



MEETING MINUTES

Wednesday, March 24, 2021

Virtual Meeting via Zoom

Councilors Present: Greg Abbe (for Jennifer D Maddox), Cindy Arcate, Jo Ann Bodemer (for Maura Healey), Amy Boyd, Cindy Carroll, Hammad Chaudry (for Stephanie Terach), Tim Costa, Michael Ferrante, Paul Gromer, Maggie Downey, Frank Gundal, Charlie Harak, Elliott Jacobson, Paul Johnson, Deirdre Manning, Maggie McCarey (Chair), Cammy Peterson, Chris Porter, Robert Rio, Catherine Rollins (for Justin Davidson), Dennis Villanueva, Sharon Weber (for Martin Suuberg), Mary Wambui

Councilors Absent: Jane Lano, Andrew Newman

Consultants Present: Eric Belliveau, Adrian Caesar, Griffith Keating, Jeff Schlegel, Matt Socks

DOER Staff Present: Rachel Evans, Ian Finlayson, Emily Powers Webb, Commissioner Patrick Woodcock

1. Call to Order

McCarey, as Chair, called the meeting to order at 1:03 PM.

2. Public Comment

Mark Lukitsch (Beth Israel Deaconess Medical Center)

Lukitsch echoed written comments in four areas put forward by A Better City during the February Council meeting on deep energy retrofit pilots, particularly for high rise buildings looking to meet net zero requirements. Lukitsch also recommended that the PAs investigate the impacts of phasing out CHP benefits, explore enhanced incentives for biogas CHP systems, and provide appropriate incentives for remaining lighting projects.

Claire Müller (Unitarian Universalist Mass Action)

Müller commented that the Council is overdue in weaving equity into all programs. Müller expressed concerns that cumbersome income verification processes are barriers to equitable

program delivery, emphasizing that the pandemic has highlighted financial hardship experienced by many. Müller added that program plans must include accountability in order to make equity a serious consideration, as our reality is racialized and stratified in the Commonwealth.

Kai Salem (Green Energy Consumers Alliance)

Salem suggested that the greenhouse gas (GHG) reduction target set in the 2022-2024 Plan are commensurate with achieving a 50% reduction in emissions by 2030. Salem commented that meeting energy savings and climate goals, including the installation of one million heat pumps by 2030, would require improved program performance, but Mass Save programs are not the only means to reach these goals. Salem stressed the importance of program equity and accessibility, and expressed support for enhanced incentives for customers earning 61-100% state median income (SMI).

Caitlin Peale Sloan (Conservation Law Foundation)

Peale Sloan indicated that Eugenia Gibbons submitted a letter supporting enhanced incentives for HVAC services for customers at 61-80% SMI. Peale Sloan thanked the Council for engaging with the Equity Working Group. Peale Sloan also advocated for strong goals related to workforce diversity and engagement with underserved populations.

Steve Cowell (E4TheFuture)

Cowell commented that clear definitions of environmental justice, underserved communities, and moderate income need to be established to allow for accurate process evaluations and data reporting. Cowell recommended targeted marketing for customers that have already installed heat pumps, as well as declining incentives as heat pump system sizes increase since the current structure encourages oversizing systems. Lastly, Cowell suggested the adoption of electric vehicle charging stations and storage are incorporated into performance incentives for program administrators (PAs).

Heather Takle (Power Options)

Takle commended EWG efforts to improve equitable participation and recommendations on municipal partnerships to reach underserved communities. Takle highlighted the need for access to capital and increased incentives for nonprofits as it relates to reaching GHG reduction goals. Takle also commented that effective outreach will be critical for successful partnerships since program eligibility requirements and incentive structures can be barriers to participation if not well communicated.

Paulina Casasola (Clean Water Action)

Casasola shared support for public comment submitted by Healthcare Without Harm. Casasola noted that addressing participation barriers for BIPOC, language isolated, and other marginalized groups is critical. Casasola recommended no-cost incentives for 61-80% SMI customers and a sliding incentive scale for 81-100% SMI customers to encourage participation.

Doug Denny-Brown (pathZERO Energy)

Denny-Brown indicated that a new technology with large energy savings potential has been imported from the United Kingdom and cleared the Massachusetts Technical Assessment Committee (MTAC) screening process in only one year. Denny-Brown urged the Council to

expand MTAC resources and encourage the adoption of new technologies throughout the 2022-2024 implementation term. Denny-Brown said the timeline to incorporate new measures into programs should be quicker, but resource constraints delay the timeline for adoption.

