MA ENERGY EFFICIENCY ADVISORY COUNCIL

MEETING MINUTES

Wednesday, December 21, 2022
Virtual Meeting via Zoom

Councilors Present:	Greg Abbe, Cindy Arcate, Jo Ann Bodemer, Amy Boyd, Justin Davidson, Charlie Harak, Elliott Jacobson, Paul Johnson, Deirdre Manning, Robert Rio, Brooks Winner (for Cammy Peterson), Mary Wambui, Sharon Weber, Commissioner Patrick Woodcock, Dennis Villanueva, Cindy Carroll, Maggie Downey, Michael Ferrante, Paul Gromer, Kate Peters, Hammad Chaudry, Chris Porter, Stephanie Terach
Councilors Absent:	Tim Costa, Andrew Newman
Consultants Present:	Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Margie Lynch, Michelle Keller
DOER Staff Present:	Rachel Evans, Maggie McCarey, Alissa Whiteman

1. Call to Order

McCarey, on behalf of the Chair, called the meeting to order at 1:03 PM.

2. Public Comment

Emma Marshall-Torres (Convergent Energy and Power)
Marshall endorsed a joint letter from CPower Enel and Convergent directed to the program administrators (PAs) about proposed changes to the ConnectedSolutions program. Marshall asked the PAs to consider the recommendations in the letter, which included reinstating the Winter ConnectedSolutions program.

Nancy Chafetz (CPower Energy Management)
Chafetz described concerns about proposed changes to commercial and industrial (C&I) resources in the ConnectedSolutions program. Four key concerns are the proposed cap on the performance incentive based on 150% of customer peak load, removal of the Winter ConnectedSolutions program, modified battery baseline requirements, and the discontinuation of zeroing out negative performance on an event basis. Chafetz highlighted the performance

incentive cap and Winter ConnectedSolutions program as the biggest concerns and requested that the Council read the letter. Chafetz said that battery costs are increasing in the near term despite long-term expectations, which forces customers to oversize batteries to improve economics and resiliency. Chafetz stated that a battery sized at 150% of customer peak load would only provide three hours of resiliency and recommended that the cap be based on a peak load percentage that would provide 18 hours of resiliency. Chafetz added that the 150% cap would hurt small customers more, given difficulties in achieving economies of scale. Chafetz commented that ISO New England anticipates the need to shed load multiple times if faced with a cold winter, so the Winter ConnectedSolutions should be used to provide resilience benefits and reduce peak demand. Chafetz recommended adjusting the cost-effectiveness framework for Winter ConnectedSolutions since it does not mimic the summer demand response program.

Sarah Griffiths (Enel)
Griffiths stated that the modified battery baseline does not align with the current ConnectedSolutions program design and would severely limit participation. Griffiths also said that factoring negative performance during events should be assessed in terms of the entire ConnectedSolutions program. Griffiths encouraged the PAs to evaluate the program holistically to determine whether the modified battery baseline or negative performance during events should be applied to the program.

Richard Keleher (Acton Condominium Owner)
Keleher commented that he received a high bid for a whole-home heat-pump installation in a condominium, but discovered that buildings with five or more units are not eligible for the $10,000 whole-home rebate. Keleher expressed frustration that it was unclear that the building was only eligible for the per ton incentives, which would total about $5,000. Keleher believed it was unfair that the condominium was unable to receive the same rebates as a detached residential home, despite his intent to convert from fossil-fuel heating. Keleher requested a refund for the heat pump installation as the Mass Save website and program communications did not clearly explain whole-home heat-pump rebate eligibility. McCarey requested Keleher's contact information to facilitate follow up with the PAs.

Commissioner Woodcock, Villanueva, Boyd, and Weber joined the meeting at 1:13.

3. Council Updates & Business

Virtual Meeting Procedure Review
McCarey reviewed the virtual EEAC meeting procedures:

1. The Council meeting 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 function.
4. Councilors who disconnect from meetings need to announce when they rejoin.
5. All Council votes would be taken by a roll call.

