification and decarbonization policies using pilot study and implementation programs.



MASS SAVE

Recommend approaches to building electrification and decarbonization incentives to inform advancement of decarbonization incentive programs.

BETA:
Decarbonization
Pathways
(Single-Family)

BETA: Triple Deckers BETA: Non-Profits

BETA: Commercial

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Decarbonization Pathways Pilot

March 28, 2023





AGENDA

Pilot Overview

Results to Date

Lessons Learned

Project Example

PILOT OVERVIEW

Create and demonstrate a cost-effective model for eliminating emissions in homes over time

- Single-family and low-rise (i.e., three (3) stories or less) residential buildings
- Triple-deckers

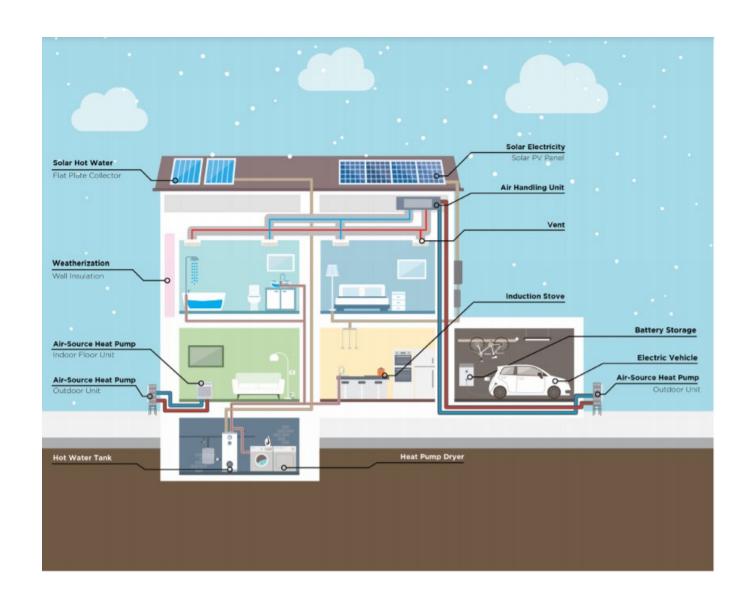
Up to \$3 million budget

Develop and test:

- Home decarbonization assessment
- Customized recommendations
- Multi-year roadmap/plan
- Pilot with ~75 homes ready to take major action.
- Two cohorts.
- o Cohort 1 ~ 30 homes; Cohort II ~45 homes
- Plus 10 market rate triple-deckers

Offer increased incentives (above baseline Mass Save incentives) to pilot homes to spur action

Develop lessons learned and showcases/case studies to support residents and industry



PILOT GOALS & OUTCOMES

Create and Test Scalable Approach

Create and test a holistic approach to decarbonizing homes that could be scaled by Mass Save® and/or other entities.

- Does this approach get people to take action?
- Is it scalable?

Collect Data

Collect data on costs, best practices, and performance of decarbonization measures.

- Feedback from participants and contractors
- Final report with case studies
- 2 years of bill analysis (as an addendum to final report)

Lessons
Learned &
Case
Studies

Develop lessons learned, resources, and case studies to support homeowners, landlords, and contractors that are ready and able to take action now to decarbonize their buildings.

PILOT TIMELINE

April '21–Feb '22

Launch, Contract, Develop Home Decarbonization Assessment protocols, processes and resources

Jan '22 – May '22

Implementer RFP (DP and Triple Decker) Released and Contracted with Abode

Aug '22 - Now

Pilot Home Decarbonization with Cohort 1

March '23

Triple Decker Pilot launch

Spring 2023

Refine and Learn More with Cohort 2

INCENTIVE DESIGN

	<80% SMI	80 – 120% SMI	>120% SMI	
Total Pilot incentive	Up to \$30,000	Up to \$20,000	Up to \$10,000	
PREREQUISITE MASS SAV	E – MUST EXHAUST ALL MASS INCEN	SAVE MEASURES AND INSTAL TIVES	L HEAT PUMP TO UNLOCK	
Envelope Improvement, Ventilation	Capped @ \$12,000	Capped @ \$8,000	Capped @ \$4,000	
Heat Pumps	Capped @ \$18,000	Capped @ \$12,000	Capped @ \$6,000	
Hot Water Solution	Capped @ \$6,000	Capped @ \$4,000	Capped @ \$,2000	
Electrical Upgrades and Barrier Mitigation	No Cap – must be paired with another implementation of another measure			
Appliances: Stove/range, EV charger, dryer, outdoor equip.	Capped @ \$1,500 each			
EV, Solar, Battery	Capped @ \$15,000 (eligible after Wx, HP, DHW)	Not Eligible		

Note: Incentive design is constrained by the short-term nature of this pilot. This incentive design is not proposed as a scalable model.

