



MEETING MINUTES

Wednesday, February 16, 2022
Virtual Meeting via Zoom

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

Consultants Present: Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Margie Lynch, Jeff Schlegel

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

1. Call to Order

McCarey, as Chair, called the meeting to order at 1:03 PM.

2. Public Comment

Susan Olshuff (Ener-G-Save)

Olshuff indicated that Ener-G-Save was recently selected to participate in the Community First Partnerships program in Springfield, West Springfield, and Pittsfield. Olshuff thanked everyone for their contributions to the 2022-2024 Plan and appreciated learning about the planning process. Olshuff noted that community organizers push for urgent action and appreciate the Council's consideration of public comments. Olshuff was excited to support electrification, but was concerned that too many people are unaware of heat pumps or believe they are insufficient for cold climates. Olshuff recommended a major heat pump education campaign to effectively promote electrification efforts.

Wesley Couture (Home Performance Contractors)

Couture provided an update on home performance contractor (HPC) pricing discussions. Couture commented that the current proposed HPC pricing changes do not meet what the HPC analysis deemed reasonable. Couture said the pricing increases cover about 30-40% of the gap in compensation that has been identified. Couture added that more data analysis and discussions

with contractors would be held, but the Program Administrators (PAs) also supported third-party analysis of program data to inform pricing adjustments.

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.

January 5th, 2022 Executive Committee Meeting Minutes

Villanueva noted that he was not present at the January Executive Committee meeting. Abbe asked for confirmation that the typographical errors identified by the PAs prior to the meeting were corrected. Webb confirmed that the corrections were implemented. Abbe motioned to approve the Executive Committee meeting minutes as amended. Boyd seconded. All were in favor, with none opposed. Villanueva abstained. The January Executive Committee meeting minutes were approved, as amended, by the Executive Committee.

Boyd joined the virtual meeting at 1:12PM.

January 19th, 2022 EEAC Meeting Minutes

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

Residential Home Energy Assessments (HEAs) and Contractor Pricing Update

Peters, on behalf of the PAs, provided a brief update on HPC pricing. Peters noted that there are multiple elements the PAs are looking to balance, including some items included in the DPU Order on the 2022-2024 Plan. Peters stated that the DPU Order reinforced using procurement whenever possible for pricing and vendors, and the PAs need to prove they have closely considered costs when not conducting competitive procurement. Peters said there are many types of contractors that work within programs, which all have different pricing elements to consider. Peters noted that that Eversource and National Grid suggested increases in HEA fees and changes in the bonus structure to align with Plan priorities, including enhanced renter and moderate-income weatherization conversion fees. Peters acknowledged that these increases do not cover the entire HPC request, but represent a meaningful increase that aligns with the Plan and budgets. Peters said another pricing meeting would be held after the HPCs can reconvene and review the proposed changes. Peters added that the Request for Quotes (RFQ) for weatherization pricing would increase HPC and IIC revenue streams since pricing can be adjusted to market rates through the competitive procurement process.

McCarey asked for an update on the timing of the RFQ since there was interest in waiting until some of the pricing discussions were finalized. Peters responded that the PAs want to release it soon, but there remain questions among contractors on the RFQ which may be answered through the procurement process.

Johnson thought yesterday's pricing meeting was a good step forward and the HPCs are pleased about the 2022-2024 Plan, but the pricing gaps are still wide. Johnson urged the Council to prioritize contractor pricing since the HPCs are losing money and the situation is dire. Johnson said that weatherization rates are down one-third relative to 2021 numbers through January and weatherization project pipelines are substantially smaller. Johnson said the 10% HPC price increase does not compensate for materials and labor price increases. Johnson indicated that no HPCs are adding crews to return to pre-pandemic levels and many HPCs have actually halved their crew numbers by now. Johnson doubted prior weatherization rates could be matched, so this problem needs to be addressed adequately to meet Plan goals. Peters is not aware of specific weatherization reductions, but was happy to review any data to that effect. Johnson said HPCs provided the reduction in weatherization numbers, but was unsure what PA data shows.

