



## MEETING MINUTES

Wednesday, September 22, 2021  
Virtual Meeting via Zoom

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**Voting Councilors Present:** Greg Abbe (for Jennifer D Maddox), Cindy Arcate, Jo Ann Bodemer (for Maura Healey), Amy Boyd, Justin Davidson, Charlie Harak, Elliott Jacobson, Paul Johnson, Deirdre Manning, Cammy Peterson, Robert Rio, Dennis Villanueva, Mary Wambui, Sharon Weber, Commissioner Patrick Woodcock

**Voting Councilors Absent:**

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

**DOER Staff Present:** Rachel Evans, Maggie McCarey, Emily Webb

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### 1. Call to Order

McCarey, as Chair, called the meeting to order at 1:04 PM.

### 2. Public Comment

**Steve Cowell (*E4TheFuture*)**

Cowell was impressed by the increases in savings and carbon emission reductions in the updated Three-Year Plan. Cowell indicated that meeting greenhouse gas (GHG) reductions goals may be impossible to achieve with only ratepayer-funded programs. Cowell urged the Council and program administrators (PAs) to explore alternative funding sources.

**Frank Mruk (*Roxbury Community College Center for Smart Building Technology*)**

Mruk was concerned that the April Draft Plan was misaligned with the Commonwealth's decarbonization goals given the budget and savings were below 2019-2021 levels. Mruk noted there were large savings opportunities, specifically within high performance sequences for building controls automation. Mruk said the Pacific Northwest National Laboratory found optimizing building automation systems could amount to 30% energy savings, but proprietary systems that require integration and qualified workers dominate this space. Mruk noted that Roxbury Community College was one of the first schools to develop curriculum for building

automation systems. Lastly, Mruk said that a C&I Working Group would be critical to gaining valuable insights from C&I customers and stakeholders.

***Emily Jones (LISC)***

Jones hoped the updated Three-Year Plan would include codelivery of weatherization, barrier mitigation, heat pumps, solar, and storage technologies to maximize savings. Jones recommended full envelope upgrades funded at \$15,000 per unit, as well as a robust Income Eligible Passive House Deep Energy Retrofit program funded at \$35,000 per unit modeled after the NYSERDA program. Jones agreed with Cowell that additional funding sources need to supplement Mass Save programs. Jones appreciated the PA commitment to reach 12,000 employees through workforce development efforts, and added that program implementation and meeting climate goals would require accessible jobs and training. Jones also urged Council and Department of Public Utilities to consider preferential electric rates for customers with all electric heating.

***Samantha Lichtin (Rocky Mountain Institute)***

Lichtin hoped the final Three-Year Plan would meet all state climate and equity goals. Lichtin noted it was critical that the Plan eliminates fossil fuel incentives to avoid locking in fossil fuel infrastructure for customers. Lichtin said the PAs need to provide additional detail on the multifamily deep energy retrofit program, and also suggested a similar approach to NYSERDA's RetrofitNY program to make deep energy retrofits affordable for all. Next, Lichtin supported adoption of all Equity Working Group recommendations on transparent equity metrics, expanded moderate income eligibility, improvement of turnkey services, targeted outreach to language isolated and Environmental Justice communities, and robust workforce development. In addition, Lichtin recommended transparent reporting on equity and electrification metrics coupled with remediation strategy if goals were not on track.

***Elizabeth Sockwell (City of Newton, MA)***

Sockwell indicated the April Draft Plan was insufficient relative to the climate crisis and its notable impacts. Sockwell opposed the cancellation of the HeatSmart Mass rebate program, and instead suggested an expanded program. Sockwell referenced Senator Barrett's suggestion that Mass Save programs must achieve far more than historical to support electrification. Sockwell recommended the Council work in accordance with the targeted 50% reduction in GHG emissions by 2030. Sockwell stated the DPU should focus attention on building electric infrastructure and education and job training for students. Sockwell said energy efficiency is tied into climate solutions, so education is key to successful electrification, building insulation, and the delivery of other program services. Sockwell urged the Council and PAs to include more young voices in the Planning process, as they are the stakeholders of the future.