Department of Energy Resources (DOER) Updates
Commissioner Woodcock noted that the Clean Heat Commission Final Report included two important recommendations: establish a clean heat standard across all heating fuels and establish the Massachusetts Clean Energy Center (MassCEC) as a clearinghouse to assist constituents in navigating all clean energy programs including energy efficiency, electric vehicles, and solar incentives. Commissioner Woodcock said that residents and businesses should have access to a user-friendly service to help them understand all program offerings. Commissioner Woodcock added that the Clean Heat Commission received strong support for the recommendations included in its Final Report published in November.

Johnson referenced Page VIII in the Clean Heat Commission Final Report which suggested that the Mass Save program structure is not suited to meet the pace and scale of decarbonization efforts required to achieve statewide climate goals. Johnson asked for Commissioner Woodcock's perspective on this statement in the Final Report. Commissioner Woodcock replied that the Mass Save program will need to be aligned with statewide decarbonization goals and recent legislative changes, including the 2021 Act on Climate which mandated greenhouse gas emission reduction targets for Three-Year Energy Efficiency Plans. Johnson asked if third-party energy efficiency program administration should be explored. Commissioner Woodcock said third-party program delivery can be discussed with updates on Commercial & Industrial (C&I) programs. McCarey said the Final Report and other recommendations for Mass Save programs can be included in the 2023 EEAC priorities.

McCarey stated that the C&I Working Group held its third meeting this month to discuss customer feedback on the custom pathway and incentives. Feedback was informed by C&I Working Group discussion and a C&I customer survey. The C&I Working Group identified issues and challenges for the custom pathway, discussed potential improvements, and developed an initial list of recommendations. McCarey said the Group would work with PAs to determine how to implement the recommendations, so a more detailed update would be provided in early January or February. Villanueva commented that the third C&I Working Group meeting was productive, but hoped the overall pace would improve and the Group could meet more frequently in 2023. Villanueva said that known obstacles are being discussed and suggested discussing third-party implementation pilots. Villanueva also suggested that there are many clean energy programs which need to be aligned on decarbonization strategy to quickly deliver meaningful results.

In other updates, McCarey stated that Ina Dasso started as the EEAC Manager at DOER.

Winter Pricing and Weatherization Updates
Peters, on behalf of the PAs, presented marketing efforts and results from winter-pricing mitigation efforts. Peters announced that eight of ten moderate-income census blocks have been canvassed with 1,562 addresses visited and 105 home energy assessments (HEAs) scheduled. Peters said that direct communication of enhanced weatherization offerings with customers yields high conversion rates, but contractors have experienced difficulty reaching customers in many cases. Peters added that the 100% weatherization offering does not mitigate other moderate-income customer barriers and the PAs are considering an extension of the enhanced offering.

Residential Contractor Pricing

Peters provided updates on year-to-date weatherization projects and HEAs through October, noting that HEA volume exceeds 2021 levels while weatherization volume lags behind. Home Performance Contractors (HPCs) are booking HEAs into January, with average lead times of 4-7 weeks. Peters indicated that the limited number of energy specialists available to conduct HEAs is extending lead times, so CLEAResult is working on pulling energy specialists from other jurisdictions into Massachusetts to meet high customer demand. Peters said the PAs will develop the next pricing request for quotes (RFQ) in Q1 2023 and incorporate contractor feedback. Peters emphasized the need for regular pricing RFQs to keep pace with dynamic prices and economic conditions. Peters said that direct weatherization and pre-weatherization barrier mitigation offerings for renters have received positive feedback, but moving barrier mitigation projects through the pipeline takes time. 41 out of 51 independent insulation contractors (IICs) trained on direct weatherization have opted into the PA direct weatherization offering. Peters also noted that moderate-income customer applications through the income verification portal are lower than anticipated, so adjusting moderate-income program strategy will be a primary focus in 2023.

