



SPECIAL MEETING MINUTES

Wednesday, October 27, 2021
Virtual Meeting via Zoom

Voting Councilors Present: Greg Abbe (for Jennifer D Maddox), Cindy Arcate, Brian Beote (for Elliott Jacobson), Jo Ann Bodemer (for Maura Healey), Amy Boyd, Justin Davidson, Charlie Harak, 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, Adam Jacobs, Margie Lynch

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

1. Call to Order

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

2. Public Comment

Andrew Yarrows (Conservation Law Foundation)

Yarrows commented that the updated 2022-2024 Plan makes important enhancements for equity and electrification, but the Final Plan still requires dedicated renter and landlord strategies and funding, streamlined moderate income verification process, enhanced moderate income incentives, and program implementation strategies. Yarrows suggested that the Plan shifts fossil fuel incentives into electrification, weatherization, and workforce development, in addition to heat pump and weatherization barrier mitigation. Lastly, Yarrows recommended funding for environmental justice communities to support alternative structures for program implementation.

Steve Cowell (E4TheFuture)

Cowell said the 2022-2024 Three-Year Plan is the most comprehensive plan in the country in terms of funding, electrification, equity, pre-weatherization, and reporting. Cowell suggested that potential backlash against gas to electric fuel switching due to increased energy cost impacts needs to be mitigated by customer education. Cowell added that the codelivery of weatherization and heat pumps is critical for both heating system functionality and cost control. Cowell was

pleased by the Social Cost of Carbon of \$393 per ton, as well as a planned \$30 million investment in pre-weatherization barrier mitigation. Lastly, Cowell indicated the parameters around environmental justice communities in the Climate Act and as defined in the 2022-2024 Plan should be reviewed for consistency to avoid missing any key census tracts.

Hank Keating (Passive House Massachusetts)

Keating applauded the level of planned greenhouse gas (GHG) emissions reductions, equity commitments, and workforce development activities in the 2022-2024 Plan, but said the Plan still lacked sufficient detail in program design for these areas. Keating suggested that opportunities would be lost if program details around deep energy retrofits, affordable housing, co-delivery of weatherization and heating electrification, and other areas are not fleshed out until next year. Keating noted that the strategic plan for renters and complete language access effort would be completed in 2023, despite that these have been known issues for years. Keating said the workforce development budget for Mass Save is \$13 million, but no specific numerical goals for training have been released. Keating urged the program administrators (PAs) to add more program details to the Department of Public Utilities filing during the next two months. Keating said the Plan is ambitious and nation-leading, but could still be improved.

Scott Rodman

Rodman identified two vital issues during the process of building a net-zero house for a demonstration. Rodman said the first issue is a legacy 10-kilowatt solar array cap before losing 40% of net metering credits. Rodman suggested a legislative effort to change this rule to allow for larger solar arrays before losing net metering credits, and to adjust for changed electricity demand due to electrification efforts. Second, Rodman commented that passive house incentives are too low, and only greater economic incentives would motivate more participants.

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.

September 1st Executive Committee Meeting Minutes

Boyd motioned to approve the minutes as submitted. Bodemer seconded. All were in favor, with none opposed or abstaining. The minutes were approved, as submitted, by the Executive Committee.

October 6th Executive Committee Meeting Minutes

Boyd motioned to approve the minutes as submitted. Bodemer seconded. All were in favor, with none opposed or abstaining. The minutes were approved, as submitted, by the Executive Committee.

September 22nd Council Meeting Minutes

Arcate motioned to approve the minutes as submitted. Peterson seconded. All were in favor, with none opposed. Harak abstained. The minutes were approved, as submitted, by the Council.

October 13th Council Meeting Minutes

Arcate motioned to approve the minutes as submitted. Peterson seconded. All were in favor, with none opposed. Harak abstained. The minutes were approved, as submitted, by the Council.

