



## MEETING MINUTES

Wednesday, November 17, 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, Brian Beote (for Elliott Jacobson), Paul Johnson, Deirdre Manning, Cammy Peterson, Robert Rio, Dennis Villanueva, Mary Wambui, Sharon Weber, Commissioner Patrick Woodcock, Charlie Harak

**Voting Councilors Absent:**

**Consultants Present:** Eric Belliveau, Adrian Caesar, Gretchen Calcagni

**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

#### *Yve Torrie (A Better City)*

Torrie thanked the Department of Energy Resources (DOER), Council, Consultant Team (C-Team), and program administrators (PAs) for incorporating stakeholder recommendations into the filed 2022-2024 Plan. Torrie offered support for the July 28<sup>th</sup> motion regarding review and evaluation of complementary and alternative implementation models including third-party implementation of heat pumps and C&I deep energy retrofits. Torrie noted that A Better City's representatives include large C&I building owners, many of which are local and national sustainable real estate leaders. Torrie expressed concern that mandated greenhouse gas (GHG) reduction targets and recent building ordinance updates have been passed without practical, proven pathways for large C&I customers to comply. Torrie requested that the Council support third-party implementation of C&I deep energy retrofits, heat pump, and variable refrigerant flow system pilots in order to determine solutions to meet goals. Torrie said the PAs have indicated struggles to deliver cost-effective savings in those areas, so qualified third parties could provide alternative solutions.

***David O’Leary (Springfield Resident)***

O’Leary commented that the 2022-2024 Plan includes increased focus on landlords and renters, but there has been significant underperformance in places like Springfield with many landlords and renters. O’Leary suggested that the Plan identifies this as an issue, but does not present a clear path forward for addressing it. O’Leary recommended a focus on continuous performance assessment and program strategy adjustment as needed for renters and landlords.

Commissioner Woodcock and Wambui joined the virtual meeting at 1:13 PM.

**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.

***October 20<sup>th</sup> Special Executive Committee Meeting Minutes***

Lyne indicated there are two “t’s” in “Emmett”. Abbe motioned to approve the minutes as amended. Bodemer seconded. All were in favor, with none opposed or abstaining. The minutes were approved, as amended, by the Executive Committee.

***October 26<sup>th</sup> Special Council Meeting Minutes***

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

***Department of Public Utilities (DPU) Procedural Schedule***

McCarey outlined the DPU 2022-2024 Plan review schedule for discovery, public hearings, and evidentiary hearings through December 15<sup>th</sup>. McCarey indicated the DPU would need to provide briefs on the Plan by the end of January. McCarey said there is overlap between evidentiary hearings and the December Council meeting, so the Executive Committee would determine whether to truncate the meeting and hold it later in the week.

Peterson asked if non-intervening parties could observe the evidentiary hearings. Evans confirmed that non-intervenors could attend the virtual hearings once scheduled. Evans was unsure whether the hearings would be administered via Zoom, but they would be accessible for live streaming in some way. McCarey added that the final hearing schedule and access information would be sent to the Council mailing list.

***DOER Staffing Update***

McCarey announced that Alexis Washburn, who led DOER collaboration with the Equity Working Group, would be transitioning to the Emerald Cities Collaborative to drive diversity in the clean energy workforce. McCarey applauded Washburn's contributions to the Equity Working Group and energy efficiency work over the past two years.

#### ***Contractor Pricing***

Johnson announced that contractor representatives are meeting with Kate Peters from Eversource on November 18<sup>th</sup> to discuss a long-term approach for annual contractor pricing adjustments.

### **4. Cape Light Compact (CLC): Mid-Term Modification**

#### ***Resolution Overview and Vote***

Song requested approval of the Cape Light Compact mid-term modification (MTM) due to 30% underspend in the C&I New Construction and 24% underspend in C&I Existing Buildings programs.

Belliveau indicated the Consultant Team (C-Team) did not have substantive feedback on the MTM Resolution for Council vote. McCarey said the MTM Resolution followed a similar format to prior MTMs requested by other PAs.

Harak motioned to approve the Cape Light Compact MTM Resolution. Arcate Seconded. All were in favor, with none opposed or abstaining. The Resolution was approved, as submitted, by the Council.

### **5. Consultant Team Proposed Budget Amendment**

#### ***Budget Amendment Overview and Vote***

Belliveau indicated that unanticipated work in 2021 required additional budget, while 2021 budget previously shifted to 2020 were unspent. Belliveau said work associated with GHG goals and Equity Working Group support resulted in additional 2021 work, but the C-Team's overall three-year contract budget would not change. Webb noted that \$82,000 was previously allocated from the 2020 EEAC Operating Budget to the C-Team budget, which was approved last year by the Council. Webb said the same strategy would be implemented this year to reallocate the unspent funding from 2020 into 2021.

