MA ENERGY EFFICIENCY ADVISORY COUNCIL

MEETING MINUTES

Wednesday, December 20, 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, Robert Rio, William Rose, Jonathan Schreiber, Mary Wambui, Sharon Weber, Brooks Winner, Dennis Villanueva, Cindy Carroll, Tim Costa, Maggie Downey, Michael Ferrante, Hammad Chaudry, Chris Porter, Stephanie Terach, Charlie Harak, Kate Peters
Councilors Absent:	Paul Gromer
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 1:02 PM.

2. 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.

3. Public Comment

Todd Olinsky-Paul (Clean Energy Group)
Olinsky-Paul commented that Clean Energy Group applauds the EEAC for developing forward-looking and equity-focused goals, specifically its recommendations for increasing storage devices enrolled in active-demand-management (ADM) programs, the Cape and Vineyard Electrification Offering (CVEO), enhanced incentives for environmental justice municipalities (EJMs), targeting growth in participation by income-eligible customers. Olinsky-Paul supported the Council's recommendations as they align with Clean Energy Group's September 2021 report titled "ConnectedSolutions: A Program Assessment for Massachusetts". Olinsky-Paul said that Clean Energy Group has called for equity provisions in ConnectedSolutions since before the program's inception in 2019. Olinsky-Paul noted that over 10% of the Massachusetts population, more than 700,000 people, are below the federal-poverty level and do not receive the benefits of ADM offerings. Olinsky-Paul said that ConnectedSolutions must implement equity provisions like those included in the CVEO or Connecticut Energy Storage program in order to serve the most vulnerable customers. In addition, Olinsky-Paul said that Clean Energy Group is developing a national guide to equity best practices for energy-storage programs and encouraged the Council and program administrators (PAs) to leverage the document. Olinsky-Paul said that Generac, a private energy-storage firm, has received a $15-million grant for storage and electrification projects for income-eligible customers, and while this is good news, ConnectedSolutions should have strong components for serving income-eligible customers.

October 4, 2023 Executive Committee Meeting Minutes
Lyne indicated that the PAs identified minor, clerical corrections to the October Executive Committee meeting minutes. Abbe motioned to approve the October Executive Committee meeting minutes as amended. Rose seconded. All were in favor, with none opposed or abstaining. The October Executive Committee meeting minutes were approved, as amended, by the Executive Committee.

November 1, 2023 Executive Committee Meeting Minutes
Murray motioned to approve the November Executive Committee meeting minutes as submitted. Mahony seconded. All were in favor, with none opposed or abstaining. The November Executive Committee meeting minutes were approved, as submitted, by the Executive Committee.

October 18, 2023 and November 15, 2023 EEAC Meeting Minutes
Lyne indicated that the PAs identified minor, clerical corrections to the November EEAC meeting minutes. Weber motioned to approve the October EEAC meeting minutes as submitted and the November EEAC meeting minutes as amended. Manning seconded. All were in favor, with none opposed or abstaining. The October EEAC meeting minutes were approved, as submitted, by the Council. The November EEAC meeting minutes were approved, as amended, by the Council.

Department of Energy Resources (DOER) Updates
Commissioner Mahony stated that the Department of Public Utilities (DPU) will appoint new Councilors in January, but some incumbent members including Jacobson, Manning, Villanueva,

and Gromer would leave the Council. Commissioner Mahony expressed gratitude for their terrific work and strong advocacy for their constituents and all ratepayers in Massachusetts.

Villanueva said that he would continue to support the C&I Working Group, and although he does not have the bandwidth to continue to effectively support the Council, Villanueva also said that collaborating with the group has been an amazing experience.

Manning agreed that the Council requires a large time commitment, but hoped that the Council would continue to make progress toward reaching underserved populations.

Johnson said that the Council is losing valuable members in Villanueva and Jacobson and hoped that DOER could recommend great councilors to replace them.

