



## **EQUITY WORKING GROUP MEETING MINUTES**

**Monday, September 11, 2023**  
Virtual Meeting: Zoom

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**Equity Working Group Members Present:** Brooks Winner, Maggie Downey, Mary Wambui, Alexis Washburn, Stephanie Terach, Margie Lynch, Mary Wambui, Kyle Murray (for Amy Boyd), Sonakshi Saxena, Jo Ann Bodemer, Cindy Luppi, Doug Quattrochi, James Collins, Jhenny Saint-Surin, Charlie Harak, Brian Beote, William Rose

**Equity Working Group Members Absent:** (None)

**Other Attendees:** Adrian Caesar, Alissa Whiteman, Ina Dasso, Aladdine Joroff, Anxhela Mile, Benjamin Silverman, Bernetta Morton, Chris Lavallee, Chris McClellan, Chris Nichols, Cynthia Boettner, Degen Larkin, Emily Koo, Emma Zehner, Gemma Wilkens, Ian Finlayson, Isaac Wainstein, Ivelina Mirkova, Kate Peters, Leah Cohen, Lorenze Macaluso, Meg Lusardi, Melanie Coen, Sam Nigro, Vernon Walker, Seth Federspiel, Abel Vargas, Bill Graham, Martha Grover

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### **1. Call to Order**

Bodemer, acting as Chair, called the meeting to order at 11:03 AM.

### **2. Equity Working Group (EWG) Updates and Public Comment**

There were no updates from the EWG or public comments.

### **3. Background on Moderate-Income Program**

#### ***Consultant Review of Prior EWG Recommendations***

Lynch, on behalf of the EEAC Consultants, reviewed EWG recommendations for the 2022-2024 Plan related to moderate-income programs and the process for integrating EWG recommendations into the EEAC Resolution on the 2022-2024 Plan.

#### ***Program Administrator Presentation on Recent and Potential Changes to the Moderate-Income Program***

Peters, Lavallee, Coen, Saxena and Saint-Surin, on behalf of the program administrators (PAs), reviewed recent and potential changes to the moderate-income program. Peters reviewed potential programmatic changes and early impacts of other strategies to improve participation such as enhanced marketing and streamlined income-verification processes. Lavallee described the moderate-income navigator, a potential program enhancement which is intended to provide personalized assistance to moderate-income customers for weatherization and electrification projects. Coen discussed the National Grid demonstration project to increase weatherization and heat-pump adoption through streamlined referrals.

#### ***EWG Discussion***

Harak asked how many people would serve as navigators for moderate-income customers. Lavallee replied that a team will conduct income verification for moderate-income customers with one primary lead for providing support services. Lavallee said that the navigators should be available each weekday during business hours.

Lynch asked how many of the 54 streamlined referrals were moderate income. Coen said that she would have to follow up with an answer. Lynch said that enhanced incentives for moderate-income customers have existed since 2016 and suggested that improved program design could eliminate the need for a program navigator.

#### **4. Panel: Moderate-Income Program Implementation**

Bodemer introduced Chris Nichols and Gemma Wilkins, who described their experiences with implementing moderate-income programs and performing income verification.

##### ***Chris Nichols (HomeWorks Energy)***

Nichols commented that the distribution of customer incomes in the Commonwealth includes many customers at 80-100% of state-median income (SMI). Nichols said that the process for income verification is laborious and demotivates energy specialists from pursuing income-eligible and moderate-income customers. Nichols said that follow-up outreach after home-energy assessments is helpful for motivating customers to finish weatherization projects and install heat-pump. Nichols suggested that all multifamily projects undergo income verification in order to accurately capture the number of moderate-income customers served. Nichols also suggested providing increased incentives to contractors for serving moderate income customers, paired with providing contractors with more visibility into whether customers have applied for/been approved as low or moderate income so that contractors can help nudge customers to take appropriate steps. Nichols also said that the cost of electricity compared to natural gas makes conversion to heat-pumps a nonstarter for the majority of moderate-income customers.