DECARBONIZATION ON TOP OF MASS SAVE







customer education timing varies

Mass Save

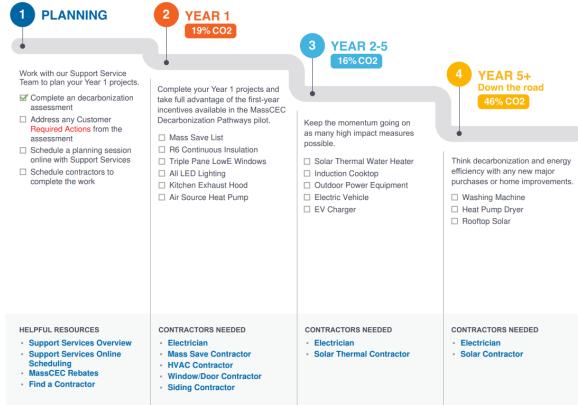


Decarbonization <

CUSTOMER REPORT (pages 1-2)



Your Decarbonization Roadmap

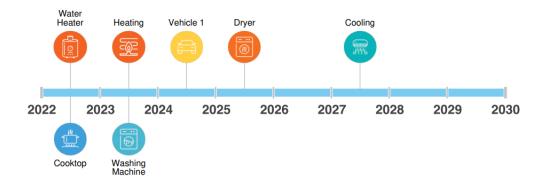


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CUSTOMER REPORT (pages 3-4)

Expected End of Equipment Life

When you're trying to decarbonize, unexpected equipment failures can make it more difficult to find the right replacement solution on short notice. Planning ahead and replacing equipment before it breaks is the best strategy. The timeline below shows when equipment, appliances, and cars that you currently own will likely need replacement. If something on the list does break, don't panic, but instead take a look at the suggested equipment replacements provided in the following pages. By our estimates you have ~\$50,275 in replacements coming up in the next 10 years.



Resources Library

HELPFUL RESOURCES

- Support Services Overview
- · Support Services Online Scheduling
- MassCEC Rebates
- Find a Contractor

REBATES AND INCENTIVES

- Mass Save Rebates
- SMART Program
- MA EV Rebates
- Federal EV Rebate

EDUCATIONAL RESOURCES

- Guide to a Clean Energy Home
- Air-Source Heat Pumps Ground-Source Heat Pumps
- Electric Vehicles
- Solar Electricity
- Battery Storage
- Solar Hot Water

MASSACHUSETTS **CLEAN ENERGY**



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Year 1

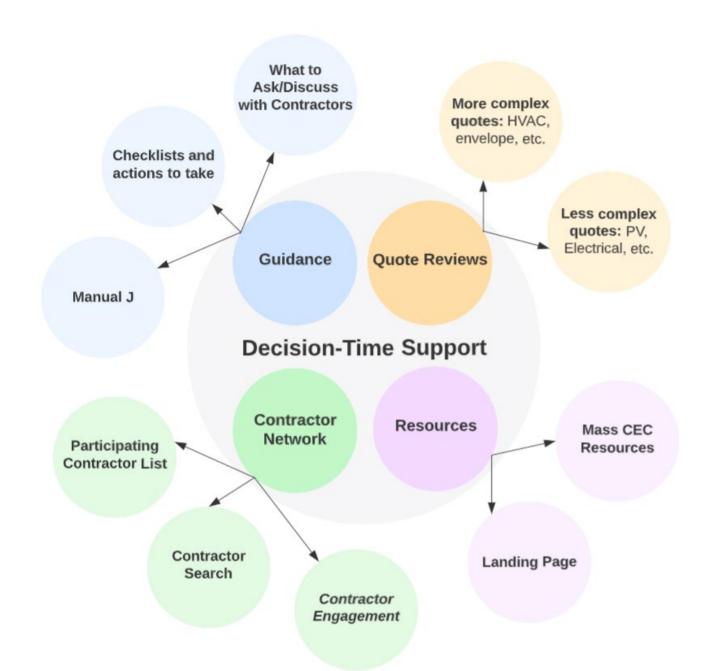
PROJECT	ESTIMATED BILL SAVINGS	EST. CO2 REDUCTION	ESTIMATED COST BEFORE INCENTIVES	MASS SAVE INCENTIVES	STATE TAX CREDIT	FEDERAL TAX CREDIT	DECARB PATHWAYS INCENTIVE	TOTAL COST AFTER INCENTIVES	CONTRACTORS NEEDED	EFFORT LEVEL	PROJECTS TO COMPLETE BEFORE/WITH
Mass Save - Air Sealing - Rim Joist Insulation - Attic Floor Insulation	\$548	4	\$3,200	\$2,400	147	4	Group 1G See below	\$800 \$800 - \$800	Mass Save Contractor	Low	(*)
Air Source Heat Pump	\$25	12%	\$20,300 \$15,050 - \$25,550	\$10,000	×	-	Group 2G See below	\$10,300 \$5,050 - \$15,550	HVAC Contractor Electrician	High	Mass Save and Envelope Improvements, Electrical Upgrade
All LED Lighting	\$131	2%	\$142 \$126 - \$158		-	-	-	\$142 \$126 - \$158		Low	121
Kitchen Exhaust Hood			\$1,500 \$900 - \$2,100				Group 1G See below	\$1,500 \$900 - \$2,100	HVAC Contractor	Med	2
R6 Continuous Insulation	\$128	2%	\$11,368 \$7,656 \$ 15,080		-		Group 1G See below	\$11,368 \$7,656 - \$15,080	Siding Contractor	High	Siding, Windows, Interior/Exterior trim
Triple Pane LowE Windows	\$240	3%	\$26,000 \$22,100 - \$32,500	-			Group 1G See below	\$26,000 \$22,100 - \$32,500	Window/Door Contractor	Med	Siding, Continuous Wall Insulation, Air Sealing, Interior/Exterior trim
Total Package	\$678	19%	\$62,510 \$49,032 - \$78,588	\$12,400	\$0	\$0	See Below	\$50,110 \$36,632 - \$66,188			