Bodemer stated that many qualified candidates submitted statements of interest and DOER is conducting interviews. Bodemer indicated that DOER would aim to recommend Councilor appointment or reappointment to the DPU prior to the January EEAC meeting.

Bodemer thanked Councilors for responding to the end-of-year survey which included questions on the planning workshops and Council process.

Program Administrator Updates

Porter and Terach, on behalf of the PAs, provided updates on rebate processing, an online marketplace for heat-pump-water heaters, the Leading by Example Award presented to the City of Lowell, upcoming webinars promoting energy-efficiency programs for renters, and Liberty's radio segment with the Chief of Staff at Fall River Mayor's Office on WSAR News140AM.

Rose asked the PAs to expand on enhancements to reduce missing info applications. Porter replied that the focus areas are technical changes to improve data validation and auto population of customer information in online-application portals, ongoing contractor education through the Heat-Pump Installer Network (HPIN) including working with the rebate-processing vendor to set up direct-call support, and ongoing customer-facing-content development and education to ensure customers understand expectations for complete applications.

Wambui identified that the link for the webinars for renters is outdated. Terach said that the webinars were rescheduled to January so the PAs will update the link.

Rio suggested that extended warranties may encourage people to adopt new technologies like heat pumps. Porter said that the PAs want to drive the adoption of technology through contractors, so the prospect of extended warranties is concerning because contractors want to stay engaged and provide ongoing services to customers. Porter acknowledged that extended warranties could circumvent aversion to new technologies, but the PAs need to balance each strategy.

Villanueva supported Rio's recommendation and indicated that his first heat pump failed and its replacement unit is not operating well after six months. Villanueva said that the process to receive a heat-pump rebate was also confusing and required phone support.

4. 2025-2027 Plan: Finalize Council Recommendations

Bodemer said there were non-substantive edits to the EEAC Recommendations for the 2025-2027 Plan and Dasso presented the Recommendations with tracked changes.

Council Discussion
Villanueva recommended that the Council designate the C&I Working Group (CIWG) as an official EEAC subcommittee since the CIWG members provided the PAs with valuable feedback. Bodemer agreed that the work of the CIWG has been valuable to the Council, DOER, and PAs.

EEAC Recommendations for the 2025-2027 Plan – Vote
Murray motioned to approve the EEAC Recommendations for the 2025-2027 Plan. Rio seconded. All were in favor, with none opposed or abstaining. The EEAC Recommendations for the 2025-2027 Plan were approved by the Council.

5. EEAC Priorities for 2024

Review of Draft EEAC Meeting Schedule and Priorities for 2024
Bodemer presented a draft EEAC-meeting schedule with proposed topics and priorities for 2024. Bodemer said that the EEAC Meeting topics for January through June will largely focus on discussion and analysis of the 2025-2027 Plan given the condensed timeline for Plan development, but the remainder of the year will emphasize the assessment of program performance. Bodemer requested that Councilors provide feedback on the draft priorities by January 10, 2024.

Council Discussion
Johnson said that the Council should provide more input on the EEAC meeting schedule and topics before finalizing. Bodemer responded that Councilors could provide feedback on the proposed schedule and topics, but the 2025-2027 Plan timeline requires significant effort during the first half of 2024.

Wambui commented that the priorities focus too much on greenhouse-gas goals but are silent about energy burdens in low- and moderate-income households. Wambui said the Council should be bold about problems that ratepayers face and address them in the EEAC priorities. Bodemer asked Wambui to provide written feedback or suggest where such language would fit best in the priorities.

Harak suggested that the second paragraph of the introduction mention that programs should "enhance equity and affordability for low- and moderate-income households". Winner, Beote, and Bodemer supported Harak's recommendation.

Johnson emphasized incorporating program evaluation and assessment of performance into the EEAC priorities. Bodemer explained the need for priorities that are both actionable and measurable, enabling the measurement of outcomes derived from these priorities. Bodemer

indicated that the priorities already consider monitoring progress towards goals and offered edits if the emphasis on this aspect needed enhancement. Harak concurred, noting that Johnson's recommendation aligns with the content in priority #1.