Villanueva motioned to shift \$68,467 from the Council 2021 Operating Budget into the C-Team 2021 budget. Rio seconded. All were in favor, with none opposed or abstaining. The Budget Amendment was approved, as submitted, by the Council.

### **6. Protocol for Serving Mixed-Income Buildings**

Formica and Mazuera, on behalf of the PAs, provided an overview of the mixed income protocol, coordination efforts with LEAN to date, existing process barriers, and the streamlined mixed-income protocol for 3-4 unit and 5+ unit buildings. Formica indicated that all program vendors agreed to the new mixed-income protocol, and the PAs and LEAN would implement the enhanced protocol in January 2022.

Wambui commented that copayments to Residential Coordinated Delivery (RCD) vendors, typically amounting to 15% of project costs, are another barrier to mixed income building owner participation. Wambui was glad that other participation barriers were being addressed, but indicated copayments often prevent comprehensive projects in affordable housing units. Wambui said the 5-unit+ mixed income buildings typically lack cash reserves to cover project copayments, and asked how to mitigate missed opportunities due to this kind of prohibitive cost. Formica replied that there are some well-resourced property owners with Income Eligible residents where the PAs want to ensure customers receive the full benefits of incentives. Wambui emphasized that the ambitious GHG reduction goals mean the PAs cannot be reluctant to serve market rate customers in mixed income buildings. Wambui read a letter from an RCD vendor that included a design and procurement fee of 15%. Wambui said the copayment issue could not be solved today but requested that the PAs consider it further. Formica asked Wambui to share the letter for follow-up. Formica also noted the PAs are committed to serving customers in mixed income buildings but are iterating on the protocols to ensure benefits are maximized.

Peterson stated that underserved customers need additional services and easier participation pathways to make program benefits more accessible. Peterson asked if there are still opportunities to simplify pathways with focus on equity and climate goals. Peterson asked how CAP agencies and the existing quarterbacking model would remain involved since RCD vendor would deliver services on 5-unit+ buildings. Peterson hoped renters would retain eligibility for 100% incentive in these cases. In 3-4-unit mixed income buildings, Peterson encouraged maintaining the same vendor when possible but asked how the split in delivery may optimize the process to meet equity and climate goals. Peterson asked how to guarantee Income Eligible customers receive full benefits. Peterson was wary of the notion that more affluent residents in mixed income buildings are piggybacking off benefits since climate and equity goals are the more important consideration. Beote responded that RCD vendors usually engage with 5-unit+ buildings first when Income Eligible residents comprise a smaller share, so RCD vendors would be able to identify these customers before CAP agencies. Beote added that RCD vendors would handle building shell and HVAC work. Beote said delivery of services to Income Eligible units will be coordinated between CAP agencies and RCD vendors to minimize invasiveness, where not every unit would be entered, but the CAP agency or lead vendor would oversee entry into Income Eligible units to maximize benefits. Beote explained that this would mean Appliance Management Program (AMP) work would be performed after building shell improvements are complete. Beote indicated 3-4-unit mixed income building projects are less common, but LEAN implements a system to ensure comprehensive services where CAP agencies oversee heating system replacements. Beote also noted that HEARTWAP funds are leveraged for almost all heating system upgrades due to their high costs. Peterson said there are many 3-4-unit mixed income buildings in Boston that have not been served. Peterson requested that the PAs keep the Council and Equity Working Group informed regarding developments and customer feedback on the mixed-income protocols. Wambui agreed that the Equity Working Group should track the mixed income protocol closely.

Wambui suggested that carbon emissions and energy burdens are already urgent issues, so there is an immediate need for simple mixed income protocols. Wambui said in-unit appliance upgrades are helpful, but robust energy savings and energy burden reductions come from deep

energy retrofits. Wambui suggested that the urgency of a streamlined mixed income protocol increases as the cost of heating increases.

## **7. Council Discussion on July 28<sup>th</sup> Motion**

McCarey reviewed Arcate's July 28<sup>th</sup> Special Council meeting motion "...to have the Council review and evaluate complementary and alternative implementation models, including third-party implementation of program areas such as heat pumps and C&I deep energy retrofits, to help achieve the Commonwealth's decarbonization targets, and issue its findings in 2022 to inform the out years of the 2022-2024 Plan and the work of the Massachusetts Clean Heat Commission." McCarey said there was agreement at the November Executive Committee to initiate a C&I Stakeholder Working Group managed by DOER and the PAs to solicit feedback on emerging program strategies and changes. McCarey said the Executive Committee discussed whether the C&I Working Group and the work on complementary and alternative delivery models should be aligned, or if there should be a separate workstream to research complementary and alternative delivery models. McCarey believed the workstreams should be separate and aligned, but the complementary and alternative delivery model research should not require a separate working group.

