



EQUITY WORKING GROUP MEETING MINUTES

Monday, February 13, 2023
Virtual Meeting: Zoom

Equity Working Group Members Present: Charlie Harak, Brooks Winner (representing Cammy Peterson), Brian Beote, JoAnn Bodemer, James Collins, Maggie McCarey, Stephanie Terach, Melanie Coen, Sam Nigro, David Lyons, Cindy Luppi, Joseph Dorfler, Anxhela Mile, Katelyn Mazuera, Leah Cohen

Equity Working Group Members Absent: Mary Wambui

Other Attendees: Adrian Caesar, Margie Lynch, Alissa Whiteman

1. Call to Order

McCarey, acting as Chair, called the meeting to order at 12:04 PM.

Introduction

McCarey announced that the EEAC voted to adopt the Equity Working Group (EWG) Charter at its meeting on January 18, 2023. McCarey said that three open seats remain on the EWG to be filled by non-EEAC members or program administrators (PAs). McCarey said that the Department of Energy Resources will conduct outreach and encouraged participants to seek interested members. Lynch suggested that a Community First Partner participate in the EWG since they offer great perspective on community engagement. Harak agreed and recommended the Melrose Energy Advisor, Martha Grover, as an EWG member. Winner said that residents of central and western Massachusetts also deserve representation. McCarey replied that Rounding the Greenspace was also recommended as a potential EWG member. They are contributing to Community First Partnerships and workforce development. Lynch added that Alexis Washburn was an integral EWG member who should be considered.

McCarey suggested that two co-chairs be determined for the next EWG meeting. McCarey said that DOER would support the co-chairs with management and meeting agenda development.

2. 2023 Equity Working Group Meeting Schedule

2023 Meeting Topics and Schedule

Whiteman shared the 2023 EWG schedule which included proposed meeting topics. Whiteman said that the meeting topics and schedule would be subject to change based on 2025-2027 Three-Year Plan Development.

Bodemer asked why the EWG could not begin meetings in April followed by bimonthly meetings thereafter. Whiteman responded that moderate-income program updates are included on the March 15th EEAC Meeting agenda, so the EWG should hold further moderate-income discussion soon after. Bodemer agreed that EWG meetings should be tied to EEAC meeting topics when possible. Bodemer also said that EWG meetings should be focused on strategic discussion and dialogue as opposed to PA presentation. McCarey agreed.

McCarey said that DOER is starting to lay out the schedule for development of the 2025-2027 Three-Year Plan and encouraged the EWG to provide feedback on the Three-Year Plan development process later in 2023. McCarey said that the EWG effectively conducted detailed stakeholder discussion ahead of EEAC Workshops during 2022-2024 Three-Year Plan development. Terach supported strategies to better engage the public in the Plan development process and recalled a meeting at a community college that produced a sizeable turnout. McCarey said that listening sessions were held during the prior Plan development cycle but DOER would be open to in-person meetings. Bodemer commented that Community First Partners should provide feedback and suggestions during Plan development sessions.

3. Moderate-Income Program

Prior Equity Working Group Recommendations

Lynch, on behalf of the EEAC Consultant Team (C-Team), summarized the prior EWG process for reviewing and commenting on the 2022-2024 Three-Year Plan, as well as key points of feedback related to moderate-income program implementation. Lynch noted that the EWG generally supported the filed 2022-2024 Three-Year Plan, due to features such as enhanced moderate-income incentives for HVAC equipment and weatherization, funding to mitigate health and safety barriers, and streamlined income verification methods. Lynch also noted that the EWG had particular concerns about the moderate-income program delivery model, eligibility thresholds for moderate-income customers, enhanced incentive levels, and weatherization requirements for HVAC equipment incentives.

Program Administrator Update

Downey, Terach, Coen, and Mazuera, on behalf of the PAs, presented an update on performance of the moderate-income program. Downey stated that the PAs are organizing a small stakeholder group comprised of the PAs and moderate-income program implementers to review performance data, evaluations studies, and recent strategy recommendations. Downey said the group's first meeting will focus on near-term strategies to improve moderate-income participation and then a larger group will discuss findings from the smaller group discussion.

Mazuera suggested that the PAs are serving more moderate-income customers that are not captured by current data collection methods, but agreed that the PAs need to review program data to better understand customer types being reached by the existing moderate-income

offering. Mazuera believed that customers who do access the portal for moderate-income customers generally complete applications, so the PAs need to determine how to increase uptake. Downey said that the Cape and Vineyard Electrification Offering was approved, which will provide more data and lessons learned from moderate-income programs. Coen said that the HVAC contractor kickoff had over 500 attendees who were engaged in discussion of the moderate-income program.