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DECISION-TIME SUPPORT

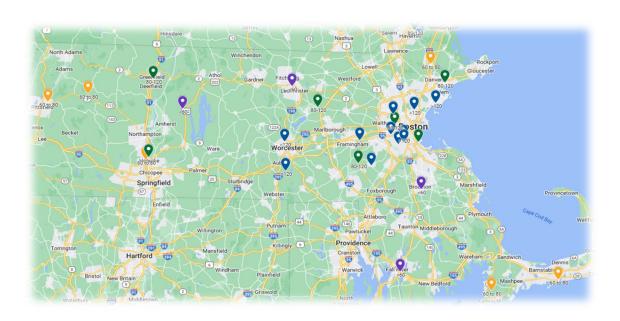
Goals

- Project specific guidance when it's needed
- Reduced customer burden of being their own GC
- Centralized resources
- More challenging marketplaces = More support





COHORT 1 MAKEUP AND PROGRESS



Makeup

- 29 homes (1-2 family)
- Income 1/3 low income, 1/3 moderate income,
 1/3 high income
- Diverse building stock varied age, size, fuel type
- Strong opportunity required to install heat pumps and complete weatherization + planning or willing to consider other decarbonization measures

Progress So Far

- All assessments completed
- Decision Time Services and Quote Reviews are ongoing
- ~35% of measures are in-process or complete

PLANNED MEASURES

Measure Category	Measure	Year 1	Year 2+
Mass Save Required	Wx	46%	
	Bath	35%	4%
Ventilation	Kitchen hood	65%	4%
	ERV	27%	
	ASHP	85%	
Heat pumps Required	Geothermal	8%	
	Air to water	8%	
Water heaters	HPHW or solar assisted	46%	35%
Electrical upgrade	Panel upgrade	58%	
	Attic SPF	31%	4%
Deeper Envelope	Basement wall insulation	15%	19%
Deeper Envelope	Continuous wall insulation	19%	19%
	Windows	38%	8%
EV	EV charger	27%	54%
LV	EV	12%	69%
	Green Power/Community solar*	70%	
Renewables and Storage	Battery	12%	46%
	Solar PV	31%	38%
Appliances and Lighting	Dryer (HP or standard)	27%	31%
Appliances and Lighting	Range (Induction or standard)	54%	15%
Outdoor Power Equipment	Equipment	27%	12%

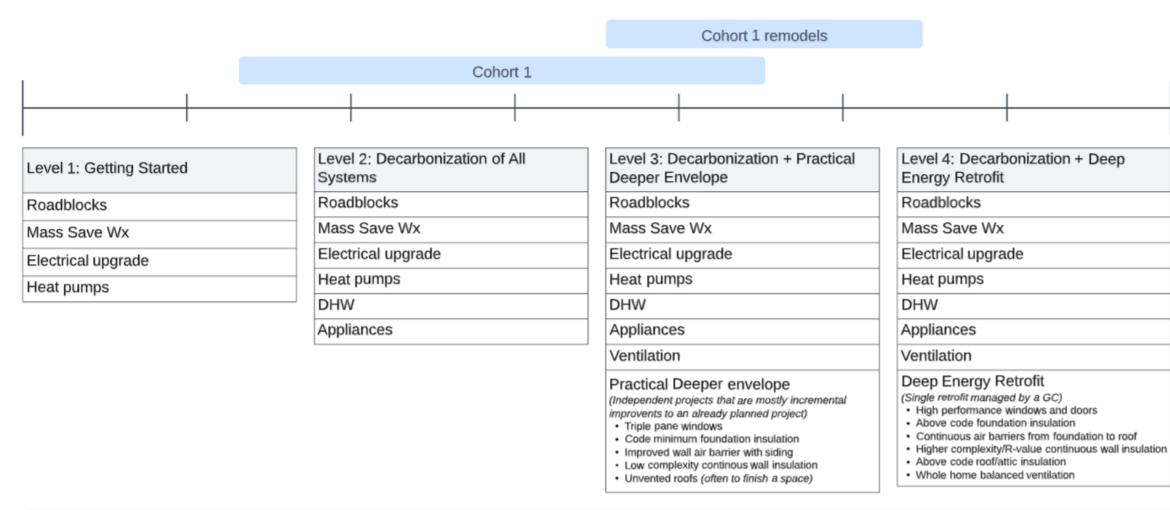
Planned Measures

- 7 − Average # of year 1 measures
- **\$25k to \$130k** Year 1 cost range
- \$1K to \$75k Net year 1 cost range
- Plans are evolving