Schreiber left the virtual meeting at 2:04 PM.

6. 2022-2024 Plan Mid-Term Modifications (MTMs)

PA Overview – Unitil
Downes, on behalf of Unitil, presented proposed MTMs for increased spending in two programs:

- Residential New Construction (47% increase in budget)
- Residential Existing Buildings (24% increase in budget.

Downes indicated that the MTMs are attributable to high demand for all-electric new construction and heat-pumps and noted that increased electric consumption due to electrification will prevent Unitil from increasing electric savings with the incremental budget.

Council Discussion
Abbe asked if the PAs quantify net-energy savings across all fuels, in addition to electric and gas savings. Downes confirmed that the PAs calculate energy savings for all fuels both separately and combined.

PA Overview – National Grid and Eversource
Menges and Chambers, on behalf of Eversource and National Grid, summarized proposed MTMs to increase the budget in several programs including Residential New Construction, Residential Existing Buildings, Residential Hard-to-Measure, Income-Eligible Existing Buildings, C&I New Buildings. In addition, both Eversource and National Grid filed MTMs to decrease the budget in the C&I and Income-Eligible sectors.

Council Discussion
Bodemer asked if increased production during October and November would reduce the likelihood of underspending in the Income-Eligible sector. Chambers replied that the PAs would still likely spend less than planned but exceed the 90% threshold for underspend that triggers an MTM. Bodemer asked how the PAs can ensure that landlords continue to cover tenant-energy bills following the replacement of central-fossil-fuel heating with in-unit heat-pumps. Chambers said that the PAs need to develop a technical solution for this issue. Wambui advised the PAs to prevent burdening affordable-housing-property owners with customer-energy bills since heat-pumps will be controlled within each unit. Harak agreed with Wambui that the solution needs to support adoption of heat-pumps in renter-occupied buildings without increasing rent.

Wambui asked if marketing was driving overperformance in the residential programs. Chambers attributed overperformance to unanticipated demand for gas-to-electric-fuel switching. Wambui asked what tools the PAs will implement to increase spending in income-eligible programs. Chambers said that the PAs introduced a three-year maintenance offer, enhanced customer education, and heat-pump training to make the market more comfortable with heat-pumps.

Harak noted that some MTMs were driven by unanticipated demand for gas-to-electric-fuel switching and asked the PAs to explain why some companies did not report declining gas consumption. Chambers said that the PAs hoped there would be more all-electric new construction in the C&I sector but there was a higher number in heat-pump retrofits in the Residential sector. Harak agreed that the PAs need to implement a technical solution that enables electrification in multifamily buildings without exacerbating energy burdens and rent.

Winner said that the Low-income Energy Affordability Network (LEAN) did not anticipate underspending in income-eligible programs in September. Chambers responded that the PAs are still aiming to achieve targets for income-eligible electrification, but serving more multifamily properties without technical barriers than single-family properties with barriers resulted in a lower-cost savings. Winner asked about the PAs' strategy for accelerating the market transition to all-electric-new construction and emphasized the need for actions beyond training programs to make this transition a reality in the coming year. Menges highlighted the significance of education and training for contractors, citing a substantial increase in all-electric homes compared to the previous year. Winner, concerned about the offsetting impact of thousands of new gas homes, emphasized the impending prohibition of such fuels. Menges noted that customer choice ultimately determines the adoption of all-electric and passive house options. Winner urged the PAs to develop a proactive plan to shift the market toward all-electric-new construction, anticipating potential resistance from builders. Winner recommended that the PAs communicate to vendors and builders that 2024 is a transitional year toward all-electric-new construction and aim to avoid a surge in fossil-fuel projects. Winner also highlighted concerns about collecting more funds for heat-pumps primarily used for cooling in market-rate homes while simultaneously underspending in the Income-Eligible sector. Winner said that the programs need to address issues of distributive justice to prevent widening gaps in equity while driving decarbonization. Johnson agreed with Winner’s comments.

