



MEETING MINUTES

Wednesday, November 15, 2023

Virtual Meeting via Zoom

Councilors Present:	Greg Abbe, Jo Ann Bodemer, Kyle Murray, Elliott Jacobson, Paul Johnson, Meg Lusardi, Commissioner Elizabeth Mahony, Deirdre Manning, William Rose, Jonathan Schreiber, Mary Wambui, Sharon Weber, Brooks Winner, Dennis Villanueva, Cindy Carroll, Tim Costa, Maggie Downey, Michael Ferrante, Paul Gromer, Hammad Chaudry, Chris Porter, Stephanie Terach, Charlie Harak, Kate Peters
Councilors Absent:	Robert Rio
Consultants Present:	Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Ben Cartwright, Margie Lynch
DOER Staff Present:	Ina Dasso, Alissa Whiteman, Ian Finlayson, Jo Ann Bodemer, Rachel Evans

1. Call to Order

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

2. Public Comment

Nancy Chafetz (CPower)

Chafetz commented on three topics related to the ConnectedSolutions program: active-demand management (ADM) in the winter, fallout from incentive caps for batteries, and the importance of promoting stability in ConnectedSolutions.

- The vulnerability of the New England power grid during the winter means that reinstating the winter ConnectedSolutions program would provide reliability benefits, emissions reductions, and savings to customers. Chafetz proposed that the program administrators (PAs) conduct a study to quantify the costs and benefits of winter ADM and implement such a program if it is deemed cost-effective.

- The PAs implemented a new cap on performance incentives paid for batteries, set at 150% of customer-peak load, in the ConnectedSolutions program this summer. The new cap forced CPower to withdraw 17 requests for battery projects that anticipated a five-year-rate lock. Chafetz said that many projects are no longer economically viable, the ConnectedSolutions program cannot attract additional battery projects, and the 150% cap has reduced resilience benefits.
- Chafetz said that program stability is important for encouraging battery development. The PAs provided no prior notice of the incentive cap which eroded confidence in the ConnectedSolutions program due to uncertainty. Chafetz suggested that the PAs avoid making significant changes in program design outside of triennial-plan development, lock in rates and performance-incentive calculations with five-year-rate locks, and solicit stakeholder feedback when considering changes in program design.

Aladdine Joroff (City of Boston Mayor’s Office of Environment, Energy, and Open Space)

Joroff expressed support for the draft EEAC recommendations on the 2025-2027 Plan pertaining to customer outreach and simplification of the customer journey, but emphasized the need to deliver benefits to underserved customers. Joroff said that renters in small- and mid-sized buildings comprise a large share of the population of Boston but are unable to access the benefits of electrification and weatherization. Joroff suggested that the PAs scale the Multifamily Deep Energy Retrofit demonstration into a full offering. In order to create programs that improve access for renters, Joroff recommended that the EEAC establish a tenant-focused working group and that the 2025-2027 Plan redirect resources to support initiatives specific to tenants.

Downey, Johnson, Villanueva, and Wambui joined the virtual meeting at 1:13PM.

Alex Worsley (Enel North America)

Worsley seconded comments from Chafetz and supported the draft EEAC recommendations for the ConnectedSolutions program. Worsley said that expanding the offerings for ADM programs is critical for delivering system benefits to customers. Worsley encouraged the Council and PAs to evaluate the benefits of winter ADM and reach out to curtailment-service providers for support and input.

3. Council Updates & Business

Virtual Meeting Procedure

Bodemer reviewed the virtual EEAC meeting procedure:

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 roll call.

Department of Energy Resources (DOER) Updates

Bodemer stated that today is the deadline for statements of interest from interested Councilors and encouraged participants to reach out to potential representatives.

Posting final Raab report on the workshops first week of December.

Bodemer said that DOER will post the final report on findings from the Three-Year Plan workshops and the Council will vote on its Recommendations for the 2025-2027 Plan in December. Bodemer added that the Council will review 2024 EEAC Priorities and finalize its Priorities in January. Bodemer noted that the Council may need to reschedule the February and April EEAC meetings, which will be critical for discussing the 2025-2027 Plan.

Program Administrator Updates

Peters and Porter, on behalf of the PAs, provided updates on rebate processing, grant funding from the Department of Energy, enhanced offerings for monitoring-based commissioning, a National Grid heat-pump initiative, a moderate-income navigator, and conferences hosted by the PAs.

Johnson asked what National Grid has learned from its Home-Energy Assessment (HEA) to Heat-Pump Initiative, given that only one installation was completed following 904 HEAs. Porter replied that 11 customers have accepted quotes for heat-pumps and 136 quotes were requested, so more projects should be completed through the initiative over time. Bodemer said that the PAs should provide more detailed updates in the future once the offering matures and more data is available.

