

NEW CONSTRUCTION & MAJOR RENOVATIONS

Memorandum of Understanding for Path 1: Zero Net Energy / Deep Energy Savings

The Path 1, Zero Net Energy (ZNE)/Deep Energy Savings Program (the “Program”) is intended for customers pursuing a ZNE or zero net ready building and who also are interested in maintaining focus on the Energy Use Intensity (EUI)¹ reduction component of ZNE. To participate, customers must commit to a very low EUI target and must pursue that target throughout design and construction as well as through post occupancy. The Mass Save Sponsors² offer incentives to help customers offset the incremental costs associated with designing and implementing low EUI strategies. The technical assistance and incentives offered in this pathway focus customers and project teams on post occupancy outcomes.

Project Eligibility:

1. **Project teams must commit to a goal of either zero net energy, zero net energy ready³ or Passive House (as a path to net zero)**
2. **Customer must engage Mass Save Sponsor(s) during the project’s feasibility or conceptual design phases, but before 50% Schematic Design**
3. **Projects must have a minimum of 20,000 square feet of comfort conditioned (heated and cooled) space**
4. **Projects must anticipate year-round occupancy. For K-12 schools, this requirement includes a minimum of 4 weeks of anticipated summer use in classroom areas.**
5. **Building must be separately metered (not on same utility meters as other buildings)**
6. **Projects must be new buildings or major renovations. A major renovation would qualify for this Program if the scope is such that occupancy is not possible during construction and where scope includes at least 3 of the following 5 systems: (1) HVAC, (2) DHW, (3) lighting, (4) envelope, and (5) process equipment**
7. **Core and shell and multi-family projects may not participate in Path 1 at this time**
8. **Projects where scope includes Combined Heat and Power (CHP) are not eligible for participation in Path 1**
9. **Participants must be a customer of one of the Mass Save Sponsors**

Key Customer Commitments:

1. Project teams must be willing to target a **25.0 site EUI or less**. An exception may be requested (or necessary) if 25.0 EUI is not reasonable due to building type, hours of operation or because some percentage of the building is semi-conditioned. In these situations, participants alternatively may pursue a site EUI target representing a minimum 25.0% EUI reduction (for electrically heated buildings) or 40.0% EUI reduction (for non-electrically heated buildings) from the Mass Save baseline. Mass Save Sponsors must approve any exceptions, and any EUI target shall not be greater than 75 in this pathway. ⁴
2. Include ZNE or ZNE ready goal and the EUI target in the project documents, including the Owner Project Requirements (OPR)

¹ Energy Use Intensity (EUI): A measure of a building’s gross annual energy consumption (excluding parking garages) relative to its gross square footage (excluding parking garages; penthouse square footage should also not be included, as it is not conditioned space). EUI is calculated as KBtu per square foot per year.

² The Mass Save Sponsors are National Grid, Eversource, Unitil, Columbia Gas, Cape Light Compact, Liberty Utilities, Blackstone Gas Company, and Berkshire Gas. To determine your Mass Save Program Sponsor(s), please visit <https://www.masssave.com/en/saving/business-rebates>.

³ Zero Net Energy Building: A building that produces as much clean, renewable energy as it uses when measured over a one-year period. Zero Net Energy Ready Building: Projects that are not able to add renewables on site right away but achieve the EUI Target set for the project.

⁴ Electricity generating renewables, such as Photovoltaics (PV) or wind turbine technology, do not contribute towards the site EUI target.

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3. Agree to cost share the services of the Mass Save ZNE expert
4. Continuously monitor the predicted EUI of the project with iterative energy modeling throughout each phase of design. Design team's energy model should meet the requirements of ASHRAE 90.1 G2.2.
5. Commission the building to levels equivalent to the LEED BD&C Version 4 Fundamental Commissioning and Verification Prerequisite and the LEED BD&C Enhanced Commissioning credit (Option 1, Path 1) and Envelope Commissioning credit (Option 2)
6. Establish a plan for determining how the building's site EUI will be calculated once the building is operational, and identify the responsible parties
7. Ensure electric vehicle charging stations are separately metered
8. Ensure any on site generation is separately metered
9. Ensure any unconditioned spaces are separately metered
10. Meet the requirements of ASHRAE 90.1-2016, para. 8.4.3 related to metering and data storage
11. Commit to continued engagement with Mass Save Sponsor(s) through a one-year post commissioning, post occupancy period

Key Mass Save Sponsor Commitments:

1. Cost share with the customer the services of a ZNE expert (50% of fee up to \$10,000 cost share) to help the project team develop a roadmap to low EUI and ZNE success.
2. Offer project incentives on a dollar per square foot basis up to \$2.25/sf. See Table 1 below.
3. Offer \$3,000 toward zero net energy or Passive House certification.
4. Offer up to \$15,000 in Design Team Incentives. See Table 2 below.
5. Offer an optional Verification Incentive to help customers achieve their predicted EUI upon operation. See Table 1 below.