***Hank Keating Passive (House Massachusetts)***

Keating was disappointed there was not sufficient time to review the updated Three-Year Plan prior to the Council meeting. Keating worried that the updated Three-Year Plan would not include critical funding for deep energy retrofit programs, as mentioned by Lichtin and Jones. Keating similarly supported a Passive House retrofit program funded at \$35,000 per unit, as well as a weatherization program providing \$15,000 per unit. Keating acknowledged that these

programs may need to be piloted first to gain experience and suppress costs, but the pilots need to be robust enough to determine the best strategy to meet GHG reduction goals.

***John Carlson (Ceres)***

Carlson suggested the elimination of fossil fuel incentives and increased heat pump incentives. Carlson said the PAs need to increase program services to support electrification in all sectors in order to meet 2030 and 2050 climate goals. Carlson specifically recommended stronger C&I programs that target HVAC and electrification. Carlson requested that the Council convene a C&I Working Group, as has been established in Connecticut, to discuss program design and implementation. Carlson said funds should be dedicated to a program model where service providers can propose unique ideas to deliver programs. Carlson commented that equity targets need to be robust and tied to the performance incentive model. Carlson also suggested that the workforce development plan include dedicated strategies for language and ethnicity diversification to reach all communities.

***Wesley Couture (American Installations)***

Couture indicated that contractors have experienced substantial materials price increases, especially for weatherization materials. Couture said over 80 contractors supported a letter to be read by Councilor Johnson documenting the price increases, their effects, and potential mitigation strategies. Couture stated that contractors have no mechanism in program planning or implementation to address rising material prices, so a mechanism should be established to deal with the prices, which have been absorbed by contractors in the past. Couture said the compensation to cover for price increases has typically come at a 1-3-year lag, so it would be logical to have a quarterly review of contractor pricing, more transparency for fluctuation of material prices, or even budget to handle price increases. Couture warned that many contractors may cease participating in programs if the pricing issue is not addressed.

***Caitlin Peale Sloan (Conservation Law Foundation)***

Peale Sloan reiterated support for all Equity Working Group Plan recommendations. Peale Sloan recommended shifting resources from transformed markets like lighting into moderate-income, fuel switching, workforce development, small business services, and other key areas. Peale Sloan noted the Massachusetts Clean Energy Center (MassCEC) heat pump pilot demonstrated that strategic weatherization and heat pumps are a full heating and cooling solution requiring no fossil fuel backups. Peale Sloan also supported the Community First Partnerships, but said the approach needs to scale up. Peale Sloan suggested the growing appetite from the state legislature to shift to third-party program administration could be mitigated by a comprehensive Three-Year Plan that achieves state climate and equity goals.

***Paulina Casasola (Clean Water Action)***

Casasola announced that over 1,200 signatures and 300 letters from residents called for Governor Baker and legislators to center environmental justice in underserved communities. Casasola said transparency is needed on spending allocated to each community, as they all deserve comfortable homes and other benefits from Mass Save program, especially given the impacts of climate change. Casasola also supported strong metrics to measure progress toward equity and climate goals as recommended by the Equity Working Group. Lastly, Casasola suggested that residents

of each community are included in planning and implementation to ensure Mass Save services meet their unique community needs.

***David Doucette (Marlborough Ward 2 City Councilor)***

Doucette commented that Mass Save has serious flaws for Income Eligible, renter, and subsidized rate customers, while homeowners have much easier and faster participation processes. Doucette indicated that long wait times are a barrier to access for underserved customers. Doucette said low-income households receive the least program support, but have the least efficient building stock. Doucette suggested that focusing program services on the low-income segment for even one cycle would substantially benefit customers and reduce carbon emissions. Doucette emphasized that underserved customer segments need to receive program services in order to meet statewide decarbonization goals.

