



MEETING MINUTES

Wednesday, January 18, 2023
Virtual Meeting via Zoom

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

1. Call to Order

McCarey, on behalf of the Chair, called the meeting to order at 1:05 PM.

2. Public Comment

Susan Olshuff (Ener-G-Save)

Olshuff, leader of the Community First Partnership in Springfield, commented that the heat-pump marketing plan should address confusion about heat-pump effectiveness, especially in light of high winter electric rates. Olshuff said that both the Mass Save website and contractors report that heat pumps only provide sufficient heating above 30 degrees and furnaces should be used during colder temperatures. Olshuff stated that the Mass Save website and staff need simple language that clarifies heat-pump rebates, additional state and federal funds for heat pumps, and viable heat pump manufacturer models beyond Mitsubishi. Olshuff added that this language needs to be clear for non-English-speaking and elderly customers.

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.

November and December Executive Committee Meeting Minutes

Bodemer motioned to approve the November and December Executive Committee meeting minutes as submitted. Abbe seconded. All were in favor, with none opposed. Villanueva abstained. The November and December Executive Committee meeting minutes were approved, as submitted, by the Executive Committee.

November and December EEAC Meeting Minutes

Winner motioned to approve the November and December EEAC meeting minutes as submitted. Rio seconded. All were in favor, with none opposed. Lusardi and Schreiber abstained. The November and December EEAC meeting minutes were approved, as submitted, by the Council.

Department of Energy Resources (DOER) Updates

Commissioner Woodcock announced that Rebecca Tepper from the Office of the Attorney General (AGO) was appointed as the Secretary of the Office of Energy and Environmental Affairs under Governor Healey's new administration. Commissioner Woodcock said that Melissa Hoffer, who also served at the AGO, was appointed as the new Climate Chief within Governor Healy's office. Commissioner Woodcock noted that he met with Governor Healey, who emphasized the importance of energy equity in her agenda. Commissioner Woodcock announced the promulgation of an updated stretch code and specialized opt-in code for municipalities, as well as draft regulations for community fossil fuel prohibition that need to be promulgated by July 1st. Commissioner Woodcock also announced that improved weather conditions in Europe has alleviated some international natural gas market distress, which may mitigate some electric price increases.

Introduction of New Councilors

McCarey introduced Ina Dasso as the EEAC Manager at DOER, Meg Lusardi as the Nonprofit Network's Representative on the EEAC, and Jonathan Schreiber as the Massachusetts Association of Realtors' Representative on the EEAC.

Updates on Weatherization Volume and Home Energy Assessment Wait Time

Peters, on behalf of the program administrators (PAs), provided an update on year-to-date weatherization projects and home energy assessment (HEA) wait times. Peters stated that completed 2022 weatherization projects are 20% lower and HEAs are 1% lower than 2021. Peters said that enhanced-weatherization incentives in early 2021 contributed to higher conversion rates (HEAs that yield completed weatherization projects) so the PAs will continue building the weatherization pipeline through a spring marketing campaign and other efforts.

Peters said the PAs aligned bonus structures for home performance contractors (HPC) and independent insulation contractors (IIC) for completing weatherization projects. Peters said strong customer interest has resulted in HEA wait times up to 10 weeks. CLEAResult, Eversource's primary lead vendor, has begun to leverage staff from Ohio to supplement virtual HEA efforts to mitigate wait times. Peters said the previous distribution of completed weatherization projects was 60%-40% in favor of HPCs, but both contractor groups provide valuable services to customers.

Peters requested that the PAs and DOER formalize recurring data requests, so the PAs can provide data in an appropriate format. McCarey confirmed that DOER would work with the PAs to formalize regular data updates and said that the distribution of HPC and IIC projects is helpful information. Commissioner Woodcock emphasized that updates on wait times and completed HEAs and weatherization projects are useful status indicators.

