



MEETING MINUTES

Wednesday, June 23, 2021

Virtual Meeting via Zoom

Councilors Present: Greg Abbe (for Jennifer D Maddox), Cindy Arcate, Jo Ann Bodemer (for Maura Healey), Amy Boyd, Tim Costa, Justin Davidson, Mary Downes (for Cindy Carroll), Maggie Downey, Michael Ferrante, Paul Gromer, Frank Gundal, Charlie Harak, Elliott Jacobson, Paul Johnson, Deirdre Manning, Cammy Peterson, Chris Porter, Robert Rio, Dennis Villanueva, Mary Wambui, Sharon Weber, Commissioner Patrick Woodcock

Councilors Absent: Jane Lano, Andrew Newman

Consultants Present: Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Adam Jacobs, Margie Lynch

DOER Staff Present: Rachel Evans, Maggie McCarey, Ian Finlayson, Emily Webb

1. Call to Order

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

2. Public Comment

Heather Clark (RMI)

Clark expressed support for a deep energy retrofit program, modeled after the Passive House program, that would include \$35,000 in incentives per unit. Clark suggested that incentives could be reduced over time as cost suppression for deep energy retrofits is achieved, and cited a 50% cost reduction following a program pilot in the Netherlands. Clark added that halving costs for deep energy retrofits would make them cost-effective, and the Department of Public Utilities (DPU) allows for non-cost-effective programs as long as a plan to achieve cost-effectiveness is provided.

Reverend Marianna White-Hammond (City of Boston)

White-Hammond highly encouraged a deep energy retrofit program, and recommended learning from the Retrofit NY program. White-Hammond commented that the City of Boston would not

achieve net zero emissions by 2050 unless major transformation occurs in existing buildings, most of which are old. White-Hammond suggested that opportunities for energy efficiency are captured whenever buildings receive major renovations. White-Hammond also encouraged adoption of the Passive House model, and indicated that a deep energy retrofit program needs to signal to the market that there will be financial support for such projects.

Andy Dankwerth (Pembroke Real Estate)

Dankwerth suggested the 40% reduction in planned C&I savings did not make sense given the impact large buildings have on climate. Dankwerth advised the program administrators (PAs) to increase investment in C&I efficiency, market transformation, and deep energy retrofits. Dankwerth added that there was insufficient mention of resilience for the C&I sector, which will be critical as it relates to future electrification. Lastly, Dankwerth hoped technical support for building owners and community members would increase.

Emily Jones (LISC)

Jones stressed the importance of Mass Save programs for affordable housing owners, and indicated new incentive programs and technical assistance would be needed to support deep energy retrofits. Jones said the successful Passive House New Construction has greatly benefitted the multifamily housing sector, with 8,000 units receiving services. In order to meet decarbonization goals, Jones recommended a multifamily deep energy retrofit program that includes Passive House certification standards or energy use intensity limit, heat pumps, energy recovery ventilation, and electric domestic hot water. Jones also recommended leveraging other philanthropic or federal funds to support the proposed program.

Hank Keating (Passive House Massachusetts)

Keating proposed four new Passive House programs which would not be cost-effective under existing screening tests, but could be justified by the Climate Bill's mandate to use the full social value of greenhouse gas reductions. Keating referenced Senator Barrett's public comment that the April Draft Plan did not reflect requirements of the Climate Bill, and said the Council will need to use the Bill's provisions to evaluate the Plan. Keating commented that the Plan's proposed programs lack detail, whereas proposed Passive House programs included specific incentives. Keating indicated that aggressive programs are needed to meet climate goals, and the Passive House approach should be employed whenever possible.

Lawrence Lessard (NEGPA)

Lessard opposed the 2022-2024 Plan as written, as ground source heat pumps (GSHPs) are not included in the narrative at all. Lessard said current incentives for residential GSHPs are inadequate relative to the measure life, GHG reductions, cost savings, and peak demand savings GSHPs provide relative to air source heat pumps (ASHPs). Lessard added that NEGPA performed a load study, comparing the average GSHP to best ASHP, and found GSHPs reduced peak demand 45% more than ASHPs.

Amanda Schneck (NEGPA)

Schneck supported Lessard's comments relative to the efficiency and benefits of GSHPs. Schneck commented that simple and consistent incentives are the best way to drive electrification. Schneck suggested a similar incentive structure to New York, where incentives

are based on space and water heating capacity of equipment, and expanding the incentive structure to include oil and propane customers.

Martin Orio (Massachusetts Geothermal Institute)

Orio also supported NEGPA’s comments regarding GSHP heating efficiency and peak demand reduction benefits, as well as comments to create more robust deep energy retrofit programs. Orio stated that GSHPs will be the most efficient and longest-lasting measures to support electrification and achieving net zero emissions. Additionally, Orio was very encouraged to see GSHP incentives featured on the Mass Save website.