***Kai Salem (Green Energy Consumers Alliance)***

Salem prioritized achievement of all cost-effective savings and reaching underserved communities. Salem urged the PAs to phase out fossil fuel incentives, and hoped the updated Three-Year Plan would work toward this end. In addition, Salem said the updated Three-Year Plan should adopt all Equity Working Group recommendations, as the April Draft Plan failed to incorporate all recommendations and included noncommittal language on achieving equity goals.

***Neil He (Former Massachusetts Energy Auditor)***

He commented that existing auditor training programs are geared toward fossil fuel infrastructure, and trainers often scoff at idea of phasing out all fossil fuels. He hoped future Three-Year Plans rework training programs to properly educate auditors, who interact directly with homeowners, on electrification.

***Claire Chang***

Chang recommended the complete elimination of fossil fuel incentives to avoid locking in natural gas infrastructure. Chang indicated that the \$112 million for enhanced moderate-income incentives, which would amount to about \$320,000 for each of the Commonwealth's 351 towns, was insufficient. Chang said that program spending and savings need to differentiate electric and gas savings to display how much investment will be directed toward electrification instead of natural gas.

***Paul Dale (Sierra Club Massachusetts Chapter)***

Dale asked the Council and DPU to ensure the 2022-2024 Plan adopts Equity Working Group recommendations, eliminate all fossil fuel incentives, and identify clear and trackable goals tied to the Climate Roadmap Bill. Dale noted that 80 organizations have written to Eversource due to their multi-billion-dollar investment in natural gas infrastructure, which is counter to clean energy, electrification, and equity. Dale said the 2022-2024 Plan needs to work toward electrifying 100 million homes by 2030. Dale added that the plan must also work toward a "low-carbon economy that does not exacerbate, but instead assist in closing the health and economic disparities experienced in Environmental Justice communities and communities of color" as quoted in the Clean Energy and Climate Plan.

**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.

### ***August Executive Committee Meeting Minutes – Vote***

Abbe indicated the date needed to be corrected from the August 3<sup>rd</sup> to August 4<sup>th</sup>. Bodemer motioned to approve the minutes as amended. Boyd seconded. All were in favor, with none opposed. Abbe abstained. The minutes were approved, as amended, by the Executive Committee.

### ***August EEAC Meeting Minutes - Vote***

Johnson thought the Council agreed to discuss third-party program administration in September or October, and asked when the Council would begin work here. Commissioner Woodcock clarified that there was a vote to develop a Third-Party Administration Working Group, but there was not a set date for doing so. Johnson asked if the Council could set a clear date to establish the working group. McCarey replied that the Department of Energy Resources (DOER) would likely draft on a proposal for the working group in November after Plan filing. Harak indicated he attended the August Council meeting. Abbe motioned to approve the minutes as amended. Peterson seconded. All were in favor, with none opposed. Wambui abstained. The minutes were approved, as amended, by the Council.

### ***Clean Heat Commission***

Commissioner Woodcock thanked participants for providing public comment. Commissioner Woodcock announced that Governor Baker issued an executive order to form the Clean Heat Commission, tasked with assessing community action programs for unregulated fuels, and examining the state policy landscape as the interim Clean Energy and Climate Plan is finalized as established by the Climate Act. Commissioner Woodcock was encouraged by the announcement, but indicated Mass Save will be a critical component to meeting GHG reduction targets. Commissioner Woodcock encouraged the public and Council to engage in the Clean Heat Commission, especially since it will look to augment state policy to target building sector transformation.

Boyd asked who was appointed to the commission. Commissioner Woodcock said appointment invitations have been distributed, so announcements may be released in the coming days.

### ***Councilor Updates***

Harak reiterated that public comment is useful. Harak stated that climate change is an unprecedented threat to all species, citing major fires in the west, Hurricane Ida impacts in the

mid-Atlantic, and record summer rainfall in the Commonwealth. Harak indicated the Green Communities Act and constrained ratepayer funding are insufficient for combatting climate change. Harak added that Mass Save programs have been generally successful for many years, and will be important in energy consumption and GHG reductions. Harak noted the programs need better advancement of equity, but they are approaching the limit of maximum achievement under cost-effectiveness and legislative constraints. Harak suggested that the building sector transformation needed to address climate change and legislative targets would not be feasible without alternative sources to ratepayer funding. Harak said American Rescue Plan Act funding and other sources must be considered to avoid adverse bill impacts.