4. Council Resolution on the 2022-2024 Three-Year Plan

Resolution Overview

Commissioner Woodcock thanked the Department of Energy Resources (DOER) staff, Consultant Team (C-Team), Equity Working Group (EWG), and PAs for their contributions to the planning process. McCarey summarized key changes to 2022-2024 Plan data and narratives since September and October Plan updates. McCarey indicated that the Council would be expected to vote on the Council Resolution on the 2022-2024 Three-Year Plan after final review and discussion today. Commissioner Woodcock also noted the performance incentive was modified to align more closely with equity and electrification goals.

Program Administrator Summary of 2022-2024 Plan Impacts

Porter, on behalf of the PAs, expressed appreciation for stakeholder input and its role in improving the 2022-2024 Plan. Porter acknowledged the challenge presented by the Climate Act as it necessitated major modifications to the Plan, but anticipated it would result in better outcomes for the Commonwealth. Porter added that the Plan’s \$3.9 billion budget would have considerable rate and bill impacts. Porter summarized preliminary estimates for Eversource and National Grid electric and gas customers across each sector. Porter also indicated that the PAs would submit individual rate and bill impacts to the Department of Public Utilities for public review. Porter clarified that the estimated rate and bill increases are not a given, but highlight the importance of exploring alternative funding sources to achieve goals while minimizing financial burden to ratepayers. Porter noted that \$13 billion in benefits would be delivered to the Commonwealth as a result of the large investment. Porter indicated the PAs believe the 2022-2024 Plan is responsive to both Council priorities and Climate Act mandates, and all look forward to Plan implementation.

Council Review and Discussion – 2022-2024 Three-Year Plan and Council Resolution

Villanueva thanked the PAs for the rate impact estimates, and noted they were higher than anticipated, but looked forward to seeing full details on rate and bill impacts.

Harak proposed adding language to the Resolution to secure non-ratepayer funding sources to support program implementation in 2022-2024. Boyd agreed that ratepayers should not bear the entire burden of funding programs, but felt the suggested language may push the PAs to explore alternative funding at the start of 2022 instead of immediate program implementation. Harak

acknowledged this concern, but was open to any suggestions to improve the language. McCarey recommended that the language should state that the Council agrees to support the PAs in identifying additional funding sources. Harak and Rio agreed with this edit.

Arcate recommended adding this language on Page 2 where the Plan budget is discussed, and also adding a sentence to clarify the Council would support outside funding sources. Harak said it is important to highlight program funding for the Legislature. Arcate said cleaning up the electric power supply is an important consideration for electrification. Bodemer recommended combining language on seeking external funding sources and mitigating costs to ratepayers, but agreed this language is important.

Commissioner Woodcock thanked Harak for raising alternative funding and noted that it is raised in the Term Sheet as well. Commissioner Woodcock indicated there is uncertainty on federal funding, but there may be opportunities. Commissioner Woodcock said the ambition of climate requirements has increased, so programs need to evolve in order to decarbonize building sector.

Boyd worried that it may be unclear from where the outside program funding would come. Rio agreed, and suggested the term “non-ratepayer funding” should be applied in this context. Bodemer and Lyne agreed.

McCarey indicated language on Page 5 was edited to clarify there is \$6 million dedicated to Municipal and Community Partnerships, and \$1.5 million intended for the Open Doors offering for community-based organizations for education efforts.

McCarey said language was strengthened on delaying the weatherization requirement for moderate-income customers to receive heat pump incentives until a moderate-income co-delivery model for weatherization and heat pumps has been established. Peterson added that several timelines in the Resolution and Equity Targets document have been added for renter and moderate-income strategy, but a timeline was still needed for the moderate-income co-delivery model. Peterson suggested that a comprehensive moderate-income delivery model should be in draft form by the end of Q2 2022 and finalized by the end of Q3. Boyd said the language should indicate support for weatherization, but delaying the weatherization requirement for enhanced heating incentives.

Wambui asked the PAs to summarize their understanding of the Council’s revised language on the moderate-income weatherization requirement. Commissioner Woodcock replied that the Term Sheet includes a commitment to implement a moderate-income heat pump and weatherization co-delivery strategy without a specific deadline. Wambui indicated that moderate-income energy burdens warrant a preference for weatherizing prior to heat pump installation, because installing too many heat pumps without weatherization might harm customers. Georges indicated the PAs agree with Wambui’s concern. Coen said the PAs are actively working on the moderate-income delivery model to roll out ASAP, and added they would prefer to maintain the weatherization requirement.