Bodemer asked if long lead times were attributable to a lack of energy auditors or contractors prepared to complete weatherization projects. Bodemer asked if IICs can mitigate wait times by completing direct weatherization in advance of HEAs. Peters replied that direct weatherization mitigates wait times, but it is not always clear from phone calls whether customers are eligible for direct weatherization. Peters said that 41 IICs opted into the list of direct weatherization contractors, so they can be paired with customers to reduce HEA wait times.

Johnson asked how long it takes to deliver weatherization services following HEAs and said that the current pipeline for IIC weatherization projects is significantly smaller than in previous years. Johnson supported direct weatherization and suggested that the offering be added to the Mass Save website. Porter agreed that the Mass Save website should feature direct weatherization and said that the PAs value this kind of feedback. Johnson asked how many of the 91 completed direct-weatherization projects were a result of call-center referrals. Johnson recommended that the PAs ease the process for IICs to become HPCs, since IICs do not get paid to visit sites. Peters said that IICs are encouraged to solicit their own customers, but contractor incentives are provided for completed projects even if customers are referred from call centers. Peters also said that the PAs would need to calculate weatherization wait times. Johnson indicated that the wait times for HPC weatherization are about a month and this data is important to track.

Weber stated that CLEAResult and RISE Engineering, lead vendors for residential program implementation, have three-month and one-month HEA wait times, respectively. Weber asked what portion of HEAs across the state are completed by CLEAResult and RISE. Peters responded that CLEAResult and RISE work for multiple Mass Save PAs, so their portion of service territory varies by PA, but overall CLEAResult covers more territory than RISE. Weber said that the difference in HEA wait times seems unfair and that customers should be served on a first-come-first-served basis. Peters said that shifting customers between lead vendors may complicate service delivery, but the PAs make customers aware of wait times associated with each HPC, IIC, and direct weatherization pathway.

McCarey asked whether contract amendments would be required to allow for customer-transfer across lead vendors. Peters replied that this is a coordination issue requiring additional follow-up to confirm. Porter said that National Grid communicates direct weatherization and virtual HEA

options, which can reduce wait times. Porter also said that CLEAResult can reallocate resources from other parts of the country to expedite wait times.

Commissioner Woodcock advised the PAs to clearly communicate all weatherization pathways, as it is a core energy efficiency measure that should be sustained long term. Commissioner Woodcock suggested that the PAs think creatively about how to deliver weatherization services, build the workforce to support demand, and measure progress on weatherization goals.

Winner requested that Income Eligible data be included in ongoing weatherization and HEA updates, particularly given concerns about worsening energy burdens. Peters noted that the PAs and LEAN are coordinating to improve Income Eligible program wait times and customer intake. Jacobson said that LEAN aims to keep wait times within 4-6 weeks, and an Income Eligible program update will be provided during the April EEAC meeting.

Johnson asked Porter how much energy specialists are compensated for audits. Porter replied that energy specialists, or home energy auditors, are employed by the lead vendors and not PAs. Porter said that labor market issues are not specific to the energy efficiency industry, but the PAs want to ensure that lead vendors offer competitive wages to attract and retain talent.

Lyne reminded Councilors that the DPU has a pending order on EEAC data request processes, so the PAs will need to carefully manage data requests in the interim.

4. Follow-Up on Program Administrators' 2022 Q3 Report

McCarey opened discussion of the PA's 2022 Q3 Report that had been presented at the December EEAC meeting.

Council Discussion

Rio said that Liberty's large industrial-process-heating electrification project in Fall River was rejected by the customer and asked if follow-up documentation could help address future electrification challenges. Terach stated that the customer rejected the project proposal due to energy cost concerns. Lyne said that he would check for follow-up documents on the rejected electrification project. Rio suggested that the Council and PAs should proactively work to mitigate barriers to large-scale electrification. Lyne specified that increased expenses for maintenance and electricity costs produced negative returns for the investment, so the customer decided to reject the project. The PAs, LEAN, Acadia Center, and National Consumer Law Center have sought non-ratepayer funding sources to support such electrification projects.