### ***Letter from Contractors***

Johnson reviewed a letter supported by over 80 contractors related to dramatic material price increases experienced by Mass Save contractors. Johnson explained that contractors can no longer absorb labor and material price increases, despite efforts by Best Practices Working Group (BPWG) contractors to address the issue. Johnson indicated that in May 2021 these contractors presented a 40-page price packet with all price increases since Fall 2020, but the PAs said the new price requests would be addressed in the 2022 procurement process. During the August BPWG meeting, the contractors requested a 10% increase in contractor funds for the Home Energy Services program, a modest increase given price increases for materials and labor. Johnson urged the Council and PAs to provide this relief in a timely fashion as contractor crews were devastated by COVID-19 and are leaving the industry due to rising material prices. Johnson indicated the increased need for weatherization work will not be achievable without the contractor workforce. Johnson motioned that the Council support the emergency price increase of 10%. Gundal recognized the importance of contractors and challenges due to material price increases. Gundal noted that the DPU requires due diligence on program pricing, typically through the procurement process, but the BPWG is working to accelerate this process. Gundal said the PAs will collaborate with vendors to find a mutual resolution within the next several weeks. McCarey said a motion could not carry since the letter was not posted with the meeting materials, but the PAs and Executive Committee will discuss price increases at the October Executive Committee meeting. Johnson cautioned against rectifying price issues through the procurement process since newer contractors with less experience and lower prices would get the most work. Johnson recommended the Council support an immediate price increase on installed measures. Commissioner Woodcock suggested that continued discussion could occur during the October Executive Committee meeting, and Johnson agreed.

## **4. Updated 2022-2024 Three-Year Plan Goals and Budgets**

### ***Program Administrator Update***

Commissioner Woodcock said the updated Three-Year Plan was promising, but more detailed information on measures and equity targets will be important to analyze. Commissioner Woodcock was encouraged that the 2022-2024 plan would make a historic shift to emissions reductions and electrification. Commissioner Woodcock appreciated the efforts of the PAs and DOER staff in making progress in realizing alignment between Mass Save programs, the Clean Energy and Climate Plan, and Secretary Theoharides' July 15<sup>th</sup> letter. Commissioner Woodcock added that the performance incentive needs to be connected to equity targets.

Arcate joined the meeting at 2:13PM.

Porter, Formica, and Georges, on behalf of the program administrators (PAs), provided an update on the 2022-2024 Three-Year Plan budgets, goals, sector-specific highlights, and other changes from the April Draft Plan. Porter indicated the updated Plan features a budget commensurate with the scale of efforts necessary to meet mandated GHG reduction goals, which is about 30% higher than the 2019-2021 Plan budget. Formica and Georges summarized Plan enhancements to equitable program delivery, which included moderate income incentives, \$50 million investment into workforce development, targeting of underserved communities and small businesses, and an expanded Community First Partnership program.

### ***Consultant Team Feedback***

Belliveau, Jacobs, and Lynch, on behalf of the Consultant Team (C-Team), provided initial feedback on the updated 2022-2024 Plan. Belliveau said there has been a rapid progression in the 2022-2024 Plan and commended the PAs for their effort in this transition. Belliveau concurred with Commissioner Woodcock that the updated 2022-2024 Plan is promising, but the C-Team will work with the PAs to investigate program details.

For the C&I sector, Jacobs highlighted the ramp up in C&I investment in electrification relative to the April Draft Plan. Jacobs hoped to see a shift away from lighting funding into more sustaining areas that have more carbon reductions, such as HVAC and electrification, but the lighting portfolio did not change much between drafts. Jacobs was also optimistic about C&I weatherization, and anticipated reviewing details on program delivery strategy.