Boyd said this was an accurate characterization of the November Executive Committee discussion. Boyd agreed that there should be two separate and aligned workstreams makes sense, but the C&I Working Group should disseminate the research findings. Bodemer also concurred and added that one C&I Working Group was agreed to in the 2022-2024 Plan, and this Working Group should accomplish the intent of Arcate's motion. Villanueva agreed with Boyd and Bodemer.

Johnson disagreed, since Council discussion in July and August did not call for integrating alternative implementation model research into the C&I Working Group. Johnson said this research is important enough to warrant a separate working group. Johnson reviewed three reports from the American Council for an Energy Efficient Economy (ACEEE) and Lawrence Berkeley National Laboratory (LBNL) that looked at the pros and cons of eight resource acquisition models, some utility-led and some third party or nonprofit-led. Johnson said the purpose of the Council's proposed research is to improve programs. Johnson said the research should frame whether there is enough data transparency from the PAs, are program acquisition costs optimized, are the PAs responsive to stakeholder demands, and do they provide responses necessary to drive change. Johnson said the public reports he reviewed covered the Energy Trust of Oregon, Efficiency Vermont, and six other program administration models. Johnson said the potential of non-ratepayer funds from infrastructure bills is important to consider, since some of these third-party programs were very responsive when additional funds were made available, Johnson did not promote the third-party program administration models, but said a dedicated working group should build on his initial findings to form a conclusion.

McCarey said the Council should not predetermine a solution, but some of Johnsons framing questions were appropriate. McCarey agreed that the Council needs to consider all options for improving future program design and offerings. Bodemer also felt Johnson's framing questions are important and relevant.

Bodemer said the Council needs to acknowledge the statutory framework resting administration of energy efficiency plans on the PAs. Bodemer wondered if the Council is the vehicle to suggest change to this framework since the Council is a product of the Green Communities Act. Bodemer was unsure the Council has the authority to do more than answer the research questions in the way Johnson framed them. McCarey said that based on Arcate's motion, the Council's focus should be on exploring new program design options to achieve deep energy retrofits and electrification.

Rio supported Bodemer's points, and felt the Council's research on complementary and alternative delivery models should be integrated into the C&I Working Group.

Harak wanted clarity about prospective scope of research but agreed there should not be two separate working groups. Harak agreed with Torrie's public comment regarding C&I challenges. Harak asked if the intent of the motion was to only explore alternative C&I program administration strategies. Harak also agreed that alternative program administration models should be explored within the C&I Working Group.

Arcate explained that the original intent of the motion was to focus on the C&I sector given the planned C&I savings and spending in the April Draft Plan. Arcate noted that C&I numbers have improved significantly since April, but this does not eliminate the need and desire to investigate further improvements. Arcate said the C&I Working Group will provide important input to exploring complementary and alternative program delivery models as long as it is established as a high priority topic for the group. Arcate said research needs to be based on more recent findings and publications to inform Council decisions. Arcate acknowledged the legal challenges Bodemer raised and recommended that the Council consider them immediately. Arcate suggested that the PAs responded favorably to concerns about the April Draft Plan, but the research will seek to enhance what they put forth. Arcate said enhancing program administration and delivery should be a monthly Council meeting topic that receives input from stakeholders over time.

Johnson agreed with Bodemer on the potential need for legislative changes, but the Legislature has already voiced possible support for third-party program administration, as summarized in a Boston Globe article about low heat pump installations relative to GHG targets. Johnson said bandwidth would not be a problem since this would be a research-driven exercise for the C-Team supported by the Council. Johnson proposed the Council begin research on alternative program administration models and include discussion on the C&I Working Group membership in the December Council meeting agenda. Johnson said the program might be doing well or poorly in a year, so the Council needs to be prepared to adjust program delivery strategy. Johnson noted that Boyd's presentation on long-term utility interests versus energy efficiency and climate goals was great. Johnson reiterated that the C-Team should begin research on alternative program models immediately and C&I Working Group membership should be established.

McCarey said deep energy retrofits and electrification have typically not been a focus of resource acquisition programs, so the Council's research efforts need to account for this. Johnson said

they are parallel and some of the programs focus on heat pumps, energy savings, an GHG emission reductions.

Weber supported including complementary and alternative program administration models within the C&I Working Group scope. Weber wanted to ensure clear, frequent, and early reporting on Plan progress toward goals. Weber also supported frontloading research in 2022 so any beneficial findings could be implemented early.

Bodemer reiterated that the previous legal question needed clarity prior to the Council using ratepayer funds to investigate alternative program implementation models, as there is no legal basis under the current energy efficiency framework for third-party program administration. Bodemer did not presume any outcomes and expressed support for C&I Working Group working to improve program delivery to achieve program goals. Bodemer requested that DOER investigate potential legal issues and offered to assist in the investigation. McCarey said the research is just meant to explore improved delivery options for new program areas.