3. Council Updates & Business

Virtual Meeting Procedure Review

McCarey reviewed the virtual EEAC meeting procedures, which included the following:

1. The Council meetings would be recorded.
2. All attendees except for Councilors and presenters would remain muted for the duration of the meeting.
3. Councilors would hold comments until the end of presentations, but Councilors and other participants should speak instead of using any chat functionality.
4. Councilors who disconnect from meetings need to announce when they rejoin.
5. All Council votes would be taken by a roll call for accuracy.

McCarey noted that DOER has been working with PAs to summarize public comment for distribution to Councilors.

4. Resolution Concerning Council Priorities for the 2022-2024 Three-Year Energy Efficiency Plan

Commissioner Woodcock said the Resolution effectively highlights equity, electrification, and GHG emissions reductions as key priorities. McCarey requested Councilor feedback on highlighted priorities, which would lead to a vote on the Resolution. McCarey reiterated that the Resolution focuses on high-level 2022-2024 priorities, in addition to the desired outcomes tied to each priority.

Council Discussion

Harak indicated the language on blower door testing on Page 9 could be interpreted as requiring testing in every building or implementation of protocols to determine when testing is appropriate. Harak also noted the EWG did not reach a consensus on revising the income verification process, and the examples included on Page 22 footnotes were only discussed.

Johnson opposed the Resolution because the focus on heat pumps should be redirected toward weatherization. Johnson said that most customers are unaware of heat pump technology, which creates adoption barriers, and about 75% of homes still require weatherization services. McCarey replied that the Resolution and Plan Recommendations appropriately emphasize weatherization. Johnson said this would not actually encourage program participation, and recommended that the utilities show customers the amount of ratepayer dollars invested in programs. Commissioner Woodcock welcomed any specific improvements since the language around heat pumps should not diminish the importance of weatherization efforts.

Boyd urged Councilors to support Resolution, as it incorporates all high-level priorities, and balanced heat pumps in weatherization given the goal to install one million heat pumps this decade. Peterson similarly supported the Resolution.

Porter indicated the PAs have concerns about misalignment between equity goals and bill impacts of electrification, as any efforts causing increased electricity costs would also increase energy burdens. Porter added that the language on phasing out delivered fuel incentives presupposes an outcome, and should instead include a commitment to demonstrate the benefit of any continued delivered fuel incentives in pursuit of cost-effective savings.

Peterson responded that the PAs are mandated to pursue all cost-effective savings, but bill impacts will be considered once the April Plan Draft is released. Peterson also supported language on phasing out delivered fuel incentives since that is a necessary programmatic change for meeting climate goals.

Wambui stated that a resolution is an expression of determination, so the Council is determined to pursue all priorities. Wambui encouraged Councilors to support the Resolution because it includes heating electrification, weatherization, equity, and workforce development as top priorities.

Jacobson stated that improving the income verification process is critical to ensuring ratepayer dollars benefit people who need the most support. Jacobson supported enhanced incentives for 61-80% SMI customers, but said income verification should not serve as a barrier for participation.

Regarding bill impacts, Commissioner Woodcock said the Council needs to be mindful of retail rates and their effects. McCarey said any adverse bill impacts in the April Plan Draft will be addressed when identified. Wambui replied that discussing bill impacts without mention of underserved populations shows disregard for those who have not received program benefits.

Council Vote

Boyd motioned to approve the Resolution as written. Weber seconded. Harak and Jacobson abstained, and Johnson opposed. All other voting Councilors were in favor. The Resolution was approved, as written, by the Council.

5. Avoided Energy Supply Cost (AESC) Study Results

Greenfield and Schlegel, on behalf of the PAs and C-Team respectively, presented a summary of 2021 AESC study, which explored avoided energy supply costs that will inform benefit-cost analysis for the 2022-2024 Plan. Schlegel indicated that forecasted electricity and natural gas avoided costs used to determine program benefits are 10% lower than the 2018 AESC.

6. Consultant Team Assessment of Potential (AOP)

Belliveau, Socks, Keating, and Calcagni, on behalf of the C-Team, presented an overview of the PA market potential studies and C-Team AOP that would serve as important inputs to Plan goal

setting. Socks summarized the C-Team approach to developing the AOP, PA potential study methodologies, and potential study results, noting that the updated AESC would be used to finalize potential study results. Keating presented the AOP for heating electrification and comparisons to the PA estimates of heat pump installation potential. Calcagni described how the AOP aligned with Council priorities identified for the 2022-2024 Plan.