##### ***Gemma Wilkins (Community First Partnership – City of Gloucester)***

Wilkins noted that Gloucester residents have experienced significant challenges with income verification because the order of operations has customers work with CLEAResult, a program vendor, to complete income verification while engaging with HomeWorks to determine project scopes. Wilkins said that the process takes a long time and energy specialists may promote market-rate incentives if income verification is still pending, meaning that customers may not learn of enhanced incentives for income-eligible and moderate-income customers. Wilkins

recommended that project proposals incorporate enhanced incentives to reflect potential cost reductions and make proposals more compelling. Wilkins said that moderate-income customers and landlords in 2–4-unit buildings will not install heat-pumps without higher incentives due to high copays, as suggested by the sharp increase in weatherization projects related to 100% incentives for weatherization. Wilkins indicated that Gloucester has seen limited participation by moderate-income customers despite the fact that a relatively high percentage of Gloucester residents are moderate income, and suggested that this can be attributed to pre-weatherization barriers and financial challenges. Wilkins recommended that the PAs reexamine the order of operations for moderate-income services so customers know how to qualify for enhanced incentives and discuss income verification before finalizing project scopes, especially if remediation services are required. Wilkins said that income-verification for multifamily residents is impossible to manage so the overall process needs improvement to support equity and access. Wilkins suggested that the PAs conduct income verification retroactively or geographically to remove the burden from landlords and residents.

### ***EWG Discussion***

Luppi agreed on the importance of mitigating participation barriers, particularly for multifamily customers, and supported all approaches to improve income verification. Luppi also supported expanding the income threshold for moderate-income incentives to increase participation and access.

Winner asked how long income verification can take and if the process can delay project completion. Wilkins replied that the process took a full year for one customer who worked for a Community Action Agency (CAA) and had much more knowledge of programs than the average customer. Throughout the process, the customer had to produce documentation without clarity on requirements and wait for document approval prior to proceeding. Wilkins said that engaging with vendors early can help, but there are several opportunities where customers are likely to abandon the process. Nichols said that the process for HEAT Loans has contractors from HomeWorks coordinate with the PAs while helping customers submit loan applications, so the moderate-income program should implement a parallel process. Winner asked what documents are required for income verification. Peters responded that the portal for income verification has four methods and tax returns are likely the most formal documents required for any process. Peters said that income verification should not take longer than several business days so the customer experience in Gloucester is concerning. McClellan said that he can share information describing the methods and documents required for income verification.

Murray commented that the PAs need to expand income thresholds for moderate-income customers and increase heat-pump incentives to cover at least 90% of project costs in order to support participation by moderate-income customers. Murray also said that it is important to leverage non-ratepayer funds to mitigate adverse bill impacts.

Wambui said that Mass Save programs need to apply the principles of simplicity, accessibility, and flexibility to moderate-income and income-eligible programs, which are used in other fields to avoid one-size-fits-all solutions.

## **5. Preliminary Moderate-Income Recommendations for Next Three-Year Plan**

### ***Income Thresholds***

Bodemer asked PAs whether expanding the income threshold for moderate-income customers to 100% SMI would constrain budgets, ultimately leading to fewer moderate-income customers being able to access incentives.

Harak estimated that 100% SMI for a family of four is \$135,000, so the requirements need to balance program costs with expanding access to programs. Harak said that existing incentives and financing options can enable participation for many customers, so the program should prioritize the elimination of copays for customers at 60-80% SMI. Harak added that the existing moderate-income program has failed to drive participation for current customers, which indicates a need for improved delivery models. Bodemer said that one recommendation from the EEAC Workshop on Income-Eligible programs suggested that the programs use the greater of SMI or area-median income (AMI) to determine customer eligibility. Harak recommended that the programs use AMI to account for disparities in cost of living across the state. Bodemer clarified that the recommendation from the income eligible workshop would consider both SMI and AMI, whichever is greater.

Quattrochi noted that the moderate-income program is characterized as the “enhanced residential program” on the Mass Save website and proposed that the website clarify that the program offers enhanced offerings based on income. Quattrochi suggested that the website list income ranges at which customers can receive richer incentives.

Winner asked if home-performance contractors and energy specialists can describe income-eligible programs in the same manner Quattrochi proposed instead of discussing income verification with customers. Nichols said that energy specialists are more focused on identifying opportunities for savings, but other contractors have had challenges discussing income with customers. Winner agreed with Harak that customers at 60-80% SMI require the most support and also suggested that the PAs should expand the threshold for income-eligible programs to 80% of SMI and 100% SMI for moderate-income programs. Winner pushed back on budget concerns because market-rate customers have been served well relative to moderate-income customers and the programs need to address this historical imbalance. Winner said that shifting resources from market-rate customers to underserved customer groups would not increase budgets. Wambui seconded Winner’s assertions and agreed with Harak that AMI should be used to determine income eligibility.