Survey Data: Likelihood to complete

	Very Likely	Likely	Total
Year 1	84%	16%	100%
Years 2-4	44%	52%	96%
Year 5+	24%	56%	80%

LEVEL OF DECARBONIZATION WE ARE SEEING



Green power and community solar

PV and battery storage

PHEV or EV

THEMES

- 1. Impact of evolving cost landscape
- 2. Designing programs around homeowner GCs
- 3. The potential of practical deeper envelope measures

LESSONS LEARNED

INCREASING UPFRONT COSTS OF HEAT PUMPS

Eastern MA Rebate Data

Q3 2022: \$6,470 per ton

Q4 2022: \$6,641per ton

Q1 2023: \$7,295 per ton

Based on 365 rebate applications
Not all whole home

Pilot Quoted Costs

Quoted Average: \$8,930 per ton

Based on 48 quotes across 14 participants

Impact

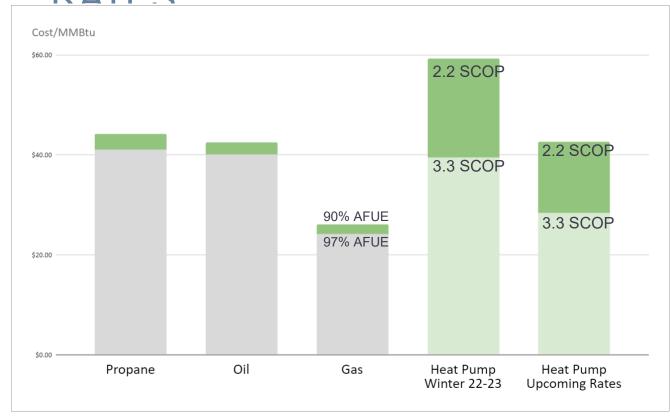
- "Shocking" and "frustrating" for customers
- Year 1 plans are being scaled back
- Budgets can be used up primarily on heat pumps
- Could have a real impact on scaling decarbonization

Eastern MA (inside 495)	\$9,226
Eastern MA (outside 495)	\$8,495
Central MA	\$6,289
Western MA	\$7,982

Ducted w/ existing ductwork	\$6,165
Ducted w/ new ductwork	\$11,227
Ductless	\$8,158
Combination	\$9,060

OPERATING COST UNCERTAINTY FROM ELECTRIC/FUEL

RATES



Impact

- Many Roadmaps required cost dependent "alternative routes"
- Some Roadmaps were changed to dual fuel
- Raises the stakes when choosing equipment (adds complexity)

Fuel	Propane Winter 22-23	Oil Winter 22-23	Gas Winter 22-23	Electric Winter 22-23	Electric est. upcoming rates
Cost	\$3.64	\$4.84	\$2.35	\$0.45	\$0.32
UM	gal	gal	therm	kWh	kWh

SUCCESSES AND CHALLENGES PUTTING HOMEOWNERS IN THE GC ROLE

Why is the homeowner the GC

- 6-10 specialized contractors
- Not the typical project for a GC
- Limited affordable decarb GCs
- Specialized contractor networks only get you so far
- Someone has to own the plan