Johnson asked how much overspending can be attributed to the assumed interest rate. Menges said the 5% difference in planned and actual interest rate caused a notable impact. Johnson supported Bodemer’s suggestion to keep landlords responsible for energy bills to avoid increasing energy burdens. Chambers reiterated that the PAs need to develop technical solutions to enable replacement of central-fossil-fuel heating with individual heat-pumps. Bodemer said the solution needs to be multifaceted and consider all contributing factors, such as rate design, to energy burdens for low- and moderate-income customers.

Rio said that technical barriers and maintenance issues exist in all sectors. In response to Winner’s comments about unfamiliarity with heat-pumps, Rio observed that many houses with central-air conditioning lack central-heat-pumps. Rio questioned the assumption that landlords would not want their tenants to pay their own energy bills even if it was conditional on rent reduction. Rio suggested that tenants will be more cognizant of energy consumption when managing their own systems, which landlords would likely appreciate. Rio said that any strategy needs to consider costs incurred by tenants and how landlords can essentially subsidize those costs.

Rio left the virtual meeting at 2:55 PM.

Abbe asked how many HEAT Loans are used for full-displacement-heat-pumps. Menges said that the PAs can follow up with this information. Abbe asked how the PAs are considering trends in gas-to-electric-fuel switching in development of the 2025-2027 Plan. Menges said that the PAs are monitoring trends and will also incorporate new requirements for full-displacement projects. In addition, the greenhouse-gas goals will guide development of the 2025-2027 Plan. Abbe asked how the PAs monitor how heat-pumps are used and whether they actually displace fossil-fuel consumption. Menges said there is a heat-pump study in place to understand how customers use heat-pumps. Lynch added that a study on integrated controls has preliminary results which cause concern about heat-pumps primarily used for cooling. Menges noted that the PAs recognized this concern and will revise the requirements for heat-pump incentives in 2024. Porter stated that once heat-pumps are installed, the customer now has the option to use the systems for heating and cooling over the lifetime of the measures. Porter added that the operating cost for electricity and gas will likely converge over time and encourage more heat-pump use for space heating.

Beote said that there is a robust pipeline of income-eligible projects which will likely improve performance, but the PAs will use 2022-2024 performance to inform the 2025-2027 Plan. Beote said that most heat-pumps installed in income-eligible homes fully displace fossil-fuel heating and customers receive education on how to use heat-pumps particularly in warmer months.

Belliveau commented that the Institute for Market Transformation in Washington, D.C. offers cost sharing for electrification in renter-occupied spaces through green leases. Belliveau said that landlords may receive slightly higher rent but share savings from electrification.

Murray indicated that there are several ongoing or upcoming regulatory proceedings, such as a the clean-heat standard and a DPU investigation into rates and energy burdens, which cover topics relevant to Mass Save programs and the Council. Murray added that DPU Docket 20-80-B (Future of Gas) will impact both the current three-year plan and future plans.

Harak noted that Senator Brownsberger discussed heat-pump adoption and usage in Maine and suggested that program evaluation in Massachusetts should teach us about net greenhouse-gas savings and customer behavior in partial and displacement of fossil-fuel heating.

Johnson said that recent evaluation studies suggest that customers are using heat-pumps primarily for cooling which is not a desired outcome. Johnson said that decarbonization should not come at the price of increased energy consumption. Bodemer replied that clean-energy generation paired with electrification will result in net-zero emissions. Lynch clarified that the results from the Heat-Pump Metering Study will provide more insights into heat-pump usage.

7. 2023 Mass Save Third Quarter (Q3) Report

PA Presentation

Peters and Mazuera, on behalf of the PAs, presented implementation highlights and data on program performance through Q3 2023. Mazuera also described proposed changes to the

moderate-income program for 2024 which were developed in collaboration with the EEAC Equity Working Group.