Winner said that the Council should continue to focus on moderate-income performance and requested that the PAs continue to provide updates until performance improves.

4. Active Demand Management (ADM)

Program Administrator Presentation

Paul Wassink and Bill O'Connor, on behalf of the PAs, presented updates on ADM-program performance, summer-demand management events, and enrolled technologies and participants.

Council Discussion

Weber asked why the peak-demand forecast on slide 5 appeared to be artificially flattened. Wassink said that the forecast is produced hourly and there was no anticipated change in demand during consecutive hours.

Abbe said that contracts for battery projects can be complex and asked if the PAs can lock program rules to mitigate impacts of changing incentives or program structure mid-term. Abbe asked whether the ADM programs are subject to the same evaluation and three-year-plan cycle as other programs. O'Connor said that the PAs have a five-year-rate lock predicated on customers completing construction within two years. Amy Findlay said that the PAs do not limit the size of participating batteries, but cap performance payouts to avoid compensating oversized batteries with ratepayer dollars. There is some assurance provided by the rate lock, but the PAs do not want to lock incentives for longer. to allow flexibility within the Three-Year Plans. Abbe

said that the battery deals are analogous to a solar-power-purchase agreement (PPA) style of deal, where customers can often lock-in a utility rate for 20 years because solar developers receive incentives upfront and the expected cash flow makes the agreement economically viable. Abbe said the agreements work because there are no anticipated changes to terms and incentives are provided up front, which helps recoup development costs and reduce risk. Abbe suggested that if the markets for battery projects and solar PPAs are similar, then more stability may be better for the ADM programs. Findlay noted that the PAs need to distinguish between pay-for-performance models and upfront incentives. Eversource provides both incentives for performance and battery installation in Connecticut, but the ConnectedSolutions program can only pay for performance in Massachusetts.

Wambui asked what caused the large increase in income-eligible participants in ConnectedSolutions and whether the PAs should expand these efforts. Wassink replied that National Grid contractors discuss ConnectedSolutions during HEAs in income-eligible homes and help customers who install Wi-Fi thermostats to enroll in the program. Wambui asked what incentives income-eligible customers receive upfront. Wassink said that they receive free Wi-Fi thermostats and an incentive for enrolling in ConnectedSolutions.

5. Massachusetts Clean Energy Center (MassCEC)

Update on Workforce Development

Peter McPhee, on behalf of MassCEC, presented updates on building-decarbonization initiatives and ongoing engagement with the EEAC, which is intended to facilitate the exchange of information learned from MassCEC pilots. McPhee described the customer journey in decarbonization, online hubs for decarbonization offerings, and the Decarbonization Pathways Pilot

Update on Building Decarbonization Initiatives

Jennifer Applebaum, on behalf of MassCEC, provided updates on workforce-development programs, efforts to support environmental-justice populations, results of workforce-equity programs, and focus areas for workforce training.

Council Discussion

Johnson said that slide 5 of the workforce-development presentation suggests \$1.6 million was spent per training grantee placed in the clean-energy industry. Applebaum clarified that the 11 training grantees are participating organizations. The \$18 million awarded in fiscal year 2023 resulted in training for 700 people and support for over 350 minority- and women-owned-business enterprises (MWBs). Johnson asked how many workers were placed as a result of the investments in workforce development and how successful have MassCEC's workforce-development efforts been over time. Applebaum replied that the awards were granted during the past five months and every grant requires a plan for administering training, placing workers, and estimating persistence rate for hired workers. Applebaum said that these are new training programs and MassCEC will continue to track results and progress. Johnson asked Applebaum to describe outcomes from existing programs. Applebaum said that the internship program, which is the oldest training program, has trained nearly 6,000 participants, many of whom are in college. Applebaum noted that current students do not count as full-time employees, but

MassCEC seeks to ensure that spending is allocated toward high-quality trainings. Applebaum said that the Clean Energy Pathways program has an 85% placement rate and MassCEC requires quarterly reporting of metrics for training participation and retention.

Wambui supported the development of a planning tool for building decarbonization deck and hoped that MassCEC would release the tool soon to improve planning for projects, such as a decarbonization project in a 184-unit building she is overseeing. Wambui suggested that MassCEC and the PAs couple the decarbonization-planning tool with incentive offerings for energy efficiency so customers can do more comprehensive planning. McPhee described three tools that Abode, Power Options, and Slipstream are developing for single-family buildings and non-residential buildings. McPhee said that MassCEC provides some gap incentives to supplement Mass Save, but many customers want to plan for decarbonization projects prior to looking at available funds. Wambui said that customers are prepared to move forward with decarbonization projects but lack funding.

Abbe asked if customers working through decarbonization projects have indicated their motivations for completing such projects, whether for the planet, comfort, or economic benefits. Susan Mlodozienec responded that early adopters have many motivations and that MassCEC wants to normalize the installation of efficient equipment through the “clean energy lives here” movement.