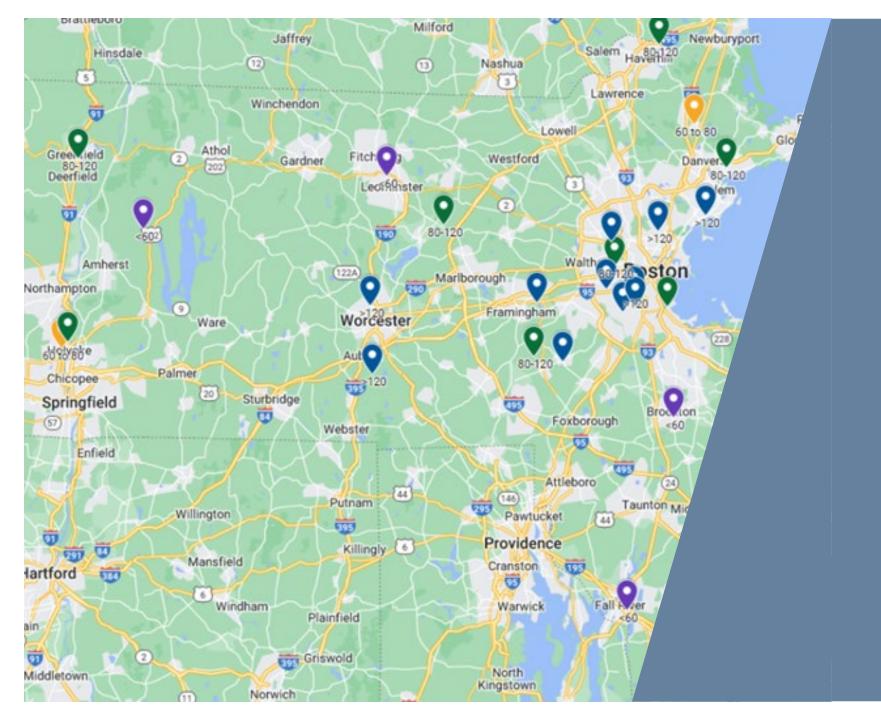
	More Scalable	Less Scalable
Pre-assessment	-Research -Projects in mind	-General decarbonization interest
Assessment	-Part education -Part planning session	-Primarily 101 education and presenting options
Post Assessment	-Ready to get started -Less support needed -Multi-project thinking	-Discussing options-More support-One project at a time
Contractor Search/Selection	-Casts a wide contractor net -Follows "what to ask contractors" guidance -Better outcomes	-More hand holding -Contractor interventions needed

PRACTICAL DEEPER ENVELOPE MEASURES

Measure	Related Projects	Opportunity + Interest
Triple pane windows (or) double pane casements	Stand-aloneSiding replacement	32%
Foundation insulation (code min)	Stand-aloneBasement finish	34%
Low complexity continuous wall insulation (or improved wall air barrier only)	- Siding replacement	38%
Unvented roof spray foam	Stand-aloneAttic finish	35%
Vaulted ceiling spray foam	- Roof replacement	No opp

Why focus on practical deeper envelope

- Middle ground to deep energy retrofit strategies
- Most items are "off-menu" for Mass Save
- Strong interest and opportunity
- Most are incremental costs to already planned projects



PROJECT OVERVIEW S

SOUTH YARMOUTH

Focus on Climate Impact and Comfort



Project Overview

- 1960, 3 bedroom, 1 bath
- Area: 770 square feet
- Heating fuel: Gas

Previously Completed

- Mass Save Wx
- Windows

Estimated Impact			
Year 1 CO2 Reduction	47%		
Cost Reduction	TBD		

RECOMENDATIONS

Year	Measure
1	Basement Insulation
1	200 Amp Panel
1	Ductless ASHP
1	HPHW
1	ERV
1	Solar PV
2-4	Exterior Insulation/Siding
2-4	Induction Range
2-4	HP Dryer
5+	EV

This homeowner is taking advantage of the incentives in year 1, but plans to fully decarbonize over time. Will finish basement and consider continuous wall insulation in the next few years.

Holyoke

Focus on Climate Impact and Operating Cost



Project Overview

1920, 4 bedroom, 2 bath

• Area: 1645 square feet

Heating Fuel: Gas

Previously Completed

Electric range

Estimated Impact			
Year 1 CO2 Reduction	28%		
Cost Reduction	TBD		

Year Measure 1 Insulation + Air Sealing 1 200 Amp Panel 1 Combination ASHP 1 HPHW 1 Kitchen hood 1 Bath fan 2-4 Solar PV

Washing Machine and HP Dryer

5+

2-4

5+

Battery

EV + Charger

This homeowner was motivated and already had engaged with a contractor to install heat pumps. We had to work with the contractor on design and sizing, but the end result was positive.

Arlington

Focus on Climate Impact and Comfort



Project Overview

1931 3 bedroom, 2 bath

• Area: 1925 square feet

Heating Fuel: Gas

Previously Completed

N/A: complete remodel

Estimated Impact	
Year 1 CO2 Reduction	83%
Cost Reduction	66%

This was a new purchase and a complete gut renovation. Homeowner has completed all of the year 1 recommendations.

RECOMENDATIONS

Year	Measure
1	Wall/roof spray foam
1	Windows
1	200 Amp Panel
1	Ducted ASHP
1	HPHW
1	Kitchen Hood/Bath Fan
1	Solar PV
1	Induction Range
1	Washing Machine and HP Dryer
2-4	ERV
2-4	EV and charger
2-4	Electric Outdoor Power Equip