Weber commented that income-eligible and moderate-income spending and progress-to-goal lag, and suggested that enhanced incentives be considered to drive adoption of weatherization and heat pumps. Weber reiterated the need to spend planned budgets to achieve planned benefits and added that Income Eligible program performance should be discussed regularly until performance improves. McCarey said that the PAs and LEAN will regularly provide Income Eligible program updates, as mentioned in the Draft 2023 EEAC Priorities. Jacobson clarified that the Q3 data does not include Q4, so there may be a large influx of program activity reported

after 2022. Jacobson said that, in previous years, about half of Income-Eligible program activity has been reported in the fourth quarter.

Johnson asked why zero bonuses were reported in Q3 for partial-displacement heat pumps that partially displace fossil fuel heating loads. Peters said that customers can install partial-displacement heat pump without weatherization, but that would be ineligible for the \$500 bonus. Johnson asked why Eversource verified weatherization for only 47% of 6,900 heat pump installations. Peters responded that there is a six-month window for verification in PA data systems, so weatherization for all heat pump projects cannot be verified in a single quarter. Johnson asked who would be penalized if weatherization is not verified within the six-month window. Peters said that without verification, the customer would only be eligible for partial-displacement heat pump incentive without the \$500 bonus and the installed heat pump would not contribute to the PA's performance incentive. Johnson asked why completed moderate-income weatherization projects and heating-system replacements lagged so far behind the 2022 targets and asked if the entire moderate-income offering requires a redesign. Peters said that the PAs need to do additional work in reaching and converting moderate-income projects, but moderate-income customers face more stringent economic constraints. Current electricity prices mean that converting from gas to heat pumps will not reduce customer operating costs. Peters said that the PAs want to make customers aware of the resulting operating costs and long-term benefits of fuel switching, in addition to aligning incentives with installation costs. The PAs are amenable to adjusting program implementation strategy and learning from new approaches, such as those deployed as part of the winter-price mitigation efforts.

Johnson asked why the percentage of C&I lighting projects with controls is so low and said that lighting systems will not be retrofit with controls for many years if not installed with controls now. Chambers said that this data only represents lighting-control projects that received Mass Save incentives, and it is challenging to factor in sites with existing energy management systems. Key Performance Indicator #4, the proportion of statewide C&I lighting projects with controls, is not representative of the total controllable C&I lighting stock. Chambers added that much lighting is installed in spaces that do not require controls.

Villanueva asked if KPI #4 included integrated lighting controls, as the C&I industry is shifting away from standalone controls to integrated controls. Chambers replied that 6.1% of lighting products sold through Q3 2022 included integrated controls.

Winner asked whether the PAs could add an acknowledgement of existing lighting controls into the data-collection process. Chambers said that this would require major overhauls to the PA tracking systems, but an evaluation study could determine the amount of existing lighting controls retroactively. Winner asked if the PAs could advise builders against propane use in new construction, to avoid high propane costs and emissions. McCarey said that the updated Stretch Code promulgated in December has energy efficiency requirements that will shift 300 communities that agreed to adopt the Stretch Code, to all-electric new construction. Chambers added that all-electric new construction offerings were launched in 2022 and preliminary Q4 data shows a shift away from fossil-fueled new construction. Porter said the all-electric new-construction incentives range from \$15,000-\$25,000 per single-family home, which will drive heat pump adoption, electric appliance demand, and overall market transformation.

Commissioner Woodcock stated that good work was completed in 2022 and reminded the Council to remain professional as areas for program improvement are discussed. Commissioner Woodcock expressed interest in the uneven success of heat-pump installations, since low- and moderate-income performance lagged well behind that of market-rate programs. Commissioner Woodcock asked how continuous customer engagement can facilitate appropriate heat pump use and maintenance, especially in light of high electricity prices. Commissioner Woodcock said that electricity prices vary within the state and asked what customers experienced while operating heat pumps this winter. Porter agreed on behalf of the PAs and said that differentiated electricity rates calls for targeted outreach, including proactive outreach to heat-pump customers regarding heat-pump operating costs, best practices, and benefits. Porter said that the heat-pump installer network (HPIN) understands these outreach priorities and can educate customers. Commissioner Woodcock said that customers need to understand what their energy bills would look like both with and without heat pumps, if they experience higher bills following heat-pump installation.