On behalf of the residential HPCs and IICs respectively, Martijn Fleuren and Christine McEachern provided further updates. Fleuren appreciated that the PAs would reissue a pricing RFQ and incorporate contractor feedback to address previous flaws. Fleuren said that HPCs are completing many HEAs and projects, but current pricing and economic conditions still pose financial challenges. Many contractors have been forced to pursue other types of work to supplement Mass Save project work. Fiberglass and cellulose prices have increased 10% in December and prices will continue to rise as the Inflation Reduction Act (IRA) rolls out and weatherization demand increases. In addition, Fleuren stated that rising labor costs limit the ability of contractor companies to offer competitive wages and benefits, which is important to business owners. Fleuren also recommended that workforce development funding allocations should be discussed, as contractors who find and train new workers are not directly compensated. Fleuren asked that the Council and PAs continue to work with contractors to ensure fair compensation is provided.

McEachern seconded Fleuren's comments. McEachern said that HomeWorks, the largest Mass Save contractor, can purchase materials in bulk to reduce costs, but other IICs are unable to do this which increases costs. McEachern reiterated Fleuren's comment that contractors are pursuing other lines of business since they are not earning enough through Mass Save work. McEachern said that heat-pump offerings and installation processes need to be better communicated, as she speaks with confused and frustrated customers like Keleher on a daily basis. Inadequate descriptions of rebates and installation processes have created customer barriers. McEachern supported direct weatherization, but said that small contractors have difficulty providing these services due to their lack of sales and administrative staff. Lastly, McEachern said that the Mass Save search engine optimization needs improvement, as internet searches for "Mass Save" often lead directly to contractor websites, which can further confuse customers.

McCarey agreed that contractor feedback should improve the weatherization pricing RFQ in 2023, and noted that the most recent Residential Management Committee meeting focused on improvements to heat pump delivery.

Wambui contended that high winter bills will motivate customers to participate in programs, and many residents have reached out regarding bill increases. Wambui suggested that the winter-price-mitigation offerings are disorganized, poorly communicated, and not intentionally designed to provide value to customers. Wambui said that comments from Keleher and McEachern indicate that these issues are not limited to the winter-price-mitigation efforts. Wambui asked if there is one entry point for the winter price mitigation offerings and if the PAs are targeting customers with electric-resistance, oil, and propane heating, since they will face the largest bill increases. Wambui said that if customers report they do not have time to implement projects, then the PAs need to shift implementation strategies to address this apparent barrier. Peters responded that the program design provides enhanced offerings, but the PAs need to be able to reach customers with these offers to move projects forward.

Johnson asked if the PAs are calling customers in addition to canvassing towns and if contractors receive additional compensation for audit conversions, which are audits that result in completed projects. Johnson said that market-impressions data is meaningless, without tying metrics of success to the impressions. Peters replied that HPC compensation includes a renter and moderate-income customer bonus, which has been in place since spring 2022. Peters said the PAs have not performed phone banking but will consider new outreach methods. Peters said marketing strategies for winter price mitigation were very broad, so the PA data teams may not be able to track program participation resulting from each impression. Johnson asked for the distribution of HEAs and weatherization projects performed by HPCs and lead vendors. Peters indicated that the distribution is a 60%-40% split in favor of HPCs over the past six months. Johnson noted that a Mass Save call center has said lead times for HEAs are as late as May 2023 and asked how the PAs will serve customers before summer. Johnson said long lead times are a threat to program success if not improved, and suggested that HPCs have capacity to perform HEAs if they are appropriately compensated. Peters responded that customers are being referred to HPCs and the PAs are offering direct weatherization to account for the energy specialist workforce constraint. McCarey recommended that the PAs provide an update on lead-vendor hiring efforts.

Winner announced that the Metropolitan Area Planning Council published a toolkit with resources for paying utility bills, which could support winter-price-mitigation efforts. Winner asked how income-eligible customers are being targeted for winter price mitigation since most efforts seem focused on renters and moderate-income customers. Peters said that all discount-rate customers are referred to community action agencies (CAAs) in addition to CAA outreach to discount-rate customers. Peters said the PAs discussed better organizing census block and Community First Partnership outreach such that incoming customers are directed to the appropriate services, as opposed to being added to a queue. Jacobson stated that Low-Income Home Energy Assistance Program (LIHEAP) applications have tripled which suggests that bill increases and associated messaging are taking effect. Jacobson said that fuel-assistance provisions are higher than ever and potentially insufficient, but income-eligible customer awareness of winter-price-mitigation offerings is evident. In addition, Jacobson said that client

call centers are more educated and focused on referring income-eligible customers to the CAAs and Low-Income Energy Affordability Network (LEAN). Winner said that LEAN and the PAs should continue providing updates on income-eligible customers and suggested that the PAs extend the timeline for winter-price-mitigation offerings.