Johnson asked MassCEC to describe why the triple-decker assessment was unsuccessful. McPhee said the focus was the cost-effective decarbonization of small multifamily buildings through solar arrays, weatherization, and electrification. The assessment had a competition to determine the lowest-cost approach to achieve depth beyond standard Mass Save incentives but not quite as deep as a deep-energy retrofit. Meg Howard said the competition entrants submitted many designs but the actual assessment will serve 20 triple-deckers, some without upgrades to exterior insulation in order to improve cost-effectiveness. Johnson asked if MassCEC thinks insulating building siding is worth the cost since it takes significant effort. McPhee said that it is generally cost effective to do exterior insulation when upgrading exterior cladding, but it is difficult to justify otherwise given the high costs. Beote indicated that MassCEC did not intend to forego traditional insulation for triple-deckers in the assessment.

Ferrante left the virtual meeting at 2:12 PM.

6. Federal Inflation Reduction Act Funding

DOER Presentation

Finlayson provided a summary of federal funds from the Home Efficiency Rebates (HER) and Home Electrification Appliance Rebate (HEAR) that DOER will administer to supplement Mass Save ratepayer-funded programs.

Council Discussion

Weber asked if DOER plans to administer the federal funds in a manner that will avoid public confusion about different programs. Finlayson said that DOER does not want to confuse

customers but is already receiving incoming calls about federal rebates, so messaging will need to clarify where customers can participate.

Rose asked Finlayson to explain how DOER will avoid duplicating incentives for the same measures. Finlayson said that customers will be able to combine HER and HEAR funds in some cases depending on the share of savings from different technology and project upgrades. The PAs and DOER have a shared interest in coordinating funds to maximize customer incentives.

Downey stated that the Equity Working Group (EWG) is proposing to increase the threshold for income-eligible programs to 80% of area-median income (AMI), so Mass Save incentives would cover all project costs for these customers, but customers between 81-150% of AMI would receive the highest incentives through HER and HEAR. Finlayson suggested that the PAs can make up the difference where there are gaps in incentives or DOER can reallocate incentive funding depending on the project composition.

Johnson commented that the different programs and incentives will alienate customers and prevent them from determining where to get the best incentives. Finlayson responded that DOER will not make the different rebates customer-facing and instead manage the math behind the scenes in order to present project offerings in a streamlined way. Finlayson said that the customers do not need to differentiate federal and state funds. Bodemer said that DOER is still designing customer-facing aspects of the new programs and will present everything cohesively to avoid disarray. Wambui agreed that DOER should avoid creating confusion for customers.

Winner indicated that most of the \$360 billion for climate incentives offered through the Inflation Reduction Act (IRA) is for tax credits, but most low- and moderate-income customers do not owe enough taxes to benefit from these incentives. Winer recommended that DOER target federal rebates to minimize customer contributions and drive benefits for low- and moderate-income customers. Finlayson said that the Department of Energy requires a minimum level of funding for customers up to 80% of AMI and DOER wants to maximize funding for these customers.

7. 2025-2027 Plan Workshops

Review of Draft Recommendations

Bodemer reviewed the structure of the draft EEAC Resolution on recommendations for the 2025-2027 Plan and highlighted both new recommendations and those that require Council discussion.

Council Discussion

Weber said that 80% achievement of goal is not successful and recommended that the PAs provide monthly reporting on programs 20% or more below goal. Bodemer replied that the 20% threshold is aligned with guidance from the Department of Public Utilities (DPU), but the Council should decide. Beote asked how project pipelines might help determine the need for additional reporting. Bodemer said that robust pipelines could mitigate the need for more frequent reporting, but the Council is trying to protect against poor performance without anticipated pipelines. Peters said that the PAs agree on the need for additional reporting in areas

of poor performance, but the requirement should account for ramping up activity for newer offerings and strategies. Winner asked Peters when the PAs think it makes sense to begin reporting on programs that are seemingly behind in terms of progress. Peters said that each three-year plan has triennial and annual goals, so it may make sense to initiate additional reporting in the second quarter. Weber agreed that six months seems reasonable and reemphasized the need to identify and report on areas of poor performance as early as possible to determine corrective actions.

Bodemer indicated that the C&I Working Group will present findings from its activities in 2024 following release of the first draft 2025-2027 Plan.

Winner asked if the requirement that buildings receive weatherization services prior to incentives for heat-pumps might serve as a barrier to heat-pump adoption. Bodemer replied that the recommendation is focused on increasing weatherization through HEAs. Peters noted that the PAs must consider the triangulation between volume, costs, and program requirements. Weatherization is required for some projects, but there are cost impacts and disruption in customer homes, so requiring weatherization will impact both program costs and project volume. Peters said that the PAs understand the Council's emphasis on pairing heat-pumps with weatherization.