5. Heat Pump Market Strategy

Program Administrator Update

Engelkemeyer, on behalf of the PAs, presented an update on heat pump marketing strategy. Engelkemeyer covered the PA approach to heat-pump market transformation and a deep dive on heat-pump perception and awareness surveys, awareness campaigns and rebate promotions, HVAC-system consultations, training and technical resource development, and supply chain engagement.

Council Discussion

Bodemer said that the PA updates did not address low- and moderate-income heat pump adoption and goals will not be achieved if uptake only occurs in wealthier homes, regardless of how robust the HPIN becomes. Bodemer asked if heat pump prices were reduced by the HPIN's expansion, because high prices would bar middle-income families from accessing heat pump technology. Engelkemeyer replied that heating sector transformation will take years and while heat pump costs have not decreased, they will as the HVAC market transforms. Engelkemeyer said that heat pump volume in the region will need to increase to drive down equipment costs and installation. Porter said that income-eligible customers are insulated from market costs since their heat pumps are delivered at no cost through LEAN, but the PAs will need to make fundamental changes to improve moderate-income performance.

Johnson supported collaboration with PAs in other states like New York and asked if the Defense Production Act has reduced equipment costs. Engelkemeyer said that heat pump costs will decrease over time as the PAs continue to drive HVAC market transformation. Johnson asked how the PAs evaluate marketing efforts and measure success. Engelkemeyer replied that marketing teams advise against failing outreach strategies, so more information can be provided during a future PA update. Engelkemeyer provided an example that the PAs increased social media and radio advertising when billboard advertisements proved less effective. Porter noted that the heat-pump market strategy differs from Residential Coordinated Delivery, in that heat pump installers and channel partners (which include manufacturers and distributors) are being equipped to promote heat pumps. This has resulted in staggering growth of heat pump

installations since 2019. Porter said that the HPIN has over 800 participating contractors, showing that the PAs will create a sustainable heat pump market. Engelkemeyer said that installation costs will be mitigated once 1,000 contractors participate in the HPIN, due to the effects of competition.

Winner suggested that the PAs present C&I heat-pump installations and asked whether installation quality and heat-pump usage are tracked. Engelkemeyer replied that contractors use an installation quality checklist and an onsite inspection guide is being deployed, to better monitor heat-pump performance. Winner asked how the PAs determine the "switchover temperature" at which customers are advised not to primarily use heat pumps for space heating, because there is unclear guidance on the Mass Save website. Chambers said that the switchover temperature is based on modeled operating cost, where fossil-fuel operating costs are constant but heat pump operating costs increase as outside temperatures decrease. The recommended switchover temperature represents the point at which operating a heat pump is more expensive than heating with the baseline fossil fuel. Winner asked if the recommended switchover temperature is updated in real-time to avoid setting an expectation that heat pumps are not appropriate for use in cold temperatures. The PAs need to establish a firm foundation for statewide electrification of heating. Chambers agreed that customers need the best information to inform their heating decisions and that live modeling should be explored. Winner questioned why the PAs frame heat pumps as "new" when there were heat pump incentives and goals for the 2019-2021 Term. Porter replied that the 2019-2021 heat pump goals were exceeded, but the explicit focus on decarbonization for 2022-2024 necessitates a dramatic uptick in heat pump throughput. The scale of electrification of heating that is required for 2022-2024 required fundamental rethinking of how the PAs engage the space- and water-heating market to deliver on new decarbonization goals.

