



EXECUTIVE COMMITTEE MEETING MINUTES

Wednesday, March 2, 2022
Virtual Meeting: Zoom

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

Other Attendees: Eric Belliveau, Adrian Caesar, Emily Webb, Paul Johnson, Kate Peters, Charlie Harak, Rachel Evans, Bill Graham, Audrey Eidelman Kiernan, Marie Abdou, Josh Dada, John Lanzi, Bob Eckel, Jerrold Oppenheim, Jodi Hanover, Alissa Stanley, Alyssa Vargas, Frank Gundal, Heather Deese

1. Call to Order

McCarey, as Chair, called the meeting to order at 10:03 AM. McCarey expressed support for everyone impacted by the ongoing conflict in Ukraine and other parts of the world.

2. Home Performance Contractor (HPC) Home Energy Audit Pricing Update

Peters indicated the Eversource and National Grid made additional increases to home energy audit (HEA) fee, weatherization conversion fee, and bonus structure, which also include an enhanced conversion fee for renters and moderate-income customers. Peters estimated that the budgetary impact of these adjustments for Eversource and National Grid equates to \$3.6 million annually and \$10 million for the 2022-2024 term based on current conversion rates. Peters acknowledged that the increases do not match the full request set forth by the HPCs, but the next step in the process is to release the weatherization pricing RFQ this week. Peters said the RFQ will include a Q&A period and pricing bids will hopefully be provided in early April. Peters clarified that the PAs would review the pricing bids considering any material difference between HPC and independent installation contractor pricing, given HPC concerns about differences in other operational costs. Peters suggested that all pricing adjustments made thus far are the extent of what the PAs can implement without data informed by a competitive procurement process. Peters clarified that pricing conversations would not conclude in the next month and suggested a quarterly meeting with the PAs and contractors outside of the Best Practices Working Group to provide a better forum for pricing issues.

McCarey asked Peters to provide more detail on the contractor pricing adjustments made since the previous Council meeting. Peters noted that the HEA fee is now \$225, the weatherization conversion fee is \$100, the weatherization conversion fee for priority customers (renters and moderate-income) is \$175, and the quarterly bonus for quality work is \$100 per job. Peters added that the changes would take effect from March onward, but there would also be retroactive adjustments to jobs completed since the start of 2022 to provide additional support for HPCs.

Johnson commented that the HPCs are not satisfied with the pricing adjustments relative to the amount that was requested, but the HPCs are not in a position to reject any offers. Johnson caveated the \$100 weatherization conversion fee since the March 1st meeting with the PAs made clear that the \$100 job completion fee would be deducted from conversion fee as opposed to added to the \$175 conversion fee that was in place before. Johnson said the request for quotes (RFQ) will not address HEA pricing issues. McCarey replied that the RFQ should address pricing for weatherization Johnson said the HPCs will likely not get higher prices on weatherization and the HEA is not part of the RFQ. Johnson also noted that the market analysis needs to consider the success of the HPC pathway relative to lead vendor and IIC performance. Johnson emphasized the need to continue pricing conversations. McCarey recalled that the Council expressed urgency around the PAs implementing a near-term increase to HEA pricing followed by ongoing discussion to determine solutions. McCarey said the RFQ will provide key information for weatherization pricing issues, but conversations will continue and the RFQ Q&A period will allow for clarifications. Johnson asked how the RFQ will rectify the \$300 HPCs lose per audit. McCarey said the HPCs expressed willingness to have fee increases tied to weatherization conversions in order to cover HEA costs since the conversions are delivering benefits to customers. Johnson reiterated that the RFQ would not solve the HEA pricing issue. McCarey asked Johnson to lower his voice and maintain respectful discussion. Peters indicated that HPC costs include operational costs for conducting audits, and reaffirmed that such costs can be covered through revenue streams like increased conversion fees or bonus structures. Peters said the pricing needs to be competitive and market based which is why the RFQ will help the PAs determine an appropriate balance.

McCarey noted that HPCs were concerned about the RFQ because to submit bidding pricing they need to understand the volume of jobs in order to put in competitive pricing. McCarey asked if the PAs would address in the RFQ process. Peters said the contractors will need to review the RFQ document and pose questions during the Q&A period so the PAs can respond with necessary clarifications. Peters added that the PAs designed the RFQ in a way that will allow PAs to get market-based pricing information from both contractor groups.

McCarey indicated that the Consultant Team (C-Team) is continuing its analysis of contractor pricing data to inform further discussions.

