



SPECIAL EXECUTIVE COMMITTEE MEETING MINUTES

Wednesday, October 20, 2021
Virtual Meeting: Zoom

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

Other Attendees: Sagal Alisalad, Eric Belliveau, Adrian Caesar, Elliott Jacobson, Paul Johnson, Audrey Eidelman Kiernan, Dennis Pasqualino, Wesley Couture, Jodi Hanover, Kate Peters, Kathleen Lyons, Rachel Evans, Brian Beote, Andrew Yarrows, Jerrold Oppenheim, Charlie Harak, Mark Thomson, Maggie Downey, Emily Chang

1. Call to Order

McCarey, as Chair, called the meeting to order at 1:05 PM.

2. Executive Committee Updates and Business

Contractor Pricing Issue

McCarey reviewed discussion from the October 6th Executive Committee regarding material and labor pricing increases, and potential solutions to support the contractor community. McCarey requested an update from the program administrators (PAs) and contractor feedback on discussion with the PAs.

Peters indicated the PAs have coordinated with the contractors and agreed to an immediate 10% increase in contractor pricing that will take effect in two weeks. Peters clarified that the price increase would be implemented such that customer contributions to project costs would not increase. Peters said the 10% increase would remain in effect until March 2022. Peters added that the marketplace required a comprehensive price update, since broad percentage increases have been applied to a pricing list each year in the past. Peters noted that a new pricing list would be implemented in March 2022 through an RFP process involving contractor input. Peters said a timeline for regular pricing list updates would then be established, whether it be based on invoices samples or refreshing contractor bids to allow for more transparent communication and price adjustments.

Couture thanked Peters and the PAs for collaborating with the contractors to determine a near-term pricing solution. Couture indicated the 10% increase is aligned with the temporary solution the contractors wanted, but contractors are still very concerned about future of programs since the increase will only last for four months. Couture suggested that appropriately setting prices is critical as there are many competing priorities for contractors, lead vendors, PAs, and consumers, as well as important equity considerations. Couture was glad that the PAs would facilitate a more transparent process. Couture requested that the Executive Committee serve in an oversight capacity and receive monthly updates on the RFP process for the betterment of programs.

McCarey said the Executive Committee will add this topic to upcoming meeting agendas through March to ensure visibility into the process, but was pleased to hear a near-term solution was identified.

Abbe asked if the assessment of pricing levels and the impact of the 10% price increase was only a result of contractor complaints, or if it was a regular component of the Three-Year Planning process. Peters replied that the pricing list includes individual prices of measures that can be installed and is used to calculate prices for customers and utility contributions. Peters said the list was assembled years ago and received annual percentage increases using samples of invoice and cost data. Abbe asked if this price list was tied to Plan benefit-cost ratio (BCR) model data. Peters said the BCR models use average job costs for most measures, but would follow up to confirm. Abbe questioned this practice given the rigor evaluators put on planning model inputs.

Boyd highlighted the importance of appropriate compensation and training for contractors. Boyd was interested in regular updates on both contractor pricing and training. Boyd was interested in receiving updates on electrification and weatherization training efforts, and asked if other Executive Committee members agreed. Abbe supported Boyd's idea to for regular reporting on workforce training efforts.

Johnson commented that the start date for the price increase should be solidified, but was very impressed with Peters' leadership in the effort. Johnson felt that Peters was the first person to pay attention to contractors. Johnson looked forward to working out the details the solution to contractor compensation. Johnson also thanked Couture for representing the contractor community.

Bodemer cautioned against conflating workforce development and contractor compensation, as both are important, but separate, issues. Bodemer agreed that existing contractors require fair payment.

3. 2022-2024 Three-Year Plan

McCarey reviewed the Council's October Resolution on the 2022-2024 Plan, which the Department of Energy Resources (DOER) and Consultant Team (C-Team) updated to include Councilor feedback from the October 13th Council meeting. McCarey described high-level changes based on sector-specific suggestions, recurring themes from Council discussion, and updated Equity Working Group recommendations. McCarey noted there have been additional changes to the performance incentive mechanism to align with equity and electrification

priorities. McCarey also noted that substantive discussion on the Resolution could not occur during the Executive Committee meeting since a quorum of Councilors were in attendance. McCarey said the Resolution would be distributed to the Executive Committee for feedback prior to distribution to the full Council.

Boyd asked how the October Resolution would be finalized in time for the vote next week. McCarey planned to solicit Executive Committee feedback before sharing the October Resolution, then review it with the full Council on Wednesday to implement any final changes. McCarey felt that the July Resolution content and feedback from Councilors during October 13th Council meeting would be sufficient for crafting a refined Resolution. Boyd and Abbe asked for the status of the Term Sheet. McCarey said DOER, the PAs, and Office of the Attorney General are working on final terms for the Plan and would post updates this week for the Council. Abbe commented that the sooner information could be provided to Councilors the better. McCarey anticipated final changes to the Resolution could be made during the next Council meeting. Abbe said that Plan feedback was generally positive, but the stakes for this Plan seemed higher than ever, so Council will require as much info as possible prior to voting.