Clean Energy Lives Here

Building decarbonization website and marketing campaign

Susan Mlodozeniec Marketing Director, MassCEC



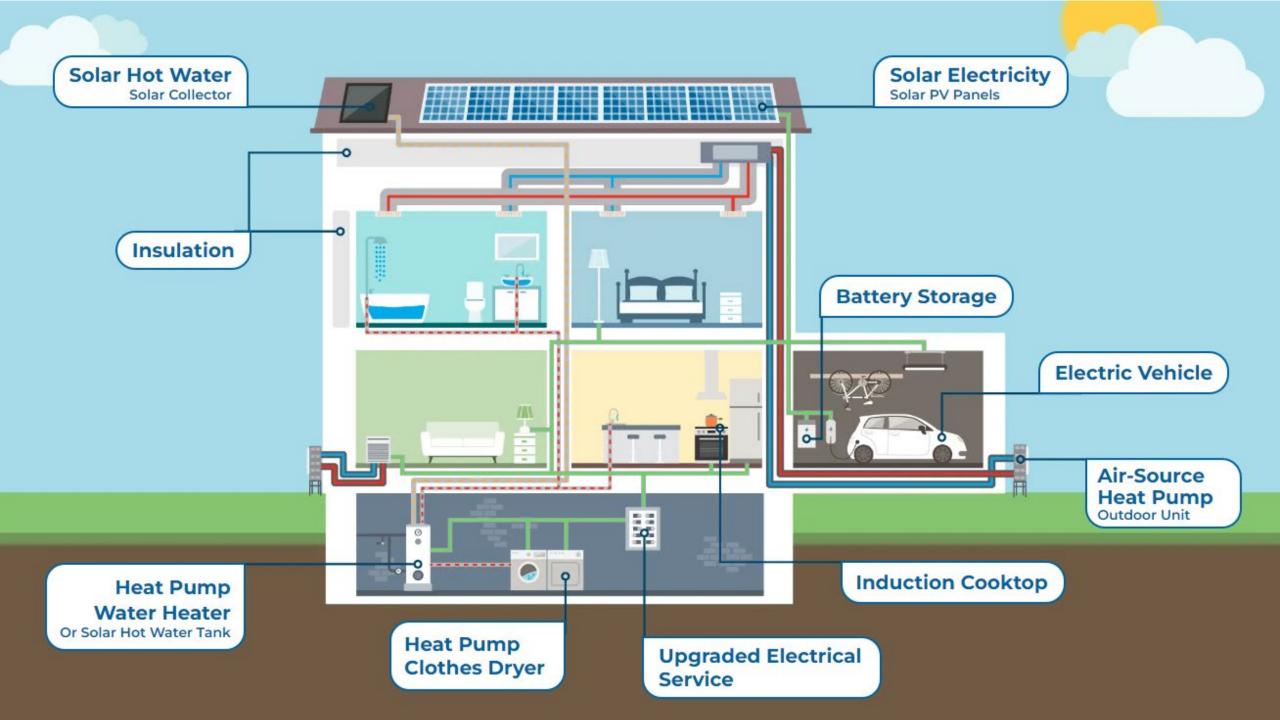




Goals

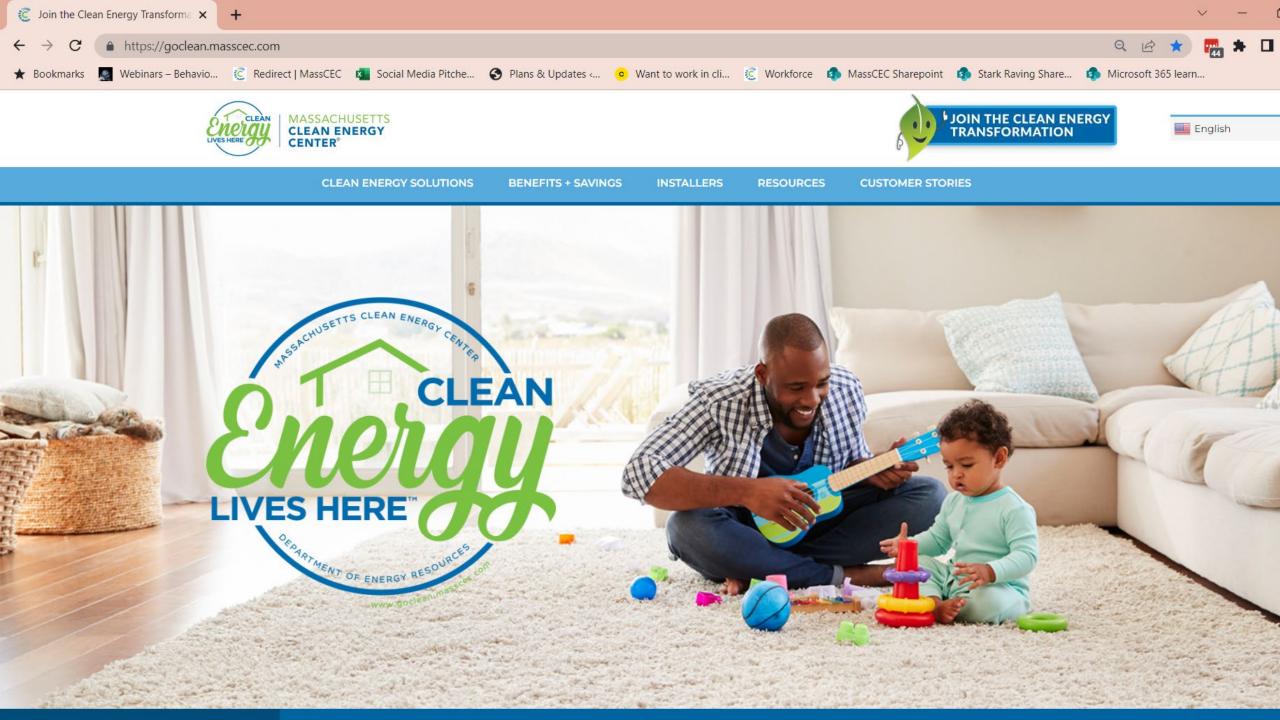
- ✓ Engage consumers on opportunities for home electrification, efficiency, and renewables
- ✓ Provide resources to inform consumer evaluation and decision-making
- ✓ Support residents in developing a long-term plan for transitioning home energy systems prior to failure
- ✓ Connect residents with installers, quote comparison portals, energy coaches, rebates, incentives, and financing options