Lynch noted increases in Residential spending, particularly increase investments in heating electrification and envelope measures. Lynch said the C-Team will assess the split between partial and full displacement of fossil fuel heating equipment, as well as whether the increase in spending on heating electrification and envelope measures will translate to increased services for underserved populations. Lynch added that effective codelivery of heat pumps and weatherization is critical, given that most heat pumps are provided through retail channels unlike weatherization. Income Eligible spending on heating electrification tripled from the April Draft Plan, but there was still about \$130 million investment in fossil fuel heating incentives. Lynch also noted that the Equity Working Group will assess the total investments in equity relative to the total budget, in addition to the spending allocation between equity areas.

### ***Council Discussion***

Commissioner Woodcock reinforced that there are key Plan areas DOER is assessing, including Gas and Electric portfolio budgets, space and water heating electrification, and equity targets.

Johnson requested that meeting materials are provided in advance of meetings and include page numbers for reference. Johnson was initially impressed by the updated 2022-2024 Plan, and asked what alternative funding sources the PAs were considering. Porter replied that the whole state will need to collaborate to figure out alternate funding sources, as ratepayers cannot shoulder all costs for mitigating climate change. Commissioner Woodcock added that DOER is monitoring developments at the state and federal levels. Johnson asked for additional details on electrification, equity, and expanding the Community First Partnerships. Johnson also suggested

that the current workforce needs adequate support to account for the 32% increase in weatherization. Porter said space heating market transformation will be driven by targeted investments to counter heat pump adoption barriers, including customer awareness, contractor enablement, and supplier relations. Regarding Community First Partnerships, Porter indicated the improvements were a response to stakeholder guidance to scale up the program. Porter also responded that strategy for contractor engagement and driving weatherization demand would be fleshed out in the updated Plan narrative. Johnson asked if the community partners would be compensated for their work. Georges said all community-based organizations and municipalities would be paid for their time, and funding would be used to reach renters, moderate-income, and other underserved customers. In addition, Georges indicated an Energy Advocate position was created to support community partners in goal achievement and participation tracking.

Wambui appreciated the responsiveness to stakeholder concerns and feedback. Wambui said some issues were not properly portrayed, and agreed that alternative funding would be required for new programmatic changes and electrification. Wambui hoped the final 2022-2024 Plan would include specific targets and benchmarks for Income Eligible active demand and electrification. Wambui stated the Community First Partnerships was improved from the 2019-2021 Plan, but failed to allow for a tailored approach to serving each unique community. Wambui suggested that community partners need to collaborate with PAs directly to avoid a prescriptive approach to delivering energy efficiency services. Wambui was pleased by the \$50 million investment in workforce development, but wanted specifics on coordination with the MassCEC coordination, changes in procurement policy, and investment in diverse business enterprises. Wambui urged the PAs to consider bill impacts on low- and moderate-income customers as electrification occurs. Wambui also requested that the PAs and other energy efficiency stakeholders would consider using more accessible language in program and presentation materials. Georges responded that the PAs worked with the Equity Working Group, and also held informational sessions with stakeholders on improving the Community First Partnerships. Georges indicated that place-based approaches are needed to meet underserved communities, and this was achieved through community-based organization participation, scaling up community partners to 220, community based social marketing, and collaboration between lead vendors and community-based organizations to create these community-based campaigns. Wambui indicated that certain communities have still not received program services, so even greater efforts will be needed to reach such communities like Lawrence. Georges said the PAs will look to pilot new partnerships to reach all underserved communities.

Bodemer appreciated the PAs effort in putting together a plan that recognizes transformation needed to meet goals. Bodemer was concerned about the shift from Secretary Theoharides' directive to have specific GHG reductions in each electric and gas portfolios, with most reductions from the electric portfolio. Bodemer recommended increased electrification of delivered fuel heating equipment. Bodemer was also concerned, as a ratepayer advocate, by the large budget and potential bill impacts. Bodemer also believed electrification and transformational strategies have essentially been layered onto traditional plan strategy instead of shifting traditional investments into GHG reductions. Bodemer feared increased energy burdens for Income Eligible customers, as well as fossil fuel incentives exposing vulnerable customers to escalating fuel costs amid the shift to clean electricity. Bodemer also said the performance incentive needs to be transformational and reflect program goals.