Peterson suggested the delivery model should be rolled out as soon as possible. Peterson said the weatherization requirement would place an additional participation barrier on moderate-income customers. Peterson proposed the PAs provide a status update at the next EWG or Council meeting to expedite delivery of a comprehensive delivery model.

Lyne asked if the Council would approve delaying the weatherization requirement until a delivery model is established by the end of Q2 2022. McCarey clarified that in current proposed Plan, moderate-income customers would be required to receive weatherization, which would serve as a participation barrier.

Wambui commented that a comprehensive, simplified co-delivery model would mean better heating system functionality and customer participation. Wambui suggested waiting until a co-delivery model is in place in Q2, since energy burdens would harm moderate-income customers, despite the urgency of electrification.

Bodemer said the PAs should not delay implementation in 2022, but have a comprehensive delivery model implemented by Q2. Formica reiterated that the PAs would like to roll out the co-delivery model at the start of 2022, but recognize the weatherization requirement may be necessary to avoid poorly sized heat pump systems. Bodemer, Peterson, and Wambui were comfortable with the updated language that the Council expects the comprehensive delivery model to be in place prior to implementing the weatherization requirement for moderate-income customers to access enhanced heating incentives.

Johnson asked why the comprehensive delivery model could not be implemented by January, since the heating season would be over by the end of Q2. McCarey responded that the PAs are planning to implement the delivery model sooner than the end Q2, and incentive amounts will be maintained to allow for access to enhanced incentives once the Plan is approved and the comprehensive delivery model is solidified. Johnson understood the need for Plan approval, but suggested maximizing the amount of weatherization performed during the heating season. Commissioner Woodcock said language could be added to reflect urgency of timing for the delivery model.

Bodemer recommended including Council support for the Cape and Vineyard Electrification Offering, as it was included in July resolution. McCarey indicated such language was added to the Income Eligible section of the October Resolution.

Beote noted that line 323 suggested using approved Term Sheet language regarding the PAs and LEAN commitment for customized Income Eligible and Affordable Multifamily deep energy retrofits.

Wambui said the language for the mixed-income protocol should be inclusive of multifamily buildings instead of calling out 3-4-unit buildings. Formica indicated the Income Eligible program is stratified between 1-4 and 5+ unit buildings, so 3-4-unit buildings would be the only facilities where an Income Eligible customer could comprise the minority. Formica noted the protocol has been sorted out between the PAs and LEAN, but the PAs could provide an update on its rollout in two weeks. Wambui said LEAN has projects in non-3-4-unit buildings that

would benefit from a clear mixed income protocol. Wambui suggested that the public needs consistent information, as there are program areas that need to be streamlined so all Affordable Housing residents can benefit from energy efficiency. Formica indicated that multifamily buildings require Appliance Management Program (AMP) assessment follow-ups and coordination with building owners, which add to the timeline. Formica said some of Wambui's referred projects have helped the PAs improve the process. Commissioner Woodcock suggested that distinct protocols based on building size might be suitable.

Wambui suggested the language on better integrating active demand strategies into Income Eligible programs required strengthening. McCarey said there is stronger language in the active demand section regarding Income Eligible participation. Wambui suggested repeating the language in both sections of the Resolution. Jacobs said "integrate" would be more appropriate than "better integrate" since active demand is currently not being integrating into Income Eligible programs.

Peterson said the language on reducing reliance on C&I fossil fuel incentives should say "reduce fossil fuel equipment incentives".

Wambui said recommended stronger language around the PA focus on storage incentives given goals for electrification. McCarey suggested changing the language to suggest increased enrollment of storage in active demand programs. Peterson said the increase of enrollment should include more language to qualify what is meant. Wambui said significantly increase would more accurately qualify the intent, since active demand programs need to scale up rapidly to meet clean peak goals.

Wambui was excited that specific reporting recommendations were included in the Term Sheet.