Wambui stated that market-rate customers have made more improvements to energy efficiency than low- and moderate-income customers who face more barriers, so removing the requirement for weatherization supports distributive justice.

Winner highlighted the concern that requiring weatherization before providing heat-pump incentives will result in disproportionately higher spending in market-rate homes. Winner added that the EWG has pushed for increased investments in low- and moderate-income services.

Murray asked if the majority of Councilors supported the recommendation to require weatherization for heat-pump incentives to market-rate customers. Bodemer indicated that eight councilors support including the recommendation as an alternative. Commissioner Mahony expressed support for including the recommendation as an alternative, but agreed with Winner's concerns about spending more money on market-rate customers. Commissioner Mahony said that right-sizing heat-pumps is critical to avoid adverse grid impacts due to electrification. Bodemer said that the recommendations were developed through consensus, but alternative recommendations were included in areas where consensus was not achieved. Murray commented that the alternative recommendation is not appropriate considering the desire to increase weatherization. Rose agreed.

Rose reiterated that weatherization will mitigate increases in electric consumption due to heat-pump adoption. Beote concurred and said that heat-pump adoption without weatherization presents a risk of increased energy burdens.

Abbe commented that weatherization will maximize heat-pump functionality, grid benefits, and comfort, but many houses face barriers to weatherization. Requiring weatherization will likely reduce the number of customers to adopt heat-pumps.

Schreiber said that the recommendation to “establish a pathway and incentives for home energy assessments at the time of property sale” is too specific and should say “within a reasonable time of property sale.”

Weber said that she thought there was more nuance around partial and full heating-system displacements where customers would not receive incentives for heat-pump replacements. Harak suggested that the PAs should make a proposal, but asked if premature failure of heat-pumps would cause customers to revert to inefficient heating systems. Weber said that customers would be unlikely to revert to older heating systems.

Villanueva asked how the PAs can guarantee that customers will not revert to fossil-fuel-heating systems. Villanueva also asked whether increases in heat-pump efficiency would warrant incentives for customers who have already installed heat-pumps to upgrade.

Beote said that weatherization for income-eligible homes should only be required where necessary, since many customers have already received insulation services.

Harak stated that he is wary of the specific targets for weatherization projects and serving 15% more low-income customers than in 2022-2024. Bodemer replied that all numerical recommendations are subject to future checks. Beote agreed with Harak since the PAs may exceed recommended goals. Lynch said that the recommendation for 15% is intended to be aspirational and the 2025-2027 Plan needs to center on the most vulnerable customers, increase goals for serving them, and direct resources appropriately. Some additional changes, such as considering both area-median income and state-median income, will increase the pool of low- and moderate-income customers. The Council wants the PAs to prioritize low- and moderate-income customers and set 2025-2027 budgets accordingly. Wambui said that the Council can adjust recommendations if analysis suggests that the proposed targets are inappropriate, and Bodemer added that the PAs will determine the budget required to comprehensively serve 15% more income-eligible customers than in 2025-2027.

Abbe asked if the requirement for weatherization would prevent customers from receiving incentives for all equipment types, as customers should not be barred from installing specific measures recommended by housing authorities. Bodemer said that weatherization should be provided where necessary.

Harak left the virtual meeting at 4:02 PM.

Johnson disagreed with Abbe because requiring weatherization will be more effective at improving building envelopes than providing weatherization when “necessary.” Bodemer said that income-eligible customers receive full coverage of project costs and the Council wants to ensure that they implement all available weatherization upgrades.

Abbe asked whether customers would need weatherization in order to receive incentives for replacing failing fossil-fuel equipment with heat-pumps. Bodemer said that the customers will be required to complete necessary weatherization upgrades.

Johnson asked how much more efficient should new heat-pumps be, for customers to receive incentives. Bodemer responded that new heat-pumps would have to be more efficient than existing systems. Johnson suggested that the PAs not provide incentives for new heat-pumps when customers already have heat-pumps installed.

Beote indicated that the Low-Income Energy Affordability Network always provides weatherization services when there are opportunities, but does not prevent the installation of heat-pumps without weatherization. Beote suggested that weatherization can be completed in close proximity to the installation of heat-pumps.

Bodemer stated that DOER will make these edits the draft EEAC recommendations on the 2025-2027 Plan and share an updated document with the Council and PAs.

8. Adjournment

Bodemer, acting on behalf of the Chair, adjourned the meeting at 4:13 PM.

Meeting Materials:

- Official Meeting Notice
- Meeting Link
- Agenda
- November PA Update for EEAC
- Active Demand Update Presentation
- MassCEC Presentation – Building Decarbonization Initiatives
- MassCEC Presentation – Workforce Development Updates
- HERS and HEAR Overview Presentation
- EEAC Resolution and Council Recommendations for the 2025-2027 Plan