Weber proposed conducting outreach at local stores and community hubs if door-to-door canvassing is unsuccessful. Weber also proposed that reducing lead times is a priority for 2023 to ensure discrete solutions are implemented.

Villanueva asked how current HEA lead times compare to historical averages and if winter-price-mitigation marketing can highlight the dangers of non-weatherized properties like high bills or icicle damage.

Harak encouraged the PAs and LEAN to communicate LIHEAP offerings to customers. Harak said that $6.1 billion is included in the Senate budget to supplement oil and gas fuel-assistance benefits, but weatherization services are still critical. Jacobson said additional HEA providers are required, in order to deliver more projects.

Councilor Term Updates

McCarey announced that Arcate, the Nonprofits Representative, had chosen not to continue on the Council following 2022, and DOER had recommended a new appointment the Department of Public Utilities (DPU). Arcate said that it has been a pleasure working with the PAs, Consultant Team (C-Team), and Council during her tenure. McCarey said that Davidson had also stepped down and would be replaced by a new Representative for the Massachusetts Association of Realtors beginning in January. Davidson said that he learned much while working with the Council and encouraged all to maintain their good work. McCarey noted that DOER was managing an election for the representation of Energy Efficiency Businesses and had solicited business owners with less than ten employees to submit letters of interest, so the formal election will be launched in January. McCarey noted that DOER was also soliciting interest for the Municipalities Representative.

Commissioner Woodcock stated that Council work is demanding and expressed appreciation for Councilor efforts.

McCarey announced that Amanda Formica and Ruth Georges would be transitioning away from their respective roles at National Grid and Eversource and thanked both of them for their contributions to program delivery.

4. Cape Light Compact Cape and Vineyard Electrification Offering (CVEO)

Resolution Review and Vote

McCarey summarized the draft EEAC Resolution on CVEO which describes Council review, discussion, and support of prior CVEO iterations, and Council support for the current CVEO design. Downey thanked the Council for its continued support of CVEO.

Harak motioned to approve the Resolution. Villanueva seconded. All were in favor with none opposed or abstaining. The EEAC Resolution on CVEO was approved by the Council.

5. EEAC Consultant Budget for Three-Month Extension

McCarey stated that the procurement for a new consultant services contract is still in progress, so she proposed that the EEAC extend the current C-Team contract for three-months through March 2023. McCarey said that the proposed $346,705 contract extension budget was based on 2022 average monthly C-Team spending and Calcagni described the scope of work associated with the contract extension.

Council Discussion and Vote
Arcate motioned to approve the three-month C-Team contract extension. Boyd seconded. All were in favor with none opposed or abstaining. The three-month C-Team contract extension was approved by the Council.

6. Program Administrator 2022 Q3 Report

Program Administrator Presentation
Peters and Georges, on behalf of the PAs, presented statewide electric and gas program performance results through the third quarter (Q3) of 2022. Peters stated that overall progress to goals fell short of PA expectations, but stronger Q4 performance is anticipated. Q3 highlights include high residential heat pump installations, new custom C&I offerings, prescriptive small-business weatherization incentives, and Main Streets events in areas including environmental justice communities (EJCs). Georges discussed equity-focused Q3 2022 implementation and performance highlights, including the establishment of 32 partnerships with EJCs, Energy Advocate trainings, contractor-industry trainings, and Community First Partner attendance at 107 events across 22 communities.

Council Discussion
Commissioner Woodcock thanked Georges for the presentation and commented that community partnerships, renter access, and language access are imperative for long term success. For future presentations, Commissioner Woodcock suggested discussing each of those areas separately, given the staggering amount of work required to support all initiatives. McCarey agreed and referred to the significant outreach and individual effort required to onboard target communities in the Community First Partnership (CFP) program as an example.