Rose concurred with Harak that the existing programs have failed to serve the current makeup of moderate-income customers so the PAs should focus on improving program delivery. Rose also supported the use of the greater of SMI or AMI to determine customer eligibility.

Murray agreed that the programs have failed to serve existing moderate-income customers and should also use AMI to determine eligibility. Murray asked if the PAs can estimate how many customers would be income-eligible or moderate-income when applying AMI and expanding the income thresholds. Lynch said that the PAs and the Low-Income Energy Affordability Network (LEAN) should be able to estimate the demographic impacts of those changes, but that PAs and

LEAN have said that they require more direction from stakeholders before conducting scenario analysis.

Washburn suggested that cost of living and energy-efficiency upgrades warrant increasing income thresholds. Washburn also said that the income thresholds for income-eligible and moderate-income programs should align with other state- and federal-incentive programs.

### ***Income Verification***

Lynch said that one central theme from the EEAC Workshop on income-eligible programs is that the programs need to simplify the customer experience instead of continuing complex processes which require navigators. Lynch and other stakeholders envisioned that the navigators would help customers with vendor selection and not income verification.

Washburn commented that the Mass Save website has detailed instructions for income verification in English, but the lack of translated instructions represents a large information gap.

Winner agreed with Lynch that income verification should not be so complex that customers require a navigator. Winner expressed support for alternative methods to verify income and asked what the PAs learned from the location-based eligibility for enhanced incentives that was deployed last winter. Winner said that the PAs need to pair location-based eligibility with marketing that includes language access and targets renters.

Quattrochi said that if income verification becomes a retroactive process then placing liens on property can protect against fraud, since the installation of capital equipment allows for property liens.

Wambui emphasized the importance of customer protection because some programs, such as the property-assessed-clean energy program in Los Angeles, can unintentionally harm participants. Wambui supported geography-based eligibility for enhanced offerings and said that income verification is not a challenge for other state programs. Wambui noted that California has a centralized tool for income verification that enables applicants to use several types of documentation, so the Commonwealth will need to use methods to remove the burden of income verification from customers.

Rose opposed the retroactive verification of income since it is unlikely that the confirmation would be done thoroughly after the fact.

Washburn asked if providing proof of income has been a barrier for undocumented residents or nontraditional employees. Collins and Beote said they could investigate and follow up offline.

Vargas asserted that income verification is a barrier and the risk of fraud is mitigated by the fact that underserved communities will have more equitable access to program benefits if income verification is streamlined.

Wilkins said that many customers do not get to the point of reviewing documents required for income verification, especially renters who depend on the willingness of landlords and other tenants to participate.

Morton suggested that the mixed-income protocol adjust incentives based on the portion of income-eligible and moderate-income residents that inhabit multifamily buildings.

### ***Incentive Levels and Program Delivery***

Nichols indicated that contractors receive a \$75 incentive for each home-energy assessment completed in a moderate-income unit and said that contractor incentives should be passed onto energy specialists in order to motivate them to pursue more moderate-income customers.

Wambui left the meeting at 12:44 PM.

Lynch supported 100% incentives for moderate-income customers installing efficient appliances.

Rose suggested that the PAs increase incentives for technologies with high costs and low adoption among moderate-income customers, such as heat-pumps.

Washburn asked how the PAs solicit feedback from moderate-income participants on how to improve programs. Peters replied that the PAs conduct follow-up surveys with customers.

## **6. Upcoming Deliverables for September EWG Meeting and October Equity Workshop**

Bodemer stated that DOER and the EEAC Consultants will develop draft recommendations from the EWG on the 2025-2027 Plan and share the list with EWG members. Dasso shared a proposed schedule for finalizing the EWG recommendations.

Lynch asked how the EWG will contribute to the EEAC Workshop focused on equity given that the EEAC Consultants, LEAN, and PAs have developed content together. Bodemer suggested that Winner or Wambui give an update on behalf of the EWG or recent panelists summarize key takeaways from EWG meetings.

## **7. Adjournment**

Bodemer, acting as Chair, adjourned the meeting at 1:01 PM.

### **Meeting Materials:**

- Official Meeting Notice
- Meeting Link
- Agenda
- EWG Moderate-Income Overview
- Moderate-Income Program Update