Council Discussion
Johnson commented that 57.6% of weatherization projects were completed by four home-performance contractors (HPCs) which is undermining the workforce. Johnson said that 110 independent-insulation contractors (IICs) have completed the other 42% of projects. Peters responded that the IICs have pathways to bring projects into the program and receive bonuses for these projects, but HPCs are successfully identifying and completing projects through their own efforts. Peters said that lead vendors conduct marketing and refer jobs to IICs and the PAs want all contractors to continue completing weatherization jobs. Johnson asked why the lead vendors have failed to provide more jobs to IICs and asked if contractor attrition has occurred. Peters disagreed with the assumption that the lead vendors failed to refer jobs to IICs. Johnson suggested that providing a smaller share of jobs to 110 IICs is a failure.

Rio rejoined the virtual meeting at 3:33 PM.

Harak expressed optimism that the proposed modifications to the moderate-income program would improve performance.

EEAC Consultant Presentation
Calcagni, Lynch, and Cartwright, on behalf of the EEAC Consultants, presented a review of program performance through Q3. Lynch reviewed equity targets and key-performance indicators (KPIs) for the Residential and Income-Eligible programs and Cartwright covered KPIs and progress toward goals for the C&I sector.

Council Discussion
Wambui said that lack of data transparency disproportionately impacts all income-eligible residents and actionable data reporting will empower the PAs to ensure that benefits accrue to all ratepayers in an equitable way. Wambui highlighted the need for the PAs to present a clear picture of heat-pump adoption, especially in the multifamily segment.

Johnson commented that actual spending, weatherization jobs, and heating-system replacements in the moderate-income program are extremely low. Bodemer agreed that production is very low, but the PAs are responding by revamping the approach to moderate-income delivery based on recommendations from the Equity Working Group. Johnson emphasized that spending only 5% of planned budget to date is a significant problem. Bodemer said that the Council, PAs, and Equity Working Group will continue to adjust implementation strategies if the proposed changes for 2024 do not improve performance. Johnson recommended that a third party implement the moderate-income program.

Winner asked if the data reported in KPI #3, presented on slide 10 of the EEAC Consultant presentation, is accurate and how the PAs will install more heat-pumps in multifamily buildings. Peters said that the PAs need to confirm the accuracy of the data, but indicated that serving larger multifamily buildings takes a long time. Peters said that a 1000-unit project underway in Framingham will not count toward the KPIs until it is completed, but it is only 25% finished.

Weber reiterated that PAs need to increase the frequency of reporting for areas not on pace to meet goals and develop action plans to improve performance.

Villanueva highlighted that C&I program performance is very poor and shows the importance of making the CIWG an official EEAC subcommittee. Villanueva also suggested that the PAs revisit the eligibility guidelines for custom projects since any HVAC projects under 150 tons are treated as prescriptive, which greatly reduces customer incentives.

8. Adjournment

Bodemer, acting on behalf of the Chair, adjourned the meeting at 4:03 PM.

Meeting Materials:

- Official Meeting Notice
- Meeting Link
- Agenda
- EEAC Resolution and Recommendations for the 2025-2027 EE Plan – DRAFT
- 2024 EEAC Meeting Schedule and Topics – DRAFT
- December PA Updates for EEAC
- October 4, 2023 EEAC Executive Committee Meeting Minutes
- October 18, 2023 EEAC Meeting Minutes
- November 1, 2023 EEAC Executive Committee Meeting Minutes
- November 15, 2023 EEAC Meeting Minutes
- National Grid & Eversource Mid-Term Modification Presentation
- Unitil Electric Mid-Term Modification Presentation
- Program Administrator 2023 Q3 Presentation
- C-Team 2023 Q3 Presentation
- Draft 2024 EEAC Priorities