Abbe asked the PAs to share both the heat-pump installation survey and heat-pump perception survey results. Engelkemeyer said that the PAs can share more detailed reporting on the customer heat-pump surveys. Abbe suggested that the Council publicize heating and cooling to mitigate customer confusion and asked how completed heat-pump installations are distributed among HPIN contractors. Engelkemeyer noted that Eversource is analyzing heat-pump market data, but about 200 installers completed 80% of heat-pump projects. Abbe asked the degree to which contractors are enthusiastic about participating in the HPIN, given the apparent confusion about heat pumps and their effectiveness. Engelkemeyer said that HPIN contractors have been closely engaged with the PAs on training and market strategy. Porter hypothesized that non-HPIN contractors do not yet trust the value and capabilities of heat pumps. The PAs want to facilitate good experiences with heat pumps for early-adopting customers to increase awareness through word-of-mouth. Porter said the PAs will also need to promote contractor buy-in to increase heat-pump installation capacity to achieve long-term goals. Abbe supported both the heat-pump installation checklist and the 15% quality-control inspection rate, which is higher than other Residential initiatives. Abbe said that heat-pump quality-control is important for achieving greenhouse gas emission reductions, preventing refrigerant leaks, and ensuring high-quality installations. Abbe recommended that the PAs track instances of refrigerant leaks, as another metric of heat-pump installation quality and impact.

Commissioner Woodcock reinforced the importance of heat-pump quality-control and stated that the PAs need to standardize protocols for operating heat pumps with existing heating systems. Commissioner Woodcock suggested that the PAs monitor whether the 15% inspection rate sufficiently maintains high-quality installations as heat pump uptake continues to grow.

Villanueva expressed disappointment about the recommended switchover-temperatures on the Mass Save website, as they do not consider carbon costs and imply that heat pumps cannot fulfill full space-heating loads. Villanueva said that the Alternative Energy Portfolio Standard and Clean Heat Standard incentives need to be considered in switchover temperature calculations. Chambers reiterated that the PAs want to be clear about heat-pump operating costs. Villanueva suggested that the Mass Save website clearly state that only fuel costs are compared in the switchover temperature calculation.

Jacobson said that further examination of heat-pump economics should consider income-eligible customers and cost considerations, which may be alleviated by leveraging non-ratepayer funding sources.

6. Council 2023 Planning and Priorities

Review of 2023 Schedule and Meeting Topics

McCarey announced that DOER distributed a survey to determine EEAC priorities and deep-dive discussion topics for 2023. McCarey directed Councilors to complete the survey by February and said that it includes open-ended questions if Councilors have suggestions for high-priority discussion topics. McCarey noted that the Council would review the 2023 EEAC Priorities and proposed deep-dive topics in February.

7. Equity Working Group Charter

Council Review

McCarey stated that two technical changes were made to the Equity Working Group Charter following the December EEAC meeting:

- Seven Councilors will serve as members of the Equity Working Group
- The five Councilors representing DOER, Office of the Attorney General, Residential Customers, Municipalities, and LEAN are predetermined Equity Working Group members.
- Two Councilors will be elected to the Equity Working Group by EEAC vote.

McCarey said that additional outreach will be conducted to identify more external Equity Working Group participants. Lusardi, Boyd, and Harak expressed interest in election to the Equity Working Group, so their statements of interest should be submitted for Council review and vote in February.

Council Discussion and Vote

Winner motioned to approve the Equity Working Group Charter. Bodemer seconded. All were in favor, with none opposed or abstaining. The Equity Working Group Charter was approved by the Council.

8. Adjournment

McCarey, on behalf of the Chair, adjourned the meeting at 3:58 PM.

Meeting Materials:

- Agenda
- Heat Pump Market Strategy – Channel Update
- HEAs and Weatherization Update
- Draft 2023 EEAC Priorities
- Equity Working Group Charter
- November ExCom Meeting Minutes
- November EEAC Meeting Minutes
- December ExCom Meeting Minutes
- December EEAC Meeting Minutes