



May 15, 2018

Judith Judson, Chair
Energy Efficiency Advisory Council
Commissioner
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: Fourth Statewide Three-Year Energy Efficiency Investment Plans, Years 2019 through 2021

Dear Ms. Judson, Energy Efficiency Advisory Council, Investor Owned Utilities, and Department of Public Utilities:

Thank you for your work to develop and expand nation-leading energy efficiency programs in Massachusetts. We, the undersigned, encourage you to allocate resources via the 2019-2021 Three-Year Energy Efficiency Plan in four strategies. We feel investment in these strategies focused on the building sector broadly, and affordable housing specifically, will help achieve the energy efficiency goals we have as a Commonwealth, and encourage MA to develop better buildings, following the lead of other Northeastern states.

The first strategy is to support Passive House standard Training – Encouraging Passive House standard construction will help drive deep energy savings for the building sector. We see great opportunities for Passive House during this building boom and within MA's affordable housing sector. However, because Passive House is a new construction technique, more training is needed to ensure these projects are built as specified, which will ensure projected savings materialize. It is critical that Passive House training be provided to all general contractors, subcontractors, and consultants working on these projects to ensure quality construction and cost containment. In New York where Passive House is gaining momentum, New York State Energy Research & Development Authority (NYSERDA) partially funded these Passive House Trainings for the first three years to ensure all applicable contractors and consultants became Passive House certified.

- *We suggest the EEAC consider \$1 million of Passive House Training funding via the next Three-Year Plan, which would include training, curricula development, demonstration training equipment, and specialized facility needs, to help drive this innovative building method forward.*

The second strategy is Affordable Multifamily Passive House Pilot Projects – In addition to incentivizing training to ensure contractors and consultants fully understand and apply Passive House construction methods, we believe funding affordable multifamily Passive House pilot projects will be critical to move toward achieving scale in the affordable housing sector.

- *We recommend the EEAC allot up to \$5 million within the next Three-Year Plan to cover any potential Total Development Cost (TDC) gap for emerging affordable multifamily Passive House projects in MA. This initial market investment would generate learnings and approaches that would drive down project costs to standard construction levels. As a condition of receiving this funding, pilot projects could be required to benchmark their projects for at least 5 years to generate adequate post-construction energy savings data. These data could then be referenced*



by lenders post-investment period to inform the systemic underwriting of Passive House projects' projected energy savings if any TDC increases still exist.

The third strategy is Green Design Charrettes for Affordable Multifamily Passive House New Construction – Green design charrettes provide an integrated design process that promotes deep, long-term energy savings through cost-effective decisions. While these charrettes are currently incentivized for a narrow subset of new construction projects, LISC strongly recommends that the EEAC also support green design charrettes for affordable multifamily development teams committed to building new construction projects to Passive House standards.

- *We encourage the EEAC to offer \$7,500 per multifamily affordable Passive House new construction project, for development teams to engage in a “green” or integrated design charrette.*

Finally, the fourth strategy is expansion of the LEAN Multifamily Program to 80% SMI with an accompanying 20% increase in its total budget – From speaking with LEAN Multifamily Program Administrators, our understanding is that flexibility was provided in the last Three-Year Plan for LEAN to provide services to properties with a majority of households up to 80% of State Median Income (SMI). However, this eligibility cutoff is currently determined on a case-by-case basis and not marketed. We think expanding the LEAN Multifamily Program to 80% SMI, which would bring its eligibility guidelines in line with HUD’s definition of low-income, should be fully standardized.

- *We recommend that LEAN’s budget be proportionally increased by up to 20% to ensure all residents at or below 80% SMI are equitably served by this valuable program.*

Ensuring an increase in the number of Passive House standard buildings in Massachusetts, particularly in the affordable housing sector, will help us meet our emissions goals, help our communities be better places to live, and help our buildings be more comfortable places to live and work. We thank you for your leadership in the design of cost-saving, environmentally-beneficial energy services, and ask for your partnership moving forward.

Sincerely,

Mike Davis, AICP, LEED AP BD+C
Senior Program Officer, LISC Boston

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Joe Kriesberg
President and CEO, Massachusetts Association of
Community Development Corporations (MACDC)

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