Active Demand Management Update

O'Connor, on behalf of the PAs, gave a summary of public feedback from curtailment service providers, aggregators, installers, and other stakeholders provided during a January 25th ConnectedSolutions program stakeholder forum. O'Connor indicated that key points of feedback were improving group engagement process, wi-fi thermostat enrollment, pre-defined technical requirements for participation eligibility based on published standards, and battery baselines and evaluation. O'Connor noted that the PAs would share a full set of responses to feedback suggestions and schedule another stakeholder forum in March.

Wambui asked how diverse the stakeholder meeting was, as her main concern was improving Income Eligible active demand offerings. O'Connor said the PA and DOER staff attended the open meeting and Income Eligible offerings were a meeting topic. Woodcock recommended including community partners in future meetings like this to foster inclusivity. McCarey said DOER can share future meetings like this with the EEAC distribution list.

Villanueva noted that there was a meeting to discuss the 2022-2024 Plan, but it seemed that it was meant for vendors not end users. Villanueva said inclusivity in participation is important, and it was unfortunate that participation was limited since topics included energy efficiency and demand management. O'Connor said this was the PA business partners meeting, so it was not intended to be for end users. McCarey replied that there is customer interest in meetings like this, so the PAs should consider open participation for customers in the future. Peters said meetings need to sufficiently address the target audience since customer meetings may not be suited to cover technical details, but the PAs want to communicate information to all groups. Villanueva recommended that meetings are not all siloed since it is important for vendors to understand customer issues.

Jacobson said Action for Boston Community Development (ABCD) has been involved with Eversource and National Grid on Income Eligible active demand offerings. Jacobson indicated

that though Income Eligible representatives were not at the active demand management stakeholder meeting, there are ongoing efforts to promote fair inclusion of Income Eligible customers in active demand programs.

Peterson agreed it is good idea to target informational meetings for customers. Peterson suggested that municipalities would benefit from such meetings targeted for energy efficiency staff and stakeholders beyond what will be conducted within the Community Partnerships initiative.

Commissioner Woodcock emphasized the importance of effectively communicating to customers, Income Eligible residents, community partners, and vendors.

Community First Partnerships Update

Georges, on behalf of the PAs, gave an update on the Community First Partnership. Georges said multiple feedback sessions were held with community partners and municipalities to discuss changes and improvements to the program. Georges noted that 30 towns and 4 community-based organizations (CBOs) participated in a kickoff meeting to strategize on community engagement, community-based social marketing, and program enrollment.

McCarey asked how many 2022 community partners are on the priority list developed by the Equity Working Group. Georges replied that 17 community partners are on the Equity Working Group priority list, which is largely attributed to the outreach conducted by PA marketing teams in partnership with Councilors and municipalities.

Johnson asked if there would be PA staff managing Community Partnerships, what their budgets were, and how much funding would be provided to Community Partner staff. Georges indicated that each town is required to identify an energy advocate to perform ten hours per week for this work, while some communities employ part-time staff. Georges added that some towns have received EMPOWER Grants from the Mass Clean Energy Center (MassCEC). Each town selected how much budget they could commit depending on the number of residents they planned to target. Georges noted that towns which will target 600 customers would receive \$60,000 annually, totaling \$180,000 per town for the 2022-2024 Term. Johnson asked if the towns need to present a budget and workplan for community based social marketing and outreach efforts to receive funding. Georges confirmed that budgets and workplans need to be developed.

Commissioner Woodcock expressed interest in tracking progress within the Community Partnerships and understanding what outreach tactics are most effective. Commissioner Woodcock was excited to receive future updates and see how organically best practices can develop.

Commercial and Industrial Working Group Update

McCarey announced that DOER has collaborated with the PAs to develop the framework and charter for the C&I Working Group and conduct outreach for working group membership. McCarey asked all Council meeting attendees to recommend potential members for the working

group. McCarey indicated the inaugural meeting would take place in March, but membership and other details are being finalized. McCarey noted that the C&I Working Group's Quarterly meetings would be paired with customer surveys and open discussion with non-working group participants.