Kathy Hannun (Dandelion Energy)

Hannan agreed with previous comments regarding the efficiency and peak demand benefits of GSHPs. Hannan indicated that GSHPs could reduce energy bills by 60% and decrease summer peaks without increasing winter peaks, as shown by a Brattle Group study. Hannan recommended robust incentives to increase GSHP adoptions, like the ConEd offering of \$3,420 per ton for Residential GSHPs.

Paulina Casasola (Green Justice Coalition)

Casasola urged the PAs to expand program targets to match the scope of Climate Bill. Casasola said homes in Black and low-income communities need to be prioritized as Mass Save programs expand to meet climate mandates. Casasola emphasized the need for equity and transparency in Plan goals and spending.

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.

July EEAC Schedule

McCarey reminded participants that the July Council meetings were scheduled for July 14th and July 28th. McCarey clarified that there would be no public comment on July 28th since it will be a Special Meeting to finalize and vote on the July Resolution.

4. Draft 2022-2024 Plan Review

McCarey said the Consultant Team (C-Team) would present key drivers for the 2022-2024 Plan and revisit Plan topics that were not discussed during the May Council meeting.

5. Consultant Team Key Drivers Update

Calcagni, Jacobs, and Lynch, on behalf of the C-Team, presented “key drivers” of the 2022-2024 Plan including market opportunities, potential savings, program costs, and evaluation impacts. Calcagni noted that this presentation was drafted prior to the original June 16th Council meeting date, so some updates would be described verbally.

Commercial and Industrial Key Drivers

Jacobs discussed key drivers for the C&I sector, noting that the budget was substantially reduced, but custom non-lighting savings potential is high. Jacobs indicated the key drivers process will closely examine PA assumptions for custom projects and identify opportunities to improve custom project pathways.

Cammy Peterson joined the Council meeting at 1:53 PM

Council Discussion

Villanueva questioned how combined heat and power (CHP) projects increase GHG emissions given the displaced generation capacity from captured heat. Villanueva noted renewable generation is not being offset yet. Jacobs said it is specific to benefit cost models and new emissions factors being used, but the inputs are being examined further. Menges said the benefit cost models could be presented to the Council.

Johnson asked why there was no micro-CHP data, and what “handholding” meant for small business customers. Jacobs said micro-CHP is a new offering without existing data. For small businesses, Jacobs noted that the Small Business Turnkey program includes significant customer interaction and education during project cycles, but all Small Business pathways are rolled up into the Small Business Retrofit program. Johnson asked if data for non-upstream pathways could be reported separately.

Rio agreed with Villanueva, and added that non-carbon benefits like resilience need to be included in CHP screening. Rio also noted the 18,000 C&I heat pump goal would require an enormous effort and workforce considering the time it takes to install them.

Villanueva opposed the \$200 million C&I budget reduction in light of the Climate Bill. Villanueva suggested increased technical support, financing, and coordination between PAs and market actors through C&I working group are essential for future program success. Villanueva requested that the PAs disclose what technologies are being considered for programs, and also increase engineering support for customers. Villanueva reiterated support for CHP incentives for its efficiency and resiliency benefits. Villanueva also expressed support for recent comments regarding GSHP benefits and suggested a clearer definition for small businesses is created since some larger organizations have smaller accounts within them.

Arcate recommended third-party administration of some Commercial programs instead of remediating what the PAs have established. Arcate argued that a competitive procurement would inspire creative, robust program designs and maximize savings opportunities. Arcate also supported the creation of a C&I working group to drive program innovation.

Peterson similarly advocated for a C&I working group and said the C-Team highlighted savings opportunities that will help compensate for lost lighting. In addition, Peterson stressed the importance of custom projects due to their high net-to-gross ratios and inclusion of deep saving measures. Peterson commented that custom projects are necessary for municipalities, which warrants a public buildings pathway with enhanced incentives, as well as a baseline study for public buildings. Lastly, Peterson said the Cape and Vineyard Electrification Offering (CVEO) is a prime example of bundled measures that will help meet climate goals and be supported by the Climate Bill.

Weber was concerned the reduction in planned C&I savings was counter to the Commonwealth's climate goals, and endorsed the creative ideas proposed by other Councilors. Weber said more ambitious savings and investment in non-lighting measures will be needed to reach GHG reduction targets.

Abbe was disappointed by the C&I savings reduction given the potential identified in market potential studies. Abbe agreed with the innovative approaches put forth by other Councilors, and suggested Commercial savings should be driven primarily by comprehensive, custom projects instead of upstream and midstream pathways. Abbe also wondered if there were patterns in cost-effectiveness based on business or building type that could be used to improve program design.

