MA ENERGY EFFICIENCY ADVISORY COUNCIL

MEETING MINUTES

Wednesday, January 17, 2024
Virtual Meeting via Zoom

Councilors Present:	Greg Abbe, Commissioner Elizabeth Mahony, Kyle Murray, Daniel Leary, Brian Beote, Paul Johnson, Meg Lusardi, Steven Miller, William Rose, Robert Rio, Jonathan Schreiber, Mary Wambui, Alexis Washburn, Sharon Weber, Brooks Winner, Cindy Carroll, Maggie Downey, Michael Ferrante, Martijn Fleuren, Kate Peters, Hammad Chaudry, Chris Porter, Tim Costa, Stephanie Terach
Councilors Absent:	(None)
Consultants Present:	Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Margie Lynch, Matt Socks
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

Steve Cowell (Northeast Energy Efficiency & Electrification Council)
Cowell commented that he would continue to support the EEAC despite not being appointed as a Councilor. Cowell said that the Council, Department of Energy Resources (DOER), and program administrators (PAs) should discuss how to effectively integrate federal funds into Mass Save programs. Cowell said that DOER and other state departments have proposed good ideas to the federal government and should collaborate with the PAs to implement federal funds. Cowell noted that stakeholders have provided many comments on how the Clean Heat Standard may impact existing Mass Save programs. Cowell added that the Northeast Energy Efficiency and Electrification Council has developed recommendations for simplifying the Clean Heat Standard so it does not confuse consumers.

Wambui and Johnson joined the virtual meeting at 1:08 PM.

Johnson asked DOER to explain why Cowell was not appointed to the Council given his expertise. Bodemer said that DOER believes it made appropriate recommendations and the Department of Public Utilities (DPU) has the authority to appoint Councilors, not the Council or DOER.

Department of Energy Resources (DOER) Updates
Commissioner Mahony stated that the DPU had re-appointed Wambui, Murray, Rio, and Ferrante to the Council and introduced new Councilors:

- Alexis Washburn (representing Energy-Efficiency Experts)
- Brian Beote (representing the Low-Income Weatherization and Fuel-Assistance Program Network)
- Daniel Leary (representing Organized Labor)
- Steven Miller (representing Businesses, including Large Commercial & Industrial or C&I End Users)
- Martijn Fleuren (representing Energy-Efficiency Businesses)

Commissioner Mahony praised new Councilors for joining the EEAC in a year with significant goals and work on behalf of ratepayers. Commissioner Mahony thanked all candidates that had not been appointed and encouraged them to continue to support the Council. Commissioner Mahony also expressed appreciation for Jacobson, Harak, and other Councilors for their contributions.

Bodemer announced that DOER is reviewing the charters of the Executive Committee and the Equity Working Group, to re-evaluate the membership of each EEAC subcommittee. Bodemer said that DOER will present proposed changes to charters and review the process for appointments to the EEAC subcommittees in February.

Bodemer stated that the Advanced-Metering Infrastructure (AMI) Stakeholder Working Group will conduct a meeting on January 30 from 1:00-3:00 PM, during which electric-distribution companies (EDCs) will present their plans to market and implement advanced meters over the

next four years. Bodemer said that AMI will enhance capabilities for tracking energy consumption, so the EDCs want to discuss communication strategies and changes for customers. Bodemer encouraged participation by under-represented stakeholder groups in this meeting and said that DOER will forward the email invite.

Evans noted that the DPU had opened an investigation (Docket 24-15) on January 4, 2024 regarding energy burdens for residential customers. The purpose of the investigation is to examine existing programs and explore opportunities to improve them, including discount rates for income-eligible customers, arrearage-management plans, protections against the disconnection of power, and payment plans based on energy costs as a percentage of income. Evans said that Docket 24-15 is available online in the DPU File Room. Evans also said that the DPU has posed an extensive list of questions and encouraged joint comments by March 1, 2024.

Johnson expressed appreciation for Jacobson and Harak as they had a tumultuous relationship twelve years ago, but he still learned to appreciate their intelligence and commitment to the Council.

Program Administrator Updates

Porter and Joel Martell, on behalf of the PAs, provided updates on improvements to rebate processing and summarized changes to the Residential Retail program, through which customers can receive whole-home heat-pump rebates. Martell described modifications to the C&I New Construction program to adapt to requirements for all-electric new construction and the prohibition of new fossil-fuel equipment.

Johnson asked whether customers primarily use installed heat-pumps for cooling or heating and how the PAs will prevent the use of legacy fossil-fuel systems. Porter replied that the PAs conducted an evaluation survey to understand the motivation behind installing heat-pumps, but the focus is on promoting the adoption and use of heat-pumps. Porter said that the PAs need to make sure customers know how to operate heat-pumps and that heat-pumps are sized appropriately such that they fulfill heating loads. Porter said that continued use of fossil-fuel systems is part of the rationale behind a new requirement that customers disconnect or disable existing fossil-fuel systems if they receive a rebate for whole-home heat-pumps. Johnson suggested that the PAs revoke rebates if energy-bill analysis suggests that customers are still using fossil-fuel equipment.