Johnson was interested in learning about Councilor participation in the C&I Working Group since third-party program administration research was identified as a task for the C&I Working Group to undertake. Johnson wanted to ensure Councilors interested in the research task could participate. McCarey replied that the working group will need to plan agenda topics accordingly in order to include subject matter experts and non-C&I Working Group participants in meeting discussions. McCarey also noted that Councilor quorum issues need to be considered.

4. 2022 EEAC Budget Request to the Department of Public Utilities (DPU)

Webb outlined the 2022 EEAC budget request to the DPU, which included the Consultant and Operating budgets, as well as contributions from the electric and gas PAs. Webb indicated the 2022 Budget Request must be filed by DOER with the DPU by March 1st.

Weber motioned to approve the 2022 EEAC Budget Request to the DPU. Harak seconded. All were in favor, with none opposed or abstaining. The 2022 EEAC Budget Request to the DPU was approved, as presented, by the Council.

5. DPU Order on the 2022-2024 Three-Year Plan

Commissioner Woodcock stated that the DPU Order highlights how much work went into 2022-2024 Plan within a constrained timeline following the implementation of the Climate Act. Commissioner Woodcock was directionally encouraged by the emphasis on electrification and equity, and the Order has called for a focus on addressing participation levels in underserved communities. Commissioner Woodcock suggested the Community First Partnerships would be a key vehicle for advancing equity goals and targeting communities and customer segments identified by the Equity Working Group. Commissioner Woodcock said the process for Council, stakeholder, and PA negotiations on the Plan will need to be revisited to align with the DPU timeline in the future. Commissioner Woodcock recommended that everyone read the Order, but the Order is encouraging heading into Plan implementation.

Consultant Team Overview

Keating and Schlegel, on behalf of the C-Team, presented an overview of approved Plan elements, key Plan modifications, and Planning process updates resulting from the DPU Order on the 2022-2024 Three-Year Plan. Schlegel noted that the DPU loosened the Target Community criteria to place less emphasis on income, resulting in an increase from 38 to 60 Targeted Communities and the removal of 11 originally filed Target Communities from the list. Schlegel noted that the concern with this aspect of the Order is that it dilutes some of the focus on environmental justice customers within specific communities. Keating stated that the DPU supported electrification when paired with simultaneous energy efficiency upgrades, such as weatherization. Keating noted that the PAs would only be eligible for the electrification component of performance incentives when homes are weatherized, and other DPU requirements

may warrant changes to program design. Keating also indicated the DPU directed the PAs to use \$128 per ton for the Social Value of Greenhouse Gas Emissions instead of \$393 per ton which was originally filed, which has deemed many individual gas-to-electric fuel switching measures non-cost-effective. Schlegel added that this reduction in the Social Value of Greenhouse Gas Emissions reduces total portfolio benefits by 29% from \$12.9 billion to \$9.2 billion. Schlegel also noted that the DPU supported three performance incentive components aligned with Plan goals, but provided three recommendations based on the DPU Order.

Council Discussion

Harak asked for clarification on the phasing out of lighting measures. McCarey noted that while there was consensus on removing direct install lighting from the Residential Coordinated Delivery program, the PAs suggested renter and moderate-income customers could benefit from continued direct install lighting. McCarey also said that the DPU Order directed the PAs to perform an evaluation and determine next steps on direct install lighting. Abdou suggested that there was essentially an interim reinstatement of direct install lighting as the PAs assess lighting for renters and moderate-income customers.

As it relates to the electrification component of the performance incentive, Abbe asked if the DPU provided guidance on what constitutes adequate weatherization of a building. Schlegel replied that the PAs are seeking clarification on the issue. Abbe agreed the DPU should provide a clear definition, but the criteria should not be too specific or limiting.