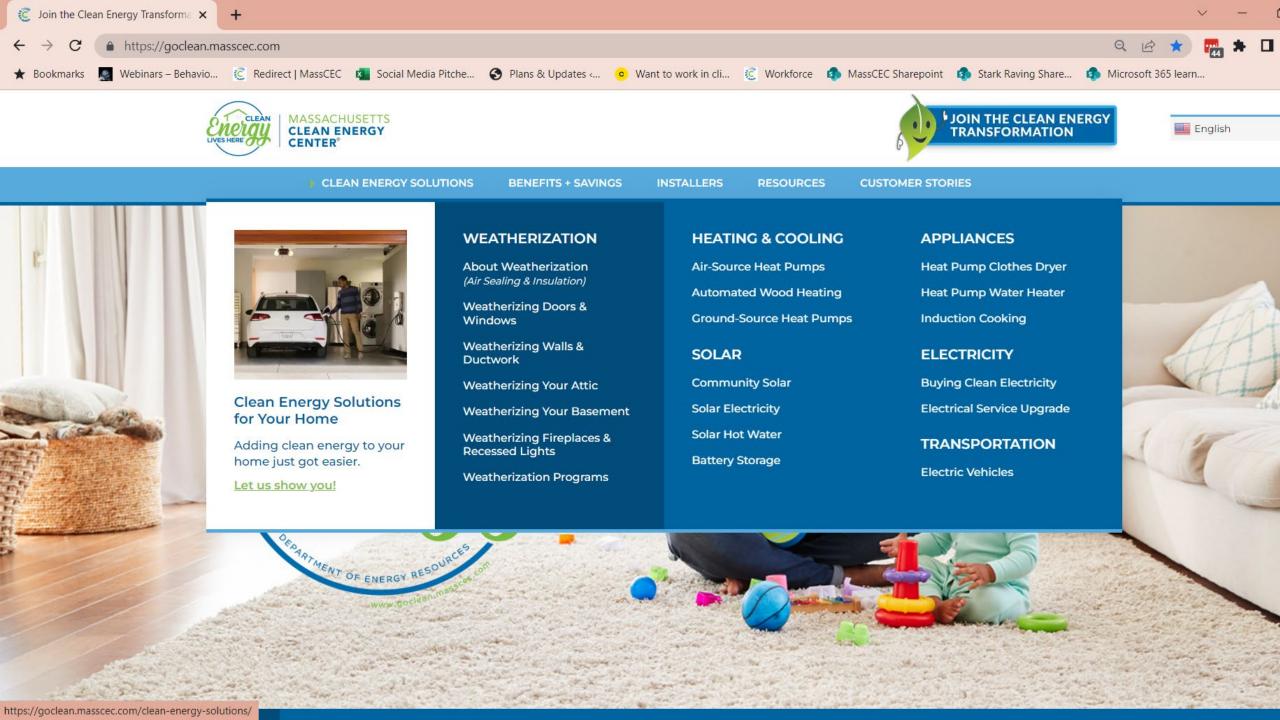




30 second commercial







Window Air Sealing Techniques

Ask This Old House | 5 min. 42 sec.

The This Old House team explains different insulating techniques, including shrink wrap, weather stripping, and caulk. Anything you can do to decrease airflow and leakage will drastically increase comfort and energy savings.





FEATURED CUSTOMER STORY

Nia's New Floor Mounted Air-Source Heat Pump

"Normally the bill is anywhere from \$400 to \$500, and it was more like \$200, I was like, 'Let me look at that again!'"

