

Cape & Vineyard Electrification Offering Overview
Massachusetts Department of Public Utilities Docket DPU 20-40

Background on Cape & Vineyard Electrification Offering (CVEO)

The Cape Light Compact (Compact) is proposing to include CVEO as part of its energy efficiency programs. CVEO combines home weatherization from the Compact's historically successful energy efficiency programs with three technologies: cold climate air source heat pumps ("ccASHP" or "heat pump"); battery energy storage; and solar photovoltaic ("PV") arrays.

CVEO is focused on serving low- and moderate-income customers because this customer group is currently installing these technologies at low rates in comparison with non-income qualified customers. This disparity exists because all three technologies have a high cost to purchase and install. While solar PV systems and heat pumps save customers money in the long run, low- and moderate-income customers do not have the means to afford the high upfront cost to install these technologies. In addition, they are often unable to qualify for loans or other financing to install these measures.

CVEO is a cost-effective solution for low- and moderate-income customers to reduce overall customer energy usage, offset increased electric usage from heat pumps with renewable generation, and provide storage for active demand reduction and resiliency purposes.

By participating in CVEO, eligible low-income customers will receive all three technologies at no cost and moderate-income customers will receive all three technologies at a greatly-reduced cost. The Compact aims to serve 150 low-income and 100 moderate-income customers through CVEO within the 2020-2021 timeframe.

In order for the Compact to include CVEO as part of its energy efficiency program, the Massachusetts Department of Public Utilities (DPU) must approve CVEO. The DPU has opened a proceeding, MA DPU 20-40, on CVEO and is seeking public comment on CVEO.

What are the benefits of CVEO?

CVEO will deliver cost-effective energy savings and greenhouse gas (GHG) emissions reductions by replacing fossil fuel-based or electric resistance heating systems with cold climate heat pumps that efficiently use electricity for space heating and cooling. The electricity usage of the heat pumps will be offset by the installation of solar PV systems that produce renewable electricity on site, which will avoid adding new load to the grid. The battery storage system installed as part of CVEO will help save all ratepayers money by reducing the region's peak demand, and will provide a source of backup power for participants in the event of an outage.

The total proposed budget for CVEO is approximately \$10.3M for 2020-2021. Overall, CVEO has a benefit-cost ratio of 2.5 and is expected to deliver over \$29 million in benefits to Cape and Vineyard customers.

Who can participate?

Customers on Cape Cod and Martha's Vineyard who meet the following eligibility requirements are eligible to participate in CVEO:

- Are low- or moderate-income (less than or equal to 80% of state medium income)
- Heat with oil, propane, or electric resistance baseboard heating systems

- Reside in a deed restricted property (applicable to low-income only)
- Have completed an energy efficiency audit within the last two years and have implemented all recommendations
- Will be able to implement all three technologies in their home
 - Have a suitable home/site for all three technologies

How can you support CVEO?

You can submit a letter to the Massachusetts DPU. The DPU is accepting written comments on CVEO through Monday, August 10, 2020. You can submit comments via email to peter.ray@mass.gov and copy sarah.smegal@mass.gov, jbernstein@bck.com and aeidelman@bck.com.