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This document outlines the roles and responsibilities of each party to set transparent expectations for all parties participating in the Program. Under no circumstances does this Memorandum require customers or design teams to incorporate any particular EUI reduction strategy, nor does this document bind the customer or design team to a particular EUI target. All assistance offered by Sponsors through this Program is offered in an advisory capacity only.

The Mass Save Sponsors understand that the following customer:

_____ (“The Customer”)

will undertake the following (check one)

- new construction
- major renovation,
- addition

_____ (“Premises”)

This project is being designed by the following design professionals (collectively, the “Design Team”):

_____ (“Architect”)

_____ (“Electrical Engineer”)

_____ (“Mechanical Engineer”)

Participating Mass Save Sponsors:

_____ (“Electric Sponsor”)

_____ (“Gas Sponsor”)

IMPORTANT:

Customers participating in this pathway may not also participate in the Mass Save *upstream* programs where incentives for HVAC, domestic hot water, food service and lighting equipment are offered directly to distributors. To ensure participation in only one Mass Save program pathway, designers must include language in project documents informing contractors that this project is participating in a Mass Save downstream program pathway, and that they may not pursue or accept any HVAC, domestic hot water, food service or lighting upstream incentives for this project.

Detailed Process:

Step 1 – Customer Engagement with Mass Save

Customers may reach out to Mass Save Sponsors even before they select the Owner’s Project Manager (OPM) and Designer. Very early engagement allows Mass Save Sponsors to provide guidance on language to include in OPM and designer services Requests for Services (RFSs) related to zero net energy and low EUI targets. Once the design team has been selected and zero net energy is a clear goal, the customer will re-engage with Mass Save Sponsors in conceptual/early feasibility or early schematic design. Initial conversations will focus on EUI target setting and confirmation that customer and design team goals align with the program requirements.

Step 2 – EUI Target Setting and Developing a Roadmap to Meet the EUI Target

The target EUI for projects participating in this pathway is a site EUI of 25.0 or less or an alternative percent reduction target in accordance with key customer commitment number 1 above.

- Projects pursuing an EUI of 25 or less – Mass Save Sponsors will engage a ZNE specialist to provide technical assistance and ZNE planning throughout design
- Projects pursuing the 25.0% or 40.0% reduction scenarios – Mass Save Sponsors will engage a ZNE specialist to help determine a 25.0% or 40.0% EUI reduction target. The specialist will also help the design team with developing strategies and a pathway for getting the design to achieve the target.

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Once the Mass Save Sponsors confirm the customer is eligible for participation in this ZNE pathway, customers will be required to sign an Engineering Services Agreement (ESA) and commit to cost sharing the services of the ZNE specialist.

Step 3 – Design

Once the EUI target is established, it should be written into the project documents, including the OPR, where it will serve as a touchstone throughout the rest of design and construction. The project team will pursue the EUI target throughout design and will conduct the iterative energy modeling necessary to ensure the design remains on track to achieve the target EUI.

In addition to the feasibility and early schematic design technical support and ZNE road mapping services, the Mass Save ZNE specialist will review the project documents at the end of Schematic Design and at mid design development, and then will provide reports back to the team with any further recommendations and considerations.

Customer must make final cost share payments to the ZNE specialist once the ZNE specialist's work is complete at the end of design development.

Customer must ensure a commissioning contract is in place that meets the requirements of this Program. Provide a copy of the commissioning scope of services to Mass Save Sponsor(s).

If the customer is pursuing an EUI target through the 25.0% or 40.0% reduction from Mass Save baseline option, the EUI target will be estimated during the early feasibility and schematic design phases, but will not be locked in for purposes of incentives until the Mass Save Sponsor confirms its baseline EUI based on the 100% Design Development set. Once Mass Save Sponsors have reviewed that set, Mass Save Sponsors will lock in the target EUI. The target EUI will remain locked for purposes of incentives unless there are major design changes between 100% design development and 100% construction documents, including, but not limited to, HVAC system type changes and space type changes.