Peterson was excited that most of the Plan was upheld, but shared concerns that many tools meant to enable achievement of equity and climate goals were diminished by the DPU Order to some degree. Peterson commented that the changed performance incentive disappointingly fails to reflect the need for deeper investments in underserved communities. Peterson was also disappointed by the changes to the targeted communities, which DOER and the Equity Working Group spent much time researching in order to target customers who have not received program benefits. Peterson said the substantial reduction in the Social Value of Greenhouse Gas Emissions to \$128 per ton is an egregious modification which undermines the intent of the Climate Act. Peterson added that most of the electrification measures will still pass cost-effective screening, but there may still be hesitancy to implement measures that do not pass screening. Commissioner Woodcock said strategies to increase participation need to be targeted at communities requiring additional services, so the original priority communities can still be a focus. Commissioner Woodcock felt some disappointment with this component of the DPU Order.

Johnson asked if the Council could modify the performance incentive mid-term or for the next Three-Year Plan. Schlegel indicated that the performance incentive modifications would be made during the Compliance Filing and the PAs are responsible for following DPU guidance. Schlegel said the C-Team put forth recommendations on how to align with the DPU Order. Johnson wanted clarification on revenue decoupling. Schlegel said this would be addressed in the rate cases, but the DPU has provided notice that decoupling may not continue in the future since it is intended to assist distribution company investments. Schlegel said that energy efficiency may not be aligned with revenue decoupling in instances like fuel switching, where electricity consumption would be increased and it would be easier for utilities to recover their investments.

Commissioner Woodcock suggested that revenue decoupling would not impact the Plan, but decoupling is a component in rate design that removes an incentive for distribution companies to increase electric sales. Commissioner Woodcock added that revenue decoupling has been a best practice in energy efficiency programs, but rate design needs to recognize the benefits of electrification. Schlegel noted that decoupling aligns utility and customer interest when energy use is being reduced, but perhaps it is not as useful since the Commonwealth is prioritizing decarbonization.

Wambui reiterated her prior comments about trust, noting that the PAs have an opportunity to be trustworthy by remaining committed to all equity provisions regardless of the DPU Order.

Jacobson asked what the corresponding rate impacts were for the 2022-2024 Plan. Schlegel responded that the bill and rate impacts are the same as in the proposed plan and the DPU set a cap at these levels unless the PAs receive DPU approval. Jacobson worried that future fuel costs could create complications.

PA Presentation – 2022-2024 Three-Year Plan Compliance Filings

Dorfler, on behalf of the PAs, summarized next steps for the PAs to understand the implications of the DPU Order on the 2022-2024 Plan and satisfy requirements in the Compliance Filings. Dorfler noted the compliance filings are due on April 1st, May 2nd, and September 30th.

Johnson asked why a plan for heat pump promotion was not included in the Compliance Filings. Dorfler indicated the heat pump plan is a part of the statewide plan in the three-pillar strategy which includes new incentive offerings. Johnson thought the Plan was supposed to be more detailed than what was filed in the fall. McCarey said the Council expressed interest in a detailed heat pump market transformation plan, as was described in the October Resolution on the 2022-2024 Plan. Webb noted that the electrification market transformation plan in support of achieving heat pump goals is to be completed in Q1 2022 with regular implementation updated thereafter. Hanover added that the PAs discussed regular reporting on commitments during the February Executive Committee meeting.

6. Draft 2022 EEAC Priorities

Webb shared the Draft 2022 EEAC priorities, noting that updates on the Priorities are included in PA quarterly reports. Webb indicated the document tracks closely to Plan priorities identified in the October Resolution on the 2022-2024 Plan. Webb also indicated that a matrix was added to track the numerous initiatives being launched in 2022, such as the C&I Working Group and Electrification Market Transformation Plan, to facilitate progress tracking.

Council Discussion

Johnson asked why quarterly reporting on envelope measure installations was emphasized for gas programs and not all programs. McCarey believed there have been many delivered fuel weatherization projects, so the intent is to ensure gas weatherization is not omitted. Lynch said there is more perceived opportunity for gas weatherization projects. Johnson asked if there was a recommendation that the PAs implement one computerized audit tool statewide. Lynch

responded that coordinated data tracking was a recommendation from the Income Eligible process evaluation from a few years prior.