Weber recommended monthly tracking and reporting around the aggressive electrification targets in the approved October 13th Council meeting minutes, but doubted the call for quarterly reporting in the Resolution would be sufficient for adjusting strategy. McCarey clarified that quarterly heat pump installation reporting, including partial and full displacement and existing fuel type, was approved in the Term Sheet. Villanueva supported Weber's recommendation, and added that monitoring heat pump usage in the case of partial displacements might help determine appropriate partial displacement incentives. Porter said tracking customer utilization would run through the same evaluation methodology for evaluating all programs and measures. Porter suggested balancing transparency around program performance, intrusiveness to customers, and the administrative burdens associated with additional data reporting. Porter said electrification is a long-term market transformation effort, so overreacting to near-term variations in data would not be productive. Commissioner Woodcock said partially displaced heat pumps may have integrated controls that can yield additional data that could provide more real-time updates. Jacobs indicated that once C&I heat pump volumes increase, more systems can be studied to inform program efforts. Jacobs added that Residential studies used to inform the 2022-2024 Planning process could be shared. Villanueva suggested that aggressive goals and investment warrant careful monitoring and reporting, and the Resolution's language should reflect the need to course correct as market transformation occurs. Johnson said program evaluations can take

years, so heating sector transformation progress updates need to be provided on a more frequent basis.

Bodemer opposed monthly reporting, since quarterly progress reports would be sufficient. Bodemer believed the integration of electrification into performance incentives would motivate the PAs to aggressively pursue heat pump goals.

Dyke-Redmond shared that PAs recently completed a study of heat pump fuel displacement on October 13th, focused on Residential heat pumps, customer satisfaction, and switchover temperatures. Dyke-Redmond said the Evaluation Management Committee would continue to study heat pumps as outlined in Strategic Evaluation Plan.

Weber recommended increasing electrification reporting frequency to monthly if heat pump installation goals fall 10% behind expected progress. McCarey agreed that monthly reporting is aggressive, but a threshold to trigger more frequent reporting might make sense. Commissioner Woodcock agreed and proposed adding language to that end.

Peterson indicated the planned heat pump installations represented in square feet for C&I buildings is not aligned with the Term Sheet. McCarey said square feet of C&I electric heat and MMBtu reduction of fossil fuels being offset would be tracked and reported.

Bodemer asked if the Council needed to motion to adopt the Resolution as amended during the meeting. Evans confirmed, and said the amended Resolution could be referenced in the motion.

Porter said the PAs are committed to providing transparent information, and monthly reporting would present administrative burdens that could potentially interfere with implementing programs. McCarey said the Council would determine any additional reporting needs.

Council Resolution on the 2022-2024 Three-Year Plan – Council Vote

Harak motioned to accept Council Resolution as amended and as on screen, allowing DOER to make any grammatical and spelling corrections as needed, given the discussion and edits were made in a virtual meeting. Boyd seconded. All were in favor, with none opposed or abstaining. The Council Resolution was approved, as amended, by the Council.

McCarey asked Caesar to repeat the motion as documented in the draft meeting minutes to confirm accuracy. Caesar repeated the motion as written in the draft meeting minutes. Harak indicated the motion as written was accurate.

McCarey thanked Council, PAs, C-Team, and Energy Efficiency Team at DOER for supporting the Resolution. McCarey also thanked Ian Finlayson, Alyssa Whiteman, Nina Mascarenhas, Lynn Huckabee, Alexis Washburn, and Emily Powers Webb for their contributions. Commissioner Woodcock also thanked Maggie McCarey for contributing so much to the Planning process.

Cape Light Compact Mid-Term Modification Overview

Malone summarized the Cape Light Compact mid-term modification (MTM) due to 30% underspend in C&I New Construction and 24% underspend in C&I Existing Buildings. Malone indicated the programs would still likely approach 90% of savings goals despite the underspending. McCarey indicated the associated documents were posted and would be addressed during the November 17th Council meeting.

5. Adjournment

McCarey, as chair, adjourned the meeting at 3:55 PM.