



**TESTIMONY OF CONSERVATION LAW FOUNDATION REGARDING**

**H. 4371: AN ACT RELATIVE TO CONSUMER ACCESS TO RESIDENTIAL ENERGY INFORMATION**

**Hearing of the Joint Committee on Telecommunications, Utilities and Energy**

**May 2, 2018**

Good afternoon, Chairman Barrett, Chairman Golden, and members of the committee. Thank you for the opportunity to provide testimony on House Bill 4371.

My name is Amy Laura Cahn, and I am a Staff Attorney at the Conservation Law Foundation. CLF is a non-profit, member-supported organization dedicated to conserving natural resources, protecting public health, and promoting thriving communities for all in New England. CLF has been an active participant and intervenor in each iteration of planning for the Commonwealth's energy efficiency programs since this legislature passed the Green Communities Act (GCA) in 2008. CLF was also involved in the creation of the Regional Greenhouse Gas initiative (RGGI) and in the second RGGI Program Review conducted in 2016-2017.

CLF joins with our partner organizations to support the creation of a home energy scorecard program. And, yet, CLF must oppose House Bill 4371 as filed. We urge the bill be amended to ensure RGGI funds remain dedicated to state-mandated energy efficiency programs. This can be accomplished while advancing the bill's goals. Finally, we encourage improvements, so renters fully benefit alongside homeowners.

**Home Energy Scorecards Provide a New Energy Efficiency Tactic**

Massachusetts is the national leader on energy efficiency. We must be. Fully half of our state's energy resources go towards heating and cooling in the building sector. In 2014, residential buildings alone generated over a quarter of the Commonwealth's greenhouse gas emissions. Our collective over-



dependence on heating oil is a sizable part of our contribution to climate change. The Commonwealth is tackling this problem head-on, as we head into planning the fourth cycle of energy efficiency programs.

A no-cost, mandatory home energy scorecard program dovetails with and leverages the Commonwealth's existing energy efficiency programs. This program encourages homeowners to increase home value through efficiency measures and gives buyers a tool to compare potential homes based on energy savings. Many residents move into a home without understanding its energy costs and many remain unaware of available financial support for implementing efficiency measures. The home energy scorecard program creates an opportunity to raise awareness, link qualified participants with existing incentive programs, and produce greater energy savings for more residents.

#### **Massachusetts Can Launch a Home Energy Scorecard Program Without Reallocating RGGI Funds**

Funds generated from RGGI currently support the most cost-efficient mechanisms to reduce greenhouse gas emissions and provide Massachusetts residents with energy savings, maximizing the benefits of our participation in the regional cap-and-trade program. Eighty percent of RGGI auction revenues go directly to utility-run energy efficiency programs, the remainder are deposited in the RGGI Trust Fund for programs in municipal light plant communities and administrative costs.

As written, House Bill 4371 would fundamentally alter this landscape, eliminating the 80% requirement, directing all funds to the RGGI Trust Fund, and allowing money to be allocated generally to "greenhouse gas mitigation and climate change adaptation." This bill broadly expands the range of possible uses for RGGI funds and creates a slippery slope toward using this money for other purposes whenever it's expedient – for instance, to cover state budget shortfalls. Experiences in other states have shown this to be a legitimate problem. That's not where this money belongs. We have achieved so much



in Massachusetts because we have resisted this impulse and used our RGGI funds effectively and for their highest and best use—to fund efficiency, our lowest cost energy resource.

We can achieve the goals of the bill without repurposing RGGI funds or jeopardizing existing energy efficiency efforts. The home energy scorecard program *is* an energy efficiency program. Pursuant to the GCA, the Commonwealth can fund the program from RGGI revenues with only minor changes to the existing allocation—and then can and should pursue new and needed revenue sources for investments into mitigation and adaptation.

### **An Improved Energy Scorecard Program Could Benefit Renters, Too**

CLF will support this bill if amendments are made to avoid this RGGI raid problem. That said, we also encourage amendments to ensure the program assists potential renters with the same no-cost tools provided homeowners. We understand that the Department of Energy Resources intends to extend this program to apply to rental properties as it is phased in and scaled up. That intent should be made explicit in the bill. Just as a homebuyer should factor efficiency into home value, renters need tools to understand, budget for, and reduce energy costs. While many homeowners still have not accessed existing energy efficiency incentives, rental units are the least likely to contain energy efficient features and renters have been one of the hardest populations to connect to these resources. With a shortage of affordable housing, the housing cost burden on renters is severe, and landlords should be incentivized to make common sense and cost-effective improvements to their rental properties that can lower tenants' energy bills.

A home energy scorecard can help a renter choose a more efficient and more affordable rental unit, tap into existing efficiency programs, better understand energy consumption, and negotiate with landlords for upgrades. Requiring disclosure of energy efficiency scores will hopefully also encourage



landlords to invest in improving the quality of rental housing stock overall. Renters pay into our energy efficiency programs; we should apply the same creativity and resources to reducing their costs as we do for homeowners.

Massachusetts can and should launch a home energy scorecard program—in a manner that benefits residents across the board, and without redirecting RGGI funds. We look forward to working with the Baker Administration and this legislature to make this happen.