Equity Working Group Discussion

Winner asked if there were strategies for streamlining income-verification beyond the census block group-level strategy that was implemented as part of the winter price-increase mitigation efforts. Terach replied that in April 2022 the PAs launched new income-verification methods, leveraging third-party data and tax information. Terach said that the PAs will assess the effectiveness of census block group-level income verification and determine if it should be continued.

Bodemer supported small stakeholder groups focused on moderate-income strategy and encouraged the PAs to report findings from group discussions. McCarey anticipated that the PAs would report these findings in May.

Lynch described incentive levels for pre-weatherization barrier-mitigation, weatherization, and HVAC equipment available for moderate-income customers, which ranged between 70%-100% of project costs.

Boyd asked which measure categories would be eligible for downstream rebates (incentives after purchasing and installing equipment). Coen replied that customers would need to cover some upfront costs when receiving HEAT Loans. Coen said that one method for mitigating upfront heat-pump costs is the direct-to-contractor rebate pathway, which provides an expedited rebate turnaround time. Coen said that there is a similar pathway for other equipment, but the rebate takes 6-8 weeks to disburse. Coen clarified that a contractor would apply for the rebate on behalf of the customer, but the customer would still have to cover upfront costs.

McCarey asked if the PAs have considered a concierge-approach or quarterbacking model that facilitates moderate-income customer participation. Downey responded that the PAs want to discuss a comprehensive model and associated costs, in addition to whether a single delivery model is suitable for serving all moderate-income demographics. Coen said that some home performance contractors and independent insulation contractors may have feedback on the co-delivery of weatherization and HVAC equipment. Terach said timing is another consideration for simultaneous delivery of weatherization and heat-pumps.

Lynch said that moderate-income customers are not receiving weatherization, so this challenge needs to be addressed before determining strategies to simultaneously deliver heat-pump and weatherization.

Luppi joined the virtual meeting at 1:10 PM.

Winner asked the PAs to discuss regulatory issues like electricity rates and energy burdens that impact moderate-income programs. Winner said that Central Maine Power is implementing a pilot for discounted electric rates for heat-pump customers. Luppi added that Pennsylvania may implement a similar strategy. Beote said that LEAN has considered the impacts of fuel-switching on energy burdens and potential mitigation strategies. McCarey said the Clean Heat Commission has also explored fuel switching and energy costs. Harak noted that he would discuss high electric rates and electrification barriers with the Office of the Attorney General.

Luppi said that low- and moderate-income energy burdens need to be reduced in addition to reducing carbon emissions, and that these priorities should not compromise one another.

Downey commented that energy burdens would be added as a regulatory priority as it relates to moderate-income program delivery. Mazuera asked who would initiate discussion on alternative electricity rates for electric-heat customers. Terach said that expanding eligibility thresholds for low- and moderate-income customers and increasing incentives were the regulatory issues the PAs were considering. Downey said that there are cost-effectiveness considerations for making such changes, but stakeholders should provide input on regulatory issues.

Lynch asked if the 60%-80% moderate-income category was sufficient for reaching customers and recalled that green justice advocates supported expanded eligibility. Lynch noted that some Inflation Reduction Act programs define the income-eligible category as up to 150% of state median income. Boyd asked how many customers would fall into the expanded moderate-income category. Downey said that National Grid previously assessed the number of eligible customers and potential budget-impacts for expanding the eligibility threshold. Lynch said that there are about 300,000 households in the Commonwealth. Boyd asked how many customers have been approved or rejected through the different income-verification pathways. Rejection due to exceeding income thresholds might indicate increased demand and need from customers. Terach responded that through October 2022, 445 of 541 customers used the standard income-verification process and only 18 were not deemed income-eligible or moderate-income eligible. Terach said that monthly applications have increased since the streamlined verification methods were launched in April 2022. Lynch said that eligible income ranges are displayed throughout the verification portal, so customers who exceed income thresholds would likely not complete applications.

Bodemer said that she would like to better understand program barriers before expanding income-eligible thresholds. Bodemer said the PAs need to effectively serve the existing low- and moderate-income population before expanding eligibility.

Downey said that Cape Light Compact has under 5,000 income-eligible customers, so expanding eligibility would help but it varies by PA service territory. Downey said PAs may need some flexibility to achieve statewide climate goals.

Harak agreed with Bodemer that the EWG needs to understand barriers to serving existing low- and moderate-income customers prior to proposing to expand eligibility requirements.

Winner agreed with Harak and Bodemer, but much of the population is energy-burdened and there are customers outside of income-eligibility thresholds that are not served by the market-rate Residential programs. Winner suggested exploring non-financial barriers and whether customers at 80%-100% of state median income are underserved.