Bodemer said the PAs set forth a reasonable effort since the 2022-2024 Plan marks a transition from traditional savings metrics to prioritizing GHG reductions. Bodemer suggested that changes to cost-effectiveness screening need to be considered relative to GHG reduction goals. Bodemer was also interested in the proposed C&I working group, but wanted to ensure there was no overlap with the Commercial Management Committee. Villanueva clarified that the proposed working group would not be isolated from PA planning, but would focus on coordinating efforts between PAs and market actors. McCarey added that the Commercial Management Committee is internal to PAs, but the Commercial working group would include the Council and other stakeholders.

Boyd commented that the Commercial section of the plan featured unacceptable savings, spending, and benefits. Boyd said the climate crisis is a present threat, so Commercial programs need more custom and comprehensive pathways to deliver deep energy savings and environmental benefits.

Johnson said the PAs put forth a pathetic planning effort and the C&I Plan was disgusting. McCarey instructed Johnson to use respectful language when making comments. Johnson recommended third-party implementation of Commercial programs since a new approach to efficiency will be needed to meet goals. Johnson said PAs need to present an aggressive action plan and detailed approach for capturing commercial savings potential.

Rio stated that savings and budget reductions would be acceptable once the market is fully saturated, but there is still too much remaining potential to justify the C&I budget decrease. Rio said custom pathways are more difficult to administer, but efficiency programs are in a transition period. Rio also doubted that the workforce would be sufficient to meet heat pump adoption goals.

Manning hoped that CHP incentives would remain, especially since large organizations are often reluctant to participate in energy efficiency programs. Manning felt practices like building energy labels would be necessary to improve participation for large Commercial customers. Manning also expressed interest in piloting third-party program administration, but wanted to avoid overly aggressive delivery and outreach strategies.

Gundal stated the PAs deserve respect for their hard work and contributions to the Commonwealth's nation-leading programs. Gundal said insolent commentary is disrespectful to all stakeholders who have worked to produce good program results. Gundal emphasized that vetting and criticizing the Plan is expected, but discourse needs to remain respectful and productive.

Commissioner Woodcock said the April Resolution was specific and substantive, but the focus of discussion should be improving the Plan. Commissioner Woodcock sensed unanimity on maintaining Commercial spending, developing creative program delivery approaches, and supporting deep energy retrofits. Commissioner Woodcock hoped for clear recommendations on measures to emphasize in the July Resolution.

Equity and Workforce Development Key Drivers

Lynch indicated that key drivers related to equity are investment in equity-focused initiatives, data transparency, and clear equity metrics and benchmarks in alignment with stakeholder priorities.

Council Discussion

Harak asked what information the Massachusetts Clean Energy Center (CEC) would provide related to the \$12 million allocation for workforce development. Commissioner Woodcock expected the CEC to provide the PAs and council directional priorities, but was unsure about the degree of specificity. Harak hoped for alignment between the CEC and PAs on heat pump installation and workforce diversification efforts. Commissioner Woodcock anticipated alignment on these areas. Peterson requested that the PAs provide more information on these efforts in the coming months.

Peterson was interested in seeing specific metrics and investments for workforce diversification included in the next Plan Draft, as well as additional Equity Working Group recommendations. Peterson also said the increase in workforce development spending to 1.2% of budget was a great improvement from previous years and hoped it would increase more by 2024.

Wambui seconded Peterson's comments, and added that it will be important to see how the budget will be applied to meet equity goals. Wambui feared that certain recommendations would fall between the PAs and CEC and suggested that all workforce development recommendations are included in the PA Plan.

Johnson suggested that increasing contractor wages would be more effective than investing in educational programs. Rio agreed and said wage levels are increasing even for entry-level workers, so perhaps PAs are lagging behind on wages.

Residential Key Drivers Council Discussion

Johnson said weatherizing homes could compensate for lost lighting savings. Johnson suggested targeting all oil and propane customers and offering robust weatherization incentives to capture potential envelope savings. Johnson said a Plan that fails to include adequate investments in weatherization should not be approved.

Arcate supported Reverend White-Hammond's comments provided at the June 9th listening session. Arcate argued that Residential HVAC incentives should not be predicated on weatherization since it can be laborious for customers to clear out attics. Instead, Arcate suggested that HVAC incentives might be a good entry point for program participation. Abbe proposed that HVAC incentives could be increased when bundled with weatherization. Arcate said this would be a good compromise.

Wambui asked why the Plan did not include GSHP incentives. Lynch noted GSHP incentives were introduced this in 2021. McCarey said follow-up with PAs it would be helpful to better understand GSHP considerations in the Plan. Coen said GSHP incentives are \$2,000 per ton, the offer went live two months ago, and the information is included in the Plan benefit-cost models. Coen indicated GSHPs are offered through the Residential New Construction program, but they use modeled savings. For C&I GSHPs, Coen said they are offered as a custom measure.