3. Draft 2022 Council Priorities

Following review of the Draft 2022 Council Priorities during the February Council meeting, Webb said that no substantive changes were implemented, but Councilors should provide feedback by Friday. Webb said that a tracked changes and clean version of the Draft 2022 Council Priorities would be posted for the March Council meeting.

Lyne noted that the PAs are looking to compile one set of comments and consider impacts of the DPU Order on the Council Priorities and Term Sheet.

4. Mass Save Program Update – Implementation Efforts During COVID-19

Lyne announced that there were no reported transmissions of COVID-19 in February. Lyne said that CDC guidance is dynamic, so there will be ongoing work on contractor health and safety protocols.

McCarey asked if there would be an update on health and safety protocols for the March Council meeting. Lyne was unsure whether there would be any changes to the protocols by then, but the PAs could provide a brief update.

5. March EEAC Meeting –Agenda Finalization

McCarey announced that the March Council meeting would include discussion on HPC home energy audit pricing, a vote on the 2022 Council Priorities, a C-Team presentation on 2021 Q4 results, a PA presentation on Heat Pump Market Transformation Strategy, and co-delivery of heat pumps and weatherization in light of the DPU Order. Webb would also lead discussion on an updated Council Photo since the C-Team is managing EEAC website updates.

Evans indicated that Open Meeting Law provisions enabling virtual meetings were extended to July 15th, so continuing virtual meeting participation beyond July 15th would require both modifications to the EEAC Bylaws and a physical quorum of Councilors at an in-person meeting location. Evans clarified that the EEAC Bylaws would need to be revised to allow remote participation for the full Council and not just its subcommittees. McCarey supported continued virtual participation options since public participation is made easier.

Abbe suggested that a consolidated list of all deliverables and topics and their associated timelines would be helpful. McCarey replied that there is an Appendix Table in the 2022 Priorities that maps out known deliverables and commitments, so Abbe should begin reference that table to start. McCarey added that a similar table specific to equity commitments and new offering rollouts should be shared and included in the Council priorities. Webb also said there was list of draft EEAC meeting topics for 2022 posted in December, so it can be updated and reshared. McCarey anticipated the draft meeting topics schedule would change given the DPU Order, so it could be updated for the March EEAC meeting.

Johnson thought there would be an update on the C&I Working Group provided in March or April. Johnson felt it was important to receive an update on weatherization projects, since HPCs have reported a decrease in YTD weatherization levels through March compared to past years. Johnson also said that contractors have much smaller project pipelines and have also reported there were not robust marketing efforts. McCarey agreed that these are concerning updates if accurate and recommended they could be covered in the Q4 2021 presentation or Council updates and business. Peters said there was substantial work completed in 2021 due to enhanced incentives, so there needs to be a ramp up in marketing efforts beyond online marketing. Peters

said the PAs could provide an overview of marketing campaigns. Johnson suggested monthly updates on completed weatherization projects due to their importance to achieving savings. Johnson asked if a marketing activity update could be included on the March agenda. McCarey said the PAs can provide an update. Abdou noted that the PAs adjust marketing as demand ebbs and flows, and though they sought to manage budget toward the end of the 2019-2021, marketing activities were ongoing. Johnson reported that contractors have not heard any Mass Save advertisements on television or radio.

Villanueva concurred with Johnson's comment on initiating C&I Working Group efforts. McCarey responded that the goal is to have the first C&I Working Group meeting in March, but the Department of Energy Resources (DOER) is working hard to ensure diverse membership. Villanueva requested to have some visibility into the process. McCarey said details will be included in the update. Johnson said Councilor participation is important, particularly for those interested in third-party program administration research. McCarey said DOER and the PAs are determining which customer segments should be included in the working group since the primary focus is on improving C&I program delivery and creating transparency around custom offerings. McCarey added that the goal is to conduct regular open meetings during which customers can provide program feedback and subject matter experts can cover specific topics.

Abbe recommended that meetings should be scheduled in a way that does not discourage participant enthusiasm, especially for the PAs and others participating in multiple working groups. McCarey said there would be five total C&I Working Group meetings in 2022.

Johnson commented that the third-party research should not be abandoned even if it is not the focus of the C&I Working Group.

6. April EEAC Meeting – Draft Agenda Topics

McCarey indicated that the April Council meeting will cover workforce development collaboration with the Massachusetts Clean Energy Center (Mass CEC), Community Partnerships, and the 2022-2024 Plan DPU Compliance Filing due on April 1st.

7. Adjournment

McCarey, as Chair, adjourned the meeting at 10:57 AM.