



EXECUTIVE COMMITTEE MEETING MINUTES

Wednesday, July 7, 2021
Virtual Meeting: Zoom

Executive Committee Members Present: Greg Abbe, JoAnn Bodemer, Amy Boyd, Emmett Lyne, Maggie McCarey, Dennis Villanueva

Other Attendees: Adrian Caesar, Eric Belliveau, Emily Webb, Bill Stevens, Elliott Jacobson, Andrew Yarrows, Audrey Eidelman, Frank Gundal, Joe Dorfler, Marie Abdou, Nina Mascarenhas, Sagal Alisalad, Sarah McDaniel, Rachel Evans, Paul Johnson

1. Call to Order

McCarey, as Chair, called the meeting to order at 10:07 AM.

2. Executive Committee Updates and Business

Virtual Meetings

Boyd asked if virtual open meetings could continue. Evans indicated that legislation passed to extend existing virtual meeting provisions through 2021, but a permanent solution was still pending.

3. 2022-2024 Three-Year Plan Resolution

McCarey guided the Executive Committee through the Draft July Resolution. McCarey thanked Bodemer, Boyd, Webb, and others for their support in drafting the July Resolution. McCarey also indicated the Equity Working Group (EWG) was simultaneously developing comments on the 2022-2024 Plan, so there would be an effort to align feedback before presenting the Draft July Resolution to the Council.

Lyne indicated the Draft Resolution was shared with the program administrators (PAs), but was unsure when their comments would be compiled. Lyne also appreciated the tone of the draft and the acknowledgement regarding program implementation efforts through COVID.

Eidelman, on behalf of Maggie Downey, asked for clarity on language around the integration of solar photovoltaic (solar PV) incentives into the Residential programs. McCarey replied that the language was meant to describe the integration of active demand management (ADM) into efficiency programs, but solar PV incentives would require more discussion. McCarey also indicated that the Cape and Vineyard Electrification Offering (CVEO) was highlighted in the Income Eligible section as a good example of bundling ADM, solar PV, and energy efficiency.

Villanueva stressed the importance of the 2022-2024 Plan in meeting decarbonization goals. Villanueva noted that deep energy retrofits and heating electrification are critical to decarbonization efforts, but existing heat pump incentives are an impediment to Commercial heating electrification. Villanueva also commented on the environmental and peak demand benefits offered by ground source heat pumps (GSHPs), and added that current C&I rebates only cover about 4% of project costs.

Boyd wondered if consumer cost for air source heat pumps (ASHPs) was driven by higher incentives offered in Massachusetts, compared to other states like Maine. McCarey said program incentives need to justify heating electrification, from an economic standpoint, for delivered fuel and C&I customers. McCarey noted that the Draft Resolution suggests a deep energy retrofit pilot with different incentive models and evaluated benefits that are not subject to cost-effectiveness requirements. McCarey added that Plan targets need to align with climate goals, but the amount of C&I gas customers and market conditions need to be considered. Villanueva said construction costs are higher in Massachusetts, and questioned if consumer costs could be driven up by higher incentives. Boyd clarified that even with higher incentives, the customer contribution is not always reduced in the Residential sector.

Gundal said the PAs are vetting the inclusion of visible MSRP numbers on invoices so contractors can provide invoices with product costs, installation costs, and rebates. This would allow the PAs to display average prices for customers so the market could naturally control prices.

Belliveau noted there were no evaluation, measurement, and verification (EM&V) to support Boyd's hypothesis, but heat pump prices should come down once adoption increases. Belliveau added that there is not universal messaging on heating electrification since heat pumps are not the most cost-effective option for gas heated homes. Belliveau was glad that the PAs are taking creative approaches to control heat pump costs. Gundal said equity and workforce development are important, so workers should receive livable wages and have upward mobility. Belliveau indicated there is work to be done to understand heat pump costs, but programs design needs to align with the Commonwealth's goals.

Bodemer recommended that the PAs describe GSHP incentives within the Plan text, as no one would refer to the benefit-cost models to determine GSHP incentive levels.

McCarey said stakeholders have called for a C&I working group, and wondered if this group would be needed to identify specific opportunities for C&I electrification. Villanueva supported a C&I working group, but noted that Commercial market transformation would be hindered by the existing benefit-cost analysis framework.

Jacobson expressed concerns about establishing unrealistic heat pump installation targets relative to climate goals and the impact on customers. Jacobson indicated that projects cannot be forced on clients, and sales and consumer education are important.

McCarey announced that the Draft Resolution would be posted on the Friday or Monday before the July 14th Council meeting. McCarey requested that Executive Committee comments should be provided by midday Friday, July 9th. McCarey said the time between the July 14th and July 28th Council meetings would be used to incorporate Council and stakeholder feedback and finalize the Resolution.

Lyne said the PAs will try to compile comments by Friday. McCarey replied that any compiled comments should be provided as early as possible, even if there are others pending.

4. Mass Save Program Update – Implementation Efforts During COVID-19

Lyne stated that there were no further cases of COVID-19 transmission to customers or positive cases in contractors. Lyne said the relaxed protocols have been well received by contractor networks, but everyone remained cautious.

Johnson responded that many contractors are suffering due to limited project availability and high material costs. Johnson suggested that the PAs want to extend contracts to avoid paying contractors for higher material costs. Johnson urged the PAs to provide contractors more money to support the workforce since the Paycheck Protection Program (PPP) loans and enhanced COVID incentives no longer support the contractor community. Johnson feared that contractors would pivot to other industries without support from the PAs.

5. July 14th EEAC Meeting – Agenda Finalization

McCarey indicated discussion on the Draft Resolution would comprise the bulk of the July 14th Council meeting, but time should be dedicated to updates on pending discussion topics like GSHPs, performance incentives, and Key Drivers.

Lyne requested that the Council provides reactions to behavior programs and the transition away from Residential lighting measures. McCarey noted that updates to the Resolution would be posted with the meeting materials, though some topics would be covered during discussion at the July 14th meeting.

Eidelman, on behalf of Maggie Downey, asked if the Council would need CVEO updates related to budget and bill impacts. McCarey replied that a brief update on program changes would be beneficial. Bodemer agreed, but flagged that discussion on CVEO needs to be included in the meeting minutes. Eidelman was similarly concerned since there have been changes to tax incentives and program budget. Eidelman said providing more detail to the Department of Public Utilities (DPU) on Council discussion of CVEO would be helpful. McCarey said a CVEO update presentation can be added to the agenda as part of the PA updates.

6. July 28th Special EEAC Meeting – Agenda Finalization

McCarey indicated the July Special meeting would focus on finalizing and voting on the July Resolution. McCarey said a Key Drivers update from the Consultant Team would likely be included in the July 28th meeting.

7. August EEAC Meeting – Draft Topics

McCarey indicated the August meeting would focus on the Key Drivers process.

8. Adjournment

McCarey, as Chair, adjourned the meeting at 11:00 AM.