Step 4 – Planning for EUI Data Collection and Corrective Action

Customers must consider how they will determine the post occupancy EUI of the project in coordination with their Mass Save Sponsor(s) and determine who will be responsible for collecting the data. Thought should be given to corrective action if at post occupancy the project is straying from the final design EUI. The project must comply with ASHRAE 90.1-2016, para. 8.4.3 related to metering and data storage, and it is recommended that the project team consider submetering in accordance with the LEED BD&C v4 Energy and Atmosphere Advanced Energy Metering credit, which requires submetering of any individual energy end uses that represent 10% or more of the total annual consumption of the building.

An optional Verification Incentive is available to help customers identify issues that may arise related to energy savings post construction (please request the Mass Save Sponsor's scope of work for more details). The Mass Save Sponsors will reimburse 50% or up to \$10,000 of the fee associated with this work. Customers must decide during design if they wish to pursue this incentive so that a contract can be put in place.

Step 5 – Mass Save Incentive Pre-Approval

At the end of design, the design team must complete a final energy model representative of the final design. If the design team's energy model affirms the design will achieve the target EUI, the Mass Save Sponsor will pre-approve an incentive of \$1.25/sf. If the customer has a contract in place for the Verification Incentive scope, this incentive component will be pre-approved as well.

An additional \$1.00/sf incentive will be available after the one-year post occupancy period if the project achieves the target EUI in practice (see Step 7 for details on when the post occupancy period begins). If the design team's model does not achieve the target EUI (either a 25.0 EUI or a 25.0%/40.0% reduction in EUI from the Mass Save baseline), the project will shift out of the Path 1 ZNE/Deep Energy Savings participation pathway but continue participating with Mass Save Sponsors in the Path 2 Whole Buildings EUI Reduction Pathway (contact your Mass

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BLACKSTONE
GAS COMPANY



Columbia Gas®

EVERSOURCE

Liberty Utilities

nationalgrid

Unitil

Save Sponsor for more details).

Mass Save Sponsors will require customers to sign:

1. Custom application, formally requesting Mass Save incentives, and
2. The Mass Save Minimum Requirements Document (MRD), which lays out the energy-using equipment and system details that will lead the project to achieve the target EUI.

Customers must commit to constructing the building as it was designed and as it was documented in the MRDs. Major deviations from the design and specific equipment included in the design could jeopardize the project's ability to achieve the target EUI and could jeopardize the customer's opportunity to obtain full incentives.

At the end of design, Mass Save Sponsors will also request pdfs of the Final Design Documents. Mass Save Sponsors will conduct further analysis at their own expense to determine more granular information regarding Mass Save program energy savings. Mass Save Sponsors will share the design documents with at least one additional vendor at their discretion at this time.

Table 1. Summary of Customer Incentives*	
Construction Incentive	\$1.25/sf
Post Occupancy Incentive	\$1.00/sf
ZNE or PH Certification Incentive	\$3,000
Optional Verification Incentive	50% of fee up to \$10,000

*Customer incentives are capped at 100% of the combined incremental cost of the EUI reduction strategies included in the project. Projects must be cost-effective to receive the full customer incentive and are subject to each Mass Save Sponsor's program budget.

Step 6 – Construction Completion and Construction Phase Incentive Payment

A few weeks before substantial completion, customers must provide a set of approved submittals, invoices and photographs corresponding with major equipment that is key in attaining the predicted EUI. Sponsor(s) may also request a copy of the project's schedule of values.

All projects participating in the Program are subject to inspection by each participating Mass Save Sponsor. Customers may be asked to arrange for these post inspections to take place once the building is ready for occupancy.

Upon Mass Save Sponsor review of submittals, invoices and photographs, and upon completion of the post inspection, Mass Save Sponsor(s) will make the \$1.25/sf construction incentive payment to the customer and will make the design team incentive payment. Where equipment and systems installed deviate substantially from equipment and systems shown in the design documents, Mass Save reserves the right to adjust the customer and design team incentive amounts.