Porter said the suggestion that utilities and PAs are not enthusiastic about leading programs is an unfair characterization. Porter indicated the PAs take pride in their work with the Council and vendors to deliver programs. Regarding bandwidth to participate in additional stakeholder working groups, Porter indicated that all PAs spend many hours preparing for and participating in working groups, which results in lost opportunity costs. Porter said the PAs worked diligently to put forth an unprecedented plan focused on delivering equitable outcomes to achieve climate goals. In addition, Porter said the PAs are open to bring new ideas into the existing open market program.

Villanueva said Council work is all voluntary, so schedules require balancing anyway. Villanueva said the intent of the research is not to replace utilities as providers of energy efficiency services, but to complement and improve energy efficiency services. Bodemer said such research may be legal, but the alternative mechanisms to deliver energy efficiency should integrate well with the C&I Working Group.

Harak agreed with Villanueva's characterization of the goals of the Council's research, as well as the conducting the research within the C&I Working Group.

McCarey said DOER, the Executive Committee, and PAs would determine next steps regarding the C&I Working Group, and said the general consensus was that the third-party research should be handled through C&I Working Group.

Johnson said the exploration of alternative program models does not imply the PAs are unenthusiastic, but the Council needs to investigate any potential improvement to existing program models. Johnson believed the Legislature would support using ratepayer funds on this research.

## **8. 2021 Q3 Report and Q4 Projections**

### ***Program Administrator Presentation***

Menges, on behalf of the PAs, reviewed 2021 Q3 Electric and Gas program results, 2019-2021 Term results through 2021 Q3, and 2019-2021 Term forecasts. Menges forecasted lifetime Electric savings to reach 87-89% of goal and lifetime Gas savings to reach 89-93% of goal for the 2019-2021 Term.

### ***Council Discussion***

McCarey asked about the reason for savings underachievement relative to spending in the Electric Income Eligible Sector. Menges said the Term forecast for Electric Income Eligible spending was 81% and savings was 67-69%, and the difference is explained largely by COVID - 19 impacts, significant appliance supply chain issues, and project backlogs. Chambers also noted that all Residential measure lives were reduced. Menges said Electric Income Eligible benefits were closer to 81% of goal. McCarey said there are appliances that were ordered but not yet installed, and asked what amount of savings might be stuck in the pipeline. Beote was unsure about the quantity of claimable savings in the project backlog.

Johnson was disappointed the Q3 results were not provided to the C-Team in time for them to develop a full assessment. Johnson believed programs would not meet the annual or Term goals given performance through Q3. McCarey clarified the PAs presented Q3 forecasts, so all Q4 contributions to performance still remained. Menges apologized for not providing Q3 data sooner. Menges said the same methodology as has been used in past forecasts was applied, but the methodology is improved and adjusted as needed.

Abbe asked if the PAs anticipated increased customer interest in efficiency programs given widespread news about fuel price increases heading into the winter, and whether there was opportunity to lessen the impacts of increased fuel prices. Menges said it has been 7-8 years since forecasted commodity prices were this high, and there would likely be a wave of increased participation once customers receive their first cold weather bill. Abbe suggested that PA energy efficiency staff collaborate closely with billing departments to steer customers frustrated by higher bills to efficiency programs.

McCarey asked if PAs would meet the statutory minimum for Income Eligible programs. Menges predicted the statutory minimum would be met. McCarey asked why Income Eligible and Multifamily program performance were disproportionately impacted by COVID-19 than Residential. Menges said the rollout of virtual audits, a near one-year block in entering Income Eligible and Multifamily buildings, and lower heat pump installation numbers than projected in 2018 were all contributing factors. McCarey said the Executive Committee should discuss ramping up programs impacted by COVID-19 slowdowns.

Peterson seconded McCarey's suggestion on ramping programs back up, especially since the Council entered 2021 anticipating that Income Eligible and C&I programs would return to higher activity levels. Peterson said as additional programs scale up, there needs to be proactive planning for issues like delayed supply chains and COVID-19 safety.

Wambui mentioned it would be helpful to understand which building segments within the Income Eligible sector, such as public housing, subsidized housing, and individual homeowners, were impacted most by COVID-19 and other issues.

Bodemer noted that the online DPU File Room houses all documents being filed in the 2022-2024 Plan process, including discovery and corresponding responses. McCarey said Webb can distribute a link to the DPU File Room.

Downey announced that the DPU denied Cape Light Compact's Cape and Vineyard Electrification Offering (CVEO) in Docket 20-40. Downey said the Cape Light Board voted to appeal that decision and it is still in Cape Light 2022-2024 Plan. Downey suggested the DPU's logic that CVEO violated Massachusetts General Law seemed flawed. McCarey a link to this order could be distributed as well.

## **9. Adjournment**

McCarey, as chair, adjourned the meeting at 3:46 PM.