Johnson recommended requesting a vote extension from the Department of Public Utilities (DPU) since more time was needed to process the Plan. Johnson felt voting on the Plan with a short review timeline is unacceptable and refused to vote unless given additional time. McCarey responded that an extension was likely out of the question, but the updated Plan data and narrative were provided in advance of the vote.

Bodemer understood Johnson's frustration, as Councilors must represent their constituency and vote on expensive Plans. Bodemer assured Johnson that the October Resolution and Term Sheet reflect Council priorities that have been discussed since the start of the 2022-2024 Planning process including equity, electrification, and workforce development. Bodemer added that DOER staff have worked tirelessly to ensure all stakeholder priorities were incorporated into the October Resolution and Term Sheet. Johnson said the Plan narrative was very well-written, but Councilors need time to review detailed content. McCarey noted that updated Plan data tables and narrative were available in September and early October, respectively, and Council feedback was documented last Wednesday. McCarey said the Plan process was conducted with the intent to analyze Plan data as soon as possible, then obtain Council feedback to incorporate into the October Resolution. Johnson interrupted McCarey, and McCarey told Johnson to follow the Council Ground Rules.

Villanueva supported Johnson's comments since Councilors are volunteers who rely heavily on the C-Team to analyze Plan details. Villanueva felt unclear on many C&I program components in the Plan. Villanueva anticipated gaps in program Plan strategy, and suggested the Planning process needs to allow for detailed feedback on programs. Villanueva advocated for non-negotiable decision-making power and more opportunity for analysis on the path of Plan execution. Villanueva felt too uninformed to confidently vote on the 2022-2024 Plan next week. McCarey clarified that there is not a new full Plan to review, just the October Resolution. McCarey said any remaining concerns would be incorporated into Resolution next week, then Council would decide whether the Plan can be supported under certain conditions. McCarey

indicated the final Resolution on the 2019-2021 Plan included a list of concerns and comments with the DPU filing.

Boyd supported McCarey's explanation of the Resolution's procedural process. Boyd reiterated that commitments and unresolved issues in the Plan could be highlighted for the DPU. Boyd also added that the September Draft Plan was drastically different from April Draft Plan, which resulted in unresolved issues. Boyd hoped the Final Plan would successfully reallocate fossil fuel incentives into electrification. McCarey anticipated there would be amendments to the Plan data tables.

Downey suggested the Council could meet for two hours prior to the October 27th Special Council meeting to prepare for the vote. Downey also suggested documenting expectations of Councilors as it relates to the Three-Year Planning process. Bodemer said newer Councilors may be overwhelmed by the process, but McCarey has done an excellent job of managing the process in a transparent and efficient way.

Villanueva recommended an additional Council meeting to prepare for the Vote on the Council's October Resolution. Villanueva said the PAs should be held to firm deadlines to ensure timely distribution of Plan documents. McCarey said the next Three-Year Planning cycle would have a better timeline, since the Secretary's Letter would be released in March to inform the April Draft Plan, instead of being released in July as it was during the current Planning cycle.

4. October 27th Special EEAC Meeting – Agenda Finalization

McCarey noted the October 27th Council meeting would focus on the Council Resolution on the 2022-2024 Plan, final Councilor feedback on the Resolution, and a vote on the Resolution. McCarey indicated the October 27th Special Council meeting would also be extended by 30 minutes.

5. November 17th EEAC Meeting

McCarey said that planning discussion for the Working Group on complementary and alternative program implementation models would likely be included in the November 17th Council meeting agenda.

Downey indicated that Cape Light Compact's electric C&I Existing Buildings program would underspend by about 24%, which would warrant a mid-term modification (MTM). Downey said the enhanced incentive offerings were still unlikely to prevent the need for a mid-term modification. McCarey recommended that Cape Light Compact provide a summary of the MTM prior to the November 17th Council meeting to inform a Council vote.

Boyd asked if the Council should submit a joint letter to Massachusetts legislators regarding guidance on utilizing American Rescue Plan Act (ARPA) funds, given discussion on non-ratepayer funding sources for efficiency programs. Lyne supported this idea. Harak also supported using a collective voice to address this issue. McCarey said that Webb assembled a summary of potential funding sources, most of which are controlled by the State Legislature, and

DOER is also monitoring federal funding. McCarey stated that language was added to the October Resolution to ensure that external funding would be leveraged to meet goals. Harak offered to work on a joint statement on ARPA funds.

6. Adjournment

McCarey, as Chair, adjourned the meeting at 2:16 PM.