7. Council Discussion on AESC Study Results and Consultant Team AOP

Commissioner Woodcock noted there was useful context and helpful detail as we prepare for reviewing the April Plan draft.

Harak asked to what extent decreased avoided costs would impact measure cost-effectiveness screening. Greenfield said the PAs would have to screen measures individually to determine the impact of the updated AESC. Schlegel added that lower avoided costs do not significantly impact potential, but they impact total achievable plan benefits.

Wambui commented that the AOP indicates equitable outcomes are possible for the 2022-2024 term, so the Plan budget should reflect stakeholder priorities on equity.

Commissioner Woodcock agreed that there is room to address equity based on the AOP results. Commissioner Woodcock was surprised that offshore wind costs increased from 2018. Schlegel indicated that the real costs of offshore wind are decreasing, but projects planned for 2022-2024 that were used as inputs to the updated AESC study had higher overall costs. Finlayson noted that decreasing natural gas prices in the short run and corresponding impacts on wholesale electricity prices relative to offshore wind can explain the pattern.

Weber wondered if the program measure mix might change substantially enough after the passing of the climate bill to warrant an interim Plan filing. Greenfield said the PAs are using the marginal abatement cost of carbon, but the social cost of carbon would be applied following passage of the climate bill. Menges said the incremental dollar benefits from switching to the social cost of carbon would be small.

Peterson appreciated the recommendation to package weatherization, heat pumps, and heat pump water heaters in the AOP, and hoped packaged offerings would be included in the Plan.

Porter asked how to interpret the cost-to-achieve bubble chart included on Slide 45 of the AOP presentation. Calcagni said the chart is an illustrative comparison of savings and costs for certain programs, end uses, or measures. Calcagni noted the numbers in the chart should not be used to build out specific budgets. Keating indicated the Navigant Energy Optimization Tool was used to generate cost assumptions for heat pumps, to which an estimate of administrative costs was added. Harak suggested a breakdown of heat pump funding sources would be helpful for the PAs

Weber asked what were assumed incentive levels used to create the bubble chart. Calcagni said the bubble chart assumed 100% incentives.

Jacobson asked how many heat pumps should be installed annually and questioned whether PAs had the network to implement that number of heat pumps. Belliveau replied that installation can ramp up over time, but the April Plan Draft will help estimate annual installations needed to meet goals. Jacobson said LEAN will coordinate with PAs on forecasting the workforce needed to implement heat pumps successfully.

Commissioner Woodcock was interested in Councilor feedback on new measures and initiatives, such as the clean energy pathways and heat pump water heaters. Commissioner Woodcock said electrification efforts need to focus on creating a heat pump market with a sustainable workforce and consumer awareness. Peterson agreed with Commissioner Woodcock's comments, and said the market transformation needs to be strong, but not disruptive.

8. 2020 Q4 Results

Program Administrator Presentation

Menges and Formica, on behalf of the PAs, provided a review of 2020 fourth quarter results and efforts. Menges presented statewide, unevaluated electric and gas program performance results, as well as cumulative carbon dioxide emissions reductions through Q4 2020. Menges reported strong program savings despite challenges presented by COVID-19. Formica gave an update on workforce development and municipal partnership activities.

Council Discussion

Weber said there needs to be transparency around what emissions factors are used when reviewing and forecasting emissions to be clear about both achievement and goals. Menges said the data included in the presentation was consistent with methodology used for previous reports.

Peterson asked what drove the stark differences between results of municipal partnerships in Lawrence, which experienced negative results from 2019 to 2020, and other municipalities. Formica said this may be attributable to differences in COVID impacts, contractor presence, reception of marketing tactics, and participation outside of municipal partnerships. Formica said lessons learned and feedback from second-year municipal partners will be incorporated into the evaluation process.

Bodemer acknowledged the PAs for producing strong 2020 results in light of the pandemic, and was excited about the clean energy pathways' potential impacts on young adults entering the workforce.

Abbe echoed Bodemer's point about good overall program performance in spite of COVID-19. For the IES program, Abbe mentioned that the underperformance is partially due to DHCD advising housing authorities to prohibit vendors from entering properties. Since safety protocols have been established, Abbe noted that contractors are welcome and housing authorities are being encouraged to participate in programs.

Commissioner Woodcock indicated DOER would be pleased to support the clean energy pathways effort.

9. Adjournment

McCarey, as chair, adjourned the meeting at 4:01 PM.