Active Demand Management

Jacobs summarized active demand management (ADM) key drivers, indicating that there is significant opportunity for integrating ADM with energy efficiency. Jacobs also noted that the key drivers will seek to address the lack of Income Eligible and Small Business ADM offerings.

Council Discussion

Weber asked if generators were eligible to participate in commercial curtailment, and hoped the electric vehicle (EV) charging station pilot would become a full offering at the start of 2022. Peterson also hoped the EV charging station pilot would become a full offering earlier than proposed in the Plan. Bryant replied that onsite generators are eligible to participate in ADM programs, and the PAs intend to maintain their eligibility since it provides cost-effective demand reduction. Villanueva asked if all onsite generation was included since emergency generators were not eligible. Weber said the Council recommended analysis of the GHG implications included in Plan. Grayson said the corresponding emissions costs are 1% of value of capacity reductions claimed from generator participation. Commissioner Woodcock suggested closer examination of this issue.

Peterson stressed the need to include sufficient incentives and strategy for Income Eligible and Small Business ADM participation in the Plan. Peterson noted the Connecticut Public Utility Regulatory Authority is considering a straw proposal for such programs. Peterson also encouraged initiatives like the CVEO that would scale up ADM.

Abbe encouraged more PAs to implement bundled ADM strategies like the CVEO to Income Eligible customers. Abbe commented that state funded housing authorities are often unaware of ADM programs, but are highly interested in revenue and resiliency benefits. Jacobson indicated

that National Grid approached the Low-Income Energy Affordability Network (LEAN) to discuss Income Eligible active demand strategy. Jacobson also said there have been monthly meetings with solar developers monthly to strategize around Income Eligible storage, ADM, and solar offerings.

Wambui supported Abbe's point regarding bundled ADM programs for both public housing authorities and affordable housing developers. Wambui also asked for follow-up on the monthly meetings with solar developers that Jacobson referenced.

Commissioner Woodcock said ADM initiatives have produced encouraging results in the current term and provide interesting vehicles for interactions with customers.

6. Council Resolution: Discussion

Resolution Overview and Schedule

McCary stated that the Resolution would be reviewed during the July Executive Committee meeting, discussed during the July 14th Council meeting, then finalized and voted on during the July 28th Council meeting. McCary said the Resolution will include Climate Act-related changes, recommendations for benefits and budgets, feedback on Plan responsiveness to Council priorities, and commentary on performance incentive mechanisms. McCary thanked Bodemer and Boyd for offering support on development of the July Resolution. Commissioner Woodcock added that the Climate Bill-mandated GHG goal for the Three-Year Plan is due on July 15th.

7. 2021 Q1 Report and Income Eligible Update

Program Administrator Presentation

Menges, on behalf of the PAs, presented electric and gas 2021 Q1 results and highlights. Menges indicated program performance has been strong for both portfolios despite COVID-19, but C&I and Income Eligible performance are short of historical benchmarks. Menges also confirmed that the PAs included the Social Cost of Carbon in analysis for the April Draft Plan, but certain applications are still being finalized.

LEAN Presentation

Wells, on behalf of the Low-Income Energy Affordability Network (LEAN), presented an update on LEAN programs and the plan to meet Term budget and savings goals. Wells anticipated that at least 90% of the spending goal would be met based on current project pipelines.

Council Discussion

Gromer commended the PAs for their accomplishments despite pandemic-related hardships, and said everyone should be proud of performance during the past year.

Wambui applauded the work and results achieved the previous year.

Peterson echoed the gratitude toward PAs for the past year's performance. Peterson was glad to see the projected increase in Income Eligible savings through 2021, but wanted more information how the building Income Eligible queue would be served and how micro-CHP would be applied.

Wells said contractors would be rotated to ensure workforce capacity is spread where needed most, whether based on geographic or skill-based needs.

Rio said the PAs were impacted by COVID-19 on professional and personal levels, so the strong program performance the previous year is impressive.

McCarey complimented the Massachusetts PAs for their leadership in developing health and safety protocols and coordinating with other states to continue program implementation through the pandemic.

Abbe reiterated praise given to PAs, and also thanked LEAN and implementation vendors. Abbe asked what the queue of Income Eligible projects included. Wells responded that many end uses are included in the measure mix, in addition to comprehensive projects and building remediations. Abbe also asked if the queue and expectation to meet goals was consistent across PAs. Wells confirmed that Income Eligible programs for all PAs are expected to meet or come close to goals.

8. Adjournment

McCarey, as chair, adjourned the meeting at 4:24 PM.