Peterson suggested that the PAs track investments and completed projects in the original 38 target communities identified by the Equity Working Group. Peterson asked when feedback on the Council Priorities should be provided. Webb said Councilors should provide written feedback by March 4th. McCarey agreed the 38 priority communities should be tracked and the Equity Working Group should discuss it during its first 2022 meeting.

Jacobson supported well designed reporting, but requested that LEAN is involved in the reporting discussions since they already support PAs, federal, and state agencies that collect data differently. Jacobson added that implementing one uniform auditing software was difficult since there was no way to align all information gathering requirements across different entities.

Weber emphasized the need for comprehensive electric vehicle enrollment in both active demand programs since bi-annual reports would be provided. McCarey suggested reviewing existing reporting and providing recommended changes.

Wambui concurred with Peterson's suggestion to track participation in the 38 original target communities. Wambui asked how to move the statewide audit tool into action. Wambui recalled that many Lawrence and Springfield residents voiced complaints about Income Eligible Programs and Community Action Program performance in 2021. Wambui suggested that areas of poor performance need to be made stronger, as opposed to having non-committal language included in the Plan.

Peters understood interest in tracking the 38 target communities, but the PAs need to prioritize the DPU Order and find the right path forward for additional tracking. McCarey said the DPU order requires tracking program performance across all cities and towns, so data from the 11 removed priority communities need to be included in the reporting. Wambui agreed that the PAs will already have data on all communities, which is why there needs to be trust and a mutual emphasis on equity.

Lyne stated that the PAs will provide written comments to respond to the DPU Order and Council Priorities since there is a lot to balance between both.

7. Q4 2021 Report

Program Administrator Presentation

Chambers and Menges, on behalf of the PAs, presented Q4 2021 statewide results across the electric and gas portfolios for each sector. Chambers noted that there was a 30% reduction in C&I lighting lifetime electric savings due to evaluation impacts, as well as notable COVID-19 challenges across all sectors during 2020, so savings and benefits were impressive given that consideration. Menges said the Residential and Income Eligible sectors performed very well in Q4 of 2021, resulting in achievement of 92% lifetime gas savings goal and 94% benefits goal for the 2019-2021 Term. Menges clarified that pending evaluation results and QA/QC meant that all presented results are still preliminary in nature.

Council Discussion

McCarey asked how much of the backlog due to supply chain issues and appliance delays was fulfilled by the end of 2021. Chambers said it varies by PA, but 100% of the statewide electric Income Eligible savings goal was met.

Jacobson asked if the electric savings numbers were updated because prior performance numbers seemed closer to 100%. Abdou said National Grid had trouble meeting planned goals due to an overestimation of electric resistance heating replacements.

Abbe was curious about evaluation that halved the Income Eligible lighting measure life. Chambers replied that the PAs underestimated the speed at which the lighting market would transform, so measure lives were originally higher and freeridership has increased. Chambers added that the evaluation is calling out second period freeridership, meaning people would likely purchase LEDs without the program anyway. Chambers said she could share the presentation.

Peterson said the Community Partnerships results were helpful to see, but there was not much additional detail in the reports to inform further strategic improvements. For moderate-income key performance indicator (KPI) #5, Peterson asked if they were being tracked appropriately since there were only a few hundred moderate-income weatherization projects reported for 2021. Peterson said reaching the goal of 2000 moderate-income weatherization jobs in 2022 will require significant effort. Chambers clarified that the KPI is not inclusive of all moderate-income projects since there was carryover of 100% weatherization incentive into 2022 and additional moderate-income participation was not captured in the enhanced rebate reporting.

Johnson praised the fall Heating and Cooling Conference, as 50% of conference registrants were new to the Mass Save network which is great. Johnson suggested that in addition to on-demand training and conferences, webinars should be put on as well to help build a community among the Mass Save network.

McCarey indicated that the C-Team would present on the Q4 2021 results during the March Council meeting.

8. Adjournment

McCarey, as chair, adjourned the meeting at 3:58 PM.