Weber was glad to see the increase in planned savings. Given the planned savings from refrigerants, Weber worried state prohibitions on high global warming potential (GWP) refrigerants would mitigate potential savings from refrigerants. Weber added the federal government and Environmental Protection Agency were working on a number of petitions to prohibit high GWP refrigerants.

Villanueva was pleased by the directional change in the updated 2022-2024 Plan, but suggested pilots are used to drive innovation cost-effectively. Villanueva wondered about heat pumps and fuel switching in Residential programs. Villanueva cautioned against a one-size-fits-all approach to heating electrification since many homes and buildings may not be able to support heat pumps similarly.

Peterson commended the PAs efforts to develop the updated 2022-2024 Plan. Peterson hoped the information stemming from the C-Team questions would be disseminated quickly. Peterson was interested in more gas to electric conversions depending on how flexible and robust incentives are. Peterson was disappointed by continued lighting and fossil fuel investments, especially in the Income Eligible sector, and shared Weber's concern regarding refrigerants. Peterson wanted to see barrier mitigation, electrification, and weatherization supported by shifting spending away from lighting. Peterson supported increased active demand management and storage for Income Eligible customers, as well as deep energy retrofits in affordable housing and multifamily buildings. Peterson commented that the Community First Partnerships program has made substantial progress, but still wanted more details on how underserved sectors would be reached. Peterson also sought additional details on workforce development strategy and coordination with the MassCEC.

Rio suggested that receiving alternative funding would send a market signal that the government values energy efficiency. Rio was also opposed to removing combined heat and power (CHP) incentives since it has benefits compared to corresponding GHG emissions. Rio did not want to exclude projects from the pipeline given the proposed July date to remove CHP incentives. McCarey said the date was tied to the GHG emissions reduction goal, but there was still about \$10 million in the updated 2022-2024 dedicated to gas-fueled CHP.

Gromer wondered about how past resistance to support gas to electric fuel switching would be addressed. Gundal replied that goals moving forward would allow for easier financial justification for delivered fuel to electric fuel switching, but strategy for convincing other customers will adapt and evolve over time. Porter added that the PAs would be transparent with customers about costs, but anticipate the focus of initial electrification efforts will be on delivered fuel customers. Gundal noted that customer needs are the first priority for the Income Eligible sector. Jacobson said some Income Eligible customers cannot accept heat pumps, so fossil fuel system improvements are sometimes the only option, albeit the last option, to improve heating systems without increasing costs.

McCarey announced that Plan numbers will be refined during the following weeks, and the PAs are targeting October 6<sup>th</sup> for fully updated 2022-2024 Plan distribution. McCarey said the October 13<sup>th</sup> Council meeting would include more detailed Plan analysis from the C-Team.

## **5. Mid-Term Modifications (MTM)**

### ***Eversource: Review and Vote***

Chambers, on behalf of Eversource, reviewed Eversource's mid-term modification (MTMs) to C&I New Construction programs due to underspending during the 2019-2021 term. McCarey indicated the C-Team recommended approval of the Eversource MTMs, and that the Council Resolution to approve the MTMs included language guiding Eversource to pursue specific efforts to improve C&I New Construction programs.

Villanueva requested information from Eversource on outreach efforts and data, and though the information was not yet provided, Chambers discussed topics of relevance. Villanueva said more data transparency would be required to make informed decisions moving forward.

Arcate motioned to approve the Council Resolution on Eversource's MTMs. Peterson seconded. All were in favor, with none opposed or abstaining. The Council Resolution on Eversource's MTMs was approved, as submitted, by the Council.

### ***Unitil: Review***

Downes indicated that Unitil's electric C&I Retrofit program would unlikely reach the 80% spending threshold, but Unitil would continue pursuing all projects. McCarey said the Executive Committee would discuss the proposed MTM in October, and additional detail would be provided at the next Council meeting.

## **6. Adjournment**

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