The design team is eligible for a Design Team Incentive (DTI) at construction completion if the customer's construction payment is approved. DTI rates, offered per Table 2 below, encourage the integrated design and continuous iterative energy analysis that is necessary to achieve the EUI target.⁵ Mass Save Sponsors pay the DTIs to the design team lead (an invoice is required), who may disperse them to other team members as appropriate.

⁵ Where the project has a contract that may restrict payments to the design team (as can happen with some municipal projects), it is the responsibility of the design team lead to work with the customer to ensure that the design team can obtain design team incentive payments per this program offering.

Table 2. Design Team Incentives

Calculated at \$0.20/sf and capped at \$15,000, but not less than \$8,000 per project

Step 7 – Post Occupancy Incentive, Verification Incentive, and Certification Incentive

Once the building is functioning in a steady state (at anticipated occupancy and operating as intended), the customer and the Mass Save Sponsor(s) agree to begin the Mass Save Performance Period, which will last for one year. At the end of the Mass Save Performance Period, the customer is responsible for supplying the post occupancy energy usage (including utility bills, delivered fuel usage, and on-site generation), which is subject to Mass Save Sponsor review.

As described in Step 4, customers may optionally choose to pursue a Verification Incentive from Mass Save Sponsors. Regardless of whether the customer pursues the Verification Incentive, the Mass Save Performance Period as it relates to the post occupancy incentive will begin once the customer affirms:

- The metering system is set up and operating properly per ASHRAE 90.1-2016, para. 8.4.3 and as verified by the commissioning agent.
- All corrective action the customer intends to take as a result of the Verification Team’s scope of work has been completed.
- The occupancy and use of the building have reached a “steady state.”

If, at the end of the Mass Save Performance Period, the building achieves an operational EUI, which, when adjusted for weather by the Mass Save Sponsors, achieves the target EUI, the Mass Save Sponsors will pay the customer the additional \$1.00/sf incentive for this Program. The post occupancy EUI is adjusted for weather so that customers are not unfairly penalized for particularly harsh weather and are not unfairly benefitted by particularly mild weather.

If the customer opts to certify the project as net zero in accordance with LEED Zero or the International Living Future Institute’s (ILFI’s) Living Building Challenge 4.0 (including Zero Carbon, Zero Energy, CORE, Petal or Living Certification), the New Buildings Institute’s (NBI’s) zero energy standards, or if they receive Passive House certification from either PHIUS or PHI, Mass Save Sponsors will pay a \$3,000 certification incentive.

Disclaimers

Except for payment of incentives as set forth hereunder, the Mass Save Sponsors do not make any representations, warranties, promises or guarantees in connection with the Program, energy conservation measures (ECMs), EUI reduction strategies, energy savings, benefits, adequacy or safety of ECMs or other items, or any work, services or other item performed in connection with the Program including, without limitation, the warranty of merchantability or fitness for a particular purpose. Also, other than the (i) energy cost savings realized by Customer, (ii) energy or ancillary service market revenue achieved through market sensitive dispatch, (iii) alternative energy credits, and (iv) renewable energy credits (altogether, the “Customer Credits”), the Mass Save Sponsors have unilateral rights to apply for any credits or payments resulting from the Program or ECMs (the “Sponsor Credits”). Such Sponsor Credits include but are not limited to credits and payments for: (a) ISO-NE capacity, (b) forward capacity credits, (c) other electric or natural gas capacity and avoided cost payments or credits, and (d) demand response program payments. Customer waives, and agrees not to seek, any right to any Sponsor Credit. The Mass Save Sponsors are not responsible for the payment of any taxes assessed by federal, state or local governments on either benefits conferred on the customer by the Sponsor(s) or design incentives paid to the design team.

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By signing below, the customer represents that he/she (1) shall be the sole and lawful customer of the Premises and (2) has read, understands, accepts and agrees to the terms and conditions for participation in the Program outlined above.