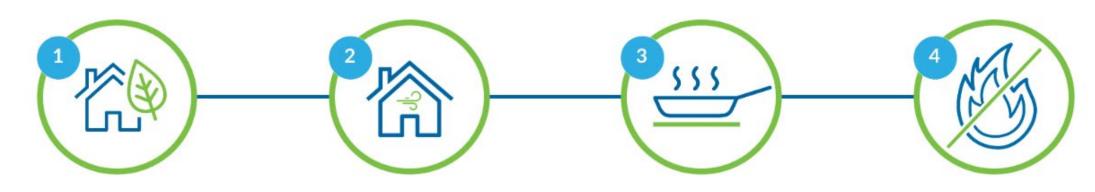
LEARN MORE





BENEFITS OF INDUCTION COOKING

Induction cooktops heat up ~50% faster and are substantially more energy efficient than gas and conventional electric stoves.



Lower greenhouse gas emissions

Lower greenhouse gas emissions compared to gas or propane cooking

Improve indoor air quality

Eliminate toxic emissions released from gas and propane cooking that can lead to asthma and cardiovascular disease

Easier cooking

Induction cooktops cook faster and more evenly than electric, gas, and propane. The flat surface makes cleanup a breeze

Safer

Poses no risk of gas leaks and reduces risk of fires and accidental burns

EVERYTHING YOU NEED TO KNOW ABOUT INDUCTION COOKTOPS



How Induction Cooking
Works

READ ARTICLE >>



INDUCTION STOVETOP

Four Things To Do Before Installing an Induction Cooktop

READ ARTICLE >>



Questions to Ask Your

Appliance Salesperson or Installer

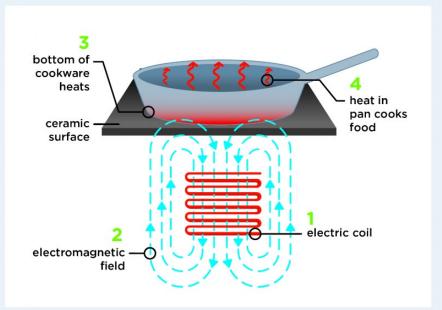
READ ARTICLE >>



Getting the Most From Your New Induction Cooktop

READ ARTICLE >>

Technology Explanation



With induction cooking, electricity flows through a tightly wound coil (1), which generates a magnetic field (2) at the surface of the stovetop. When a pot or pan made of ferrous (or magnetic) material meets the magnetic field, it agitates the molecules within the bottom and sides of the pan (3). The excited molecules result in heat (4)—but only within the material of the cookware itself. Any food in the pan will cook as expected, but all the heat comes directly from the pan rather than a heating element underneath.

INCENTIVES AND FINANCING







MASS SAVE®

Electric Heating and Cooling Rebates: Up to \$15,000 for a whole home ground-source heat pump system. May be up to \$30,000 if your household is eligible for Enhanced Rebates.

MUNICIPAL LIGHT PLANT

If you live in a town served by a <u>Municipal Light</u>

<u>Plant (MLP)</u> check your MLP's website for incentives and rebates.

MASS DEPARTMENT OF ENERGY RESOURCES (DOER)

Alternative Energy Certificates (AECs): Onetime payment provided to homeowners installing ground-source heat pumps. A 2,000 square foot home with a wholehome system could receive around 300 AECs, worth approximately \$1,500-\$3,600.



MASS STATE TAX CREDITS

6.25% Massachusetts Sales Tax Exemption



FEDERAL TAX CREDITS

Inflation Reduction Act: Federal tax credit up to 30% of system cost.



FINANCING OPTIONS

Mass Save® HEAT Loan: Up to \$50,000 at 0% interest over terms of up to 7 years.

FIND AN INSTALLER NEAR YOU

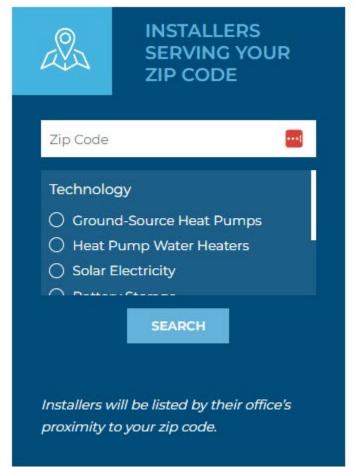
For weatherization and air-source heat pumps, we encourage you to use contractor lists that other organizations maintain.



To schedule a home energy assessment and/or pick a home performance contractor, choose a provider that serves your electric utility.

Mass Save | Energy New England | NextZero







How you can benefit from this campaign

- ▶ Be ready for increased interest in home decarbonization due to advertising from April – July
- ➤ If your business installs residential clean energy technologies, apply to be listed on our Installer page. Become part of the Mass Save® Home Energy Assessor and/or Heat Pump Installer Network if appropriate for your product(s)



- ➤ Refer your clients to <u>CleanEnergyLivesHere.com</u> to self-educate on the benefits of clean energy technologies, how they work, and what incentives/tax credits are available
- ➤ We'd love to hear from YOU!
 - How can we improve the website and campaign?
 - Do you have clients who've finished decarbonization projects and would make a good customer stories? We'd be happy to talk to them! Email us at goclean@masscec.com