Wambui expressed appreciation for Georges' work at Eversource and Council and PA collaboration in implementing equity-focused initiatives. Wambui said that equitable program outcomes need to be achieved quickly, but the utilities are working to close the energy justice gap as the Commonwealth decarbonizes the building sector. Wambui also appreciated the Passive House offerings that Mass Save adopted, as affordable housing developers are encouraged by these incentives. Wambui hoped the PAs would target LIHEAP and fuel assistance customers for fuel switching to reduce their winter energy bills.

Johnson thanked Arcate, Davidson, and Georges for their service. Johnson asked if moderate-income customers would be targeted by CFP partners and what Salesforce measure progress entailed. Georges replied that CFP partners must identify target populations during the application process. Georges said All In Energy, the CFP vendor, uses Salesforce to track sales performance and communications. Johnson commented that the latest cohort of Clean Energy Pathways placements were not performing well and asked the PAs to consider compensating contractors to train new workforce entrants. Johnson said that HomeWorks has provided good training for over a decade. Georges responded that the PAs work with Green Jobs and the Office of Workforce Development to provide trainings, but the PAs are also willing to partner with contractors to deliver additional training. Georges said the PAs also provide contractor workforce-development support by subsidizing salaries for Clean Energy Pathways recruits. Referring to the presentation, Johnson asked if the last cohort of Clean Energy Pathways interns faced challenges related to transportation. Georges confirmed that the Clean Energy Pathways program could not find a solution for transportation, since it is a broader infrastructure issue. Johnson supported Weber's suggestion on engaging customers in community centers and asked how the PAs are reaching moderate-income customers. Georges said that the PAs are working with state agencies and organizations to identify and target moderate-income customers, but innovative and enhanced outreach will be required to increase moderate-income participation.

Winner echoed gratitude for Georges. Winner encouraged the PAs to be creative about where and how they engage renters and moderate-income customers. Winner also encouraged the PAs to make systemic improvements to all programs based on the current and upcoming equity work.

Abbe supported the Clean Energy Pathways program and asked if the PAs understand the workforce gap. Georges said that a workforce assessment showed that energy auditors, HVAC installers, and weatherization contractors are all required across the state. The PAs are collaborating with vendors and technical schools to increase recruitment, so the energy-efficiency workforce pipeline is being built. Georges said that enhanced program offerings resulted in an increase in HEAs, thereby increasing the workforce required to meet demand. Abbe suggested that the PAs implement a clearinghouse for all energy-efficiency job opportunities. McCarey said that MassCEC is also working on an assessment to determine the workforce required to meet the 2050 decarbonization goal.

Consultant Team Presentation

Calcagni, Lynch and Keller, on behalf of the C-Team, presented select key performance indicators (KPIs). Lynch noted that heat pump activity is strong in the Residential sector, but fossil-fuel heating equipment replacement is still common for income-eligible customers, and Moderate-Income program performance is still poor. Keller stated that the C&I sector has mixed results through Q3 2022 since new offerings like deep-energy retrofits and prescriptive weatherization are still ramping up, but deeper savings may show in Q4 2022 and early 2023.

Council Discussion

Commissioner Woodcock hoped to discuss Q3 results in greater detail, in order to reconcile heat-pump performance data with anecdotal reports, and streamline heat-pump offerings for customers. Johnson agreed that the C-Team's analysis of Q3 results should be discussed further. Commissioner Woodcock also hoped to augment deep energy retrofit efforts.

Johnson directed the Council to review both the Clean Heat Commission Final Report and Senator William Brownsberger's letter which references the Final Report.

7. Adjournment

McCarey announced that the 2023 EEAC meeting schedule is available online.

McCarey, on behalf of the Chair, adjourned the meeting at 4:07 PM.

Meeting Materials:

- Agenda
- Contractor Updates
- Mass Save Winter Costs Marketing Presentation
- PA Q3 2022 Presentation
- C-Team Q3 2022 Presentation
- CVEO Resolution Final Draft
- C-Team Q1 2023 Scope of Work and Budget
- Equity Targets EJ Munis Presentation
- EWG Draft Charter
- EEAC 2023 Meeting Dates