Luppi agreed that the EWG needs to understand barriers, assess the expansion of income-eligibility thresholds, and serve existing low- and moderate-income customers prior to expanding this customer segment. Luppi said that poor performance of the moderate-income program is complex since there are renters, language-isolated people, and other customers within this demographic.

Harak said that expanding income-eligibility thresholds would require significant increases in non-ratepayer funds to avoid adverse bill impacts. Harak said the EWG cannot solve this problem, but mitigating climate change is an important goal for the Commonwealth.

Beote commented that the Department of Housing and Urban Development defines low-income as up to 80% of state median income, and these customers cannot afford upfront costs for heat-pumps and weatherization. Beote said that LEAN serves moderate-income customers through single-family and multifamily programs since they use a 50% rule, where entire buildings are served if at least 50% or more of the building's residents are income-eligible. McCarey asked if LEAN has evaluated the amount of unverified low- and moderate-income customers served through these programs. Beote said that LEAN has not studied this issue.

Lynch said that the PAs have identified 160,000 of the 300,000 households in the Commonwealth as homeowner-occupied with the remainder being renters. Lynch said that moderate-income offerings are generally geared toward homeowners instead of renters, so the PAs should consider whether renters require specific offerings and approaches. Winner agreed that offerings need to target different demographics within low- and moderate-income segments. Coen asked if program designs are limited because renters cannot make decisions about building upgrades. Lynch confirmed that there is an enhanced whole-building weatherization incentive for rental properties but not a whole-building HVAC offering for rental properties. Coen clarified that renters can access enhanced HVAC offerings if property owners approve of upgrades.

Winner suggested that the PAs determine how to improve data reporting to provide more clarity on performance of the moderate-income program. Winner said that retroactive evaluation of program performance will not allow the PAs to improve strategies in real-time.

Terach recalled that there were enhanced heating system rebates for landlords in the 2019-2021 Three-Year Plan. Terach said these were successful offerings that might help serve more renters, but renters would still not complete income verification. Coen added that income verification takes work, but landlords can use this income verification to receive more lucrative incentives.

Lusardi asked if customer testimonials are used to determine process improvements. McCarey noted that participant focus groups and process evaluations could be conducted for this purpose, though the latter is a longer-term strategy.

Harak asked if the PAs can estimate the number of unverified low- and moderate-income customers served by using census data. Winner emphasized that the goal is to understand whether the programs are serving these customers, not which program is serving the customers. Collins responded that one challenge is that once the 50% rule is met, LEAN does not have income data for the other residents. Coen said that the PA stakeholder group on moderate-income programs would discuss methods to better estimate moderate-income participants. Lynch commented that the Nonparticipant Studies confirmed that many customer groups were underserved, so the PAs should dedicate more time to reaching more underserved-customer groups.

Lynch suggested that marketing and outreach is critical to communicating Mass Save offerings to customers and proposed a deep dive into messaging used in marketing materials. Lynch said the term “free” may resonate more with customers, but the PAs are reluctant to frame offerings that way. Terach replied that the offerings are technically not free due to ratepayer collections which fund Mass Save programs. Terach said the marketing team can conduct research on the best terms to communicate offerings, but the PAs can include measure-specific pages in addition to the existing income-based or building type-specific pages.

McCarey asked if the Community First Partners would be included in the small PA working group discussions. Downey noted that All-In Energy, the Community First Partnerships vendor, would participate in the small working group, but Community First Partners would be invited to larger working group discussions.

McCarey announced that DOER is working with the Office of the Attorney General to launch a program using the Merrimack Valley Renewal Fund called the Energy Efficiency Enrichment program. McCarey said a procurement was issued to fund a facilitator to guide low- and moderate-income customers through the program in Lawrence, Andover, and North Andover. McCarey said procurement bids were being reviewed and anticipated the program would launch in coming months. Lynch said that the Community First Partnerships and Massachusetts Clean Energy Center use funds to help customers navigate program offerings. Lynch asked whether the PAs should pay people to facilitate navigation of Mass Save programs or develop a more intuitive approach to navigating Mass Save programs. Bodemer said this presumes that Mass Save is inherently difficult to navigate and does not consider language or trust barriers. Bodemer hoped that the Energy Efficiency Enrichment program would assess the degree to which community trust and facilitation can improve participation. McCarey agreed that facilitation support will be necessary to achieve deeper energy savings and understand other clean energy programs.

Luppi suggested that workforce development is important to overcome language barriers and enable the workforce to support customers.

4. Adjournment

McCarey, acting as Chair, adjourned the meeting at 1:59 PM.

Meeting Materials:

- Meeting Notice
- 2023 Equity Working Group Meeting Schedule
- Consultant Team Moderate-Income Program Presentation