



Posterity Group Draft Opening Statement for M12780 – Application by EfficiencyOne for Approval of the 2027-2031 Demand-Side Management (DSM) Resource Plan

Date Submitted: July 29, 2026

POSTERITY GROUP – OPENING STATEMENT

Thank you for the opportunity to provide this opening statement. I am pleased to attend today on behalf of Eastward Energy to discuss the evidence filed by Posterity Group.

Custom New Construction Program Baseline

Our evidence highlights a fundamental issue with the current design of the Custom New Construction Program (the Program). As structured, the Program measures electricity savings against a baseline intended to demonstrate building code compliance, rather than a baseline that reflects the heating equipment and fuel choices a customer would reasonably have made in the absence of the Program. While comparing against a minimally compliant building is appropriate for assessing energy code compliance, it is not appropriate as a DSM measure baseline with respect to fuel choice.

As a result, the Program can create incentives for and attribute savings to projects that increase electricity consumption and peak demand relative to what would otherwise have occurred. This is particularly relevant in situations where a participating customer would have selected natural gas or another non-electric fuel source for space heating had Program incentives not been available.

Custom New Construction Program Incentive Structure

Our evidence also identifies an issue with the Program's incentive structure. Incentives are determined using a tiered approach based solely on electrical energy savings, with no direct consideration of peak demand impacts.

While hybrid heating systems are eligible under the current Program, the incentive structure does not recognize or reward their ability to reduce peak electricity demand. Consequently, solutions that can help manage system peaks and potentially avoid future electricity system investments receive little recognition.

In our view, a Program design that more fully reflects both customer decision-making and system-level impacts would better align incentives with outcomes that support reliability and reduce system costs over time.

Again, thank you for the opportunity to provide this opening statement.