Customer Signature: _____

Customer Printed Name: _____

Date: _____

Email: _____

Phone: _____

Architect Signature: _____

Architect Printed Name and Company Affiliation: _____

Date: _____

Email: _____

Phone: _____

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Process Checklist

Path 1: ZNE/Deep Energy Savings Program

Pre-Design Phase

- If possible, engage Mass Save Sponsor(s) before hiring an Owner's Project Manager (OPM) and design team. The Mass Save Sponsors can offer request for proposal or request for services (RFP/RFS) language and questions to help customers select a designer or OPM with zero net energy (ZNE) project experience.
- Incorporate zero net energy (ZNE) goals and/or low Energy Use Intensity (EUI) goals into the RFP/RFS for OPM services and designer services

Feasibility and Early Schematic Design Phases

- Once design team is hired, re-engage Mass Save Sponsor(s) to ensure this Program is a good fit
- Sign Mass Save Memorandum of Understanding (MOU)
- Sign an Engineering Services Agreement (ESA) confirming customer is willing to cost share the services of a ZNE expert that Mass Save sponsor(s) would bring to the project
- Establish EUI target and a roadmap for achieving the target
- Add ZNE goal and EUI target to Owner Project Requirement (OPR) and provide Mass Save Sponsor(s) with a copy
- Conduct iterative energy modeling throughout design to ensure the project is tracking toward the EUI target
- Establish a plan for calculating site EUI once the building is operational; identify responsible parties and consider tools that will flag unexpectedly high energy use (e.g., submetering)
- Ensure that a commissioning contract is in place that meets the program requirements and provide copy of commissioning scope to Mass Save Sponsor(s)
- If pursuing the Verification Incentive, establish a contract with the Verification Team to complete this work and provide a copy of the contract that includes the scope of work necessary to obtain the incentive to Mass Save Sponsors.

Mid Design

- Continue to conduct iterative energy modeling throughout design to ensure the project is tracking toward the EUI target
- Provide 50% or 100% Design Development set to Mass Save ZNE expert for review and team feedback/discussion
- Designers must include language in project documents informing contractors that this project is participating in a Mass Save downstream program pathway, and that they may not pursue or accept any HVAC, food service, domestic hot water or lighting upstream incentives for this project
- Finalize customer cost share payments to the ZNE specialist upon receipt of the specialists' Design Development Review Report

End of Design – Upon Completion of Design Team's Energy Modeling

- Provide the design team's energy modeling report based on 100% Construction Documents to Mass Save Sponsor(s) showing the predicted EUI of the project's final design. If the EUI target is met, move forward in Path 1 below. If the EUI target is not met, move forward with Path 2 (consult your Mass Save Sponsor).
- Sign the Custom Application in the pre-installation section, formally requesting Mass Save Sponsor incentives
- Sign the Minimum Requirements Documents (MRD) in the pre-installation section – affirming intent to build in accordance with the equipment and systems identified in the MRDs

Construction/End of Construction Phase

- Maintain focus on the project components such that the predicted EUI is maintained as a target throughout construction
- Provide submittals, invoices, photographs and possibly a contractor schedule of values at the end of construction to affirm that major equipment and systems contributing to the predicted EUI have been installed
- Schedule a post installation walk-through with Mass Save Sponsor(s)
- Sign the Custom Application in the post-installation section to confirm project is complete and ready for occupancy
- Sign the Minimum Requirements Document (MRD) in the post installation section to confirm that equipment and systems have been installed as expected to contribute to the predicted EUI.
- Mass Save Sponsor(s) will pay customer's construction incentive if equipment is installed as expected
- Design Team Lead to submit an invoice for the Design Team Incentive
- Mass Save Sponsor(s) will pay the Design Team Incentives if equipment is installed as expected

Mass Save Performance Period

- Once the project reaches a steady state of occupancy and operation, provide Mass Save Sponsor(s) with an affidavit that confirms the metering system is set up and operating properly per ASHRAE 90.1-2016, para. 8.4.3 as verified by the commissioning agent, all corrective action customer intends to take related to energy use has been taken, and the building's occupancy and operation are in a steady state.
- Customer will provide Mass Save Sponsors with one year of post occupancy usage (including utility bills, delivered fuel usage, and on-site generation) after the beginning of the Mass Save Performance Period
- Mass Save Sponsors will review the data and true up the EUI date to adjust for weather
- If weather adjusted EUI meets the target EUI, Mass Save Sponsors will make the \$1.00/sf post occupancy payment
- If customer opted for the optional Verification Incentive, provide Mass Save Sponsors with copies of reports from each review interval
- Mass Save Sponsor(s) will make a \$3,000 certification support payment if customers certify their projects as net zero in accordance with LEED Zero or the International Living Future Institute's (ILFI's) Living Building Challenge 4.0 (including Zero Carbon, Zero Energy, CORE, Petal or Living Certification), the New Buildings Institute's (NBI's) zero energy standards, or if they receive Passive House certification from either PHIUS or PHI

7/29/2020

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