Rose asked how much it costs to disable or disconnect fossil-fuel equipment. Porter responded that the PAs would not require complete disconnection of gas supply because customers may use gas for other appliances. Porter said that customers can demonstrate compliance with the new requirement by removing fossil-fuel systems, but the most common and cost-efficient method is disconnecting thermostats from the old system to prevent activation. Porter said that the PAs want to ensure that customers are using heat-pumps properly without creating barriers to heat-pump adoption by adding new costs.

Washburn recommended that the PAs communicate with gas providers when they disconnect gas appliances so that customers receive accurate gas bills. Porter indicated that the PAs do not want

customers to pay for commodities that they are not using, but gas bills will be "trued-up" through meter reads.

Rio asked how changes to the New Construction program align with the pilots for all-electric new construction. Porter clarified that the changes to the New Construction program are in response to legislative updates that bar the PAs from providing incentives for new fossil-fuel equipment except for emergency replacements. Porter said that the program changes signal to the market that the future of new construction is electric, but the PAs want to drive a telegraphed transition. Porter said that the all-electric new construction pilot provides specific offerings within the participating towns, but there are also statewide offerings for all-electric new construction.

4. 2024 EEAC Consultant Team Workplan and Budget – Review and Vote

Calcagni, on behalf of the EEAC Consultants, presented the EEAC Consultant workplan for 2024, which will heavily focus during the first half of the year on development and review of the 2025-2027 Three-Year Plan. Calcagni noted that the Consultants had underspent their 2023 budget and requested the excess funds to be transferred to the Consultant's 2024 budget, due to the increased workload in 2024. The overall budget for the Consultant's three-year contract will remain unchanged.

The Council's Calendar Year 2024 Budget of $2,223,080 includes:

- the Consultant's Budget of $2,173,080
- the Council's Operating Budget of $50,000

Council Discussion

Johnson asked how the EEAC Consultant Budget for 2024 compares to prior years and what changes or challenges the Consultants anticipate on the horizon. Johnson said that the EEAC Consultants have done a good job supporting the Council for many years. Calcagni replied that the second year in a three-year budget is typically the largest due to development and review of three-year plans. Calcagni said that some challenges include the accelerated timeline for plan development, following the March 1 release of the target for greenhouse-gas reductions.

Fleuren asked how much direct outreach is done with current program participants when evaluating program changes as part of EEAC Consultant work, because soliciting customer feedback on how changes might impact customers is important. Calcagni said that the EEAC Consultants provide recommendations on program design to the PAs, but do not perform direct outreach to customers. Fleuren suggested that the PAs include program contractors in efforts to change program design. Bodemer said that the EEAC Consultants operate under a contract so the Council could add to their scope of work, or procure another vendor to lead customer-feedback activities in the future. Bodemer noted that the PAs conduct consumer outreach and surveys, but perhaps not at the scale that Fleuren envisions.

Johnson requested that the EEAC Consultants share the number of hours and hourly rates for each team member. Evans indicated that the 2024 EEAC Budget process includes DOER's review of work undertaken in 2023, review of work planned for 2024, and then filing the

proposed budget to the DPU for approval. This filing includes invoices for completed work, which the DPU reviews in order to determine if the work is reasonable and appropriate under EEAC responsibilities. Johnson said that EEAC Consultants like Ralph Prahl, a subject-matter expert on program evaluation, provide value so he wants to understand where hours and spending are concentrated. Bodemer said that the EEAC Consultants render services and submit invoices, which DOER reviews prior to filing with the DPU at the end of each year. Johnson said that he wants to understand the spending breakdown to understand the prioritization of activities. Calcagni said that the EEAC Consultants can share additional information on the 2024 workplan, and Commissioner Mahony reiterated that the current focus is approving the EEAC Consultant Budget for 2024.

2024 EEAC Consultant Team Workplan and EEAC Budget – Vote
Murray motioned to approve the 2024 EEAC Consultant Team workplan and the 2024 EEAC Calendar Year 2024 Budget of $2,223,080. Rio seconded. All were in favor, with none opposed or abstaining. The 2024 EEAC Consultant Team workplan and 2024 EEAC Budget were approved by the Council.

5. 2024 EEAC Meeting Topics and Dates

Bodemer presented a draft schedule with EEAC meeting topics and priorities for 2024. Bodemer indicated that several Councilors suggested that meeting topics include language access and other equity-focused areas, so the Council will embed these topics in EEAC meetings throughout 2024.

Council Discussion
Abbe suggested that the appointment of new Councilors warrants a "lunch-and-learn" to brief them on the EEAC and Mass Save programs, especially given the need to understand a lot of nuance and jargon to navigate comfortably. Bodemer said that the EEAC Consultants have an onboarding process for new Councilors and that DOER can support onboarding if necessary.

6. EEAC Priorities for 2024

Bodemer presented the proposed EEAC Priorities for 2024 and noted that Charlie Harak and the Office of the Attorney General had provided language on improving equity and public engagement to ensure all voices are represented through the Council, thus improving the Council as an advisory body.

EEAC Priorities for 2024 – Vote
Murray motioned to approve the EEAC Priorities for 2024, as amended. Winner seconded. All were in favor, with none opposed or abstaining. The EEAC Priorities for 2024 were approved, as amended, by the Council.

7. 2022-2024 Plan: Six Mid-Term Modifications (MTMs)

National Grid, Eversource, & Unitil MTMs

Calcagni, on behalf of the EEAC Consultants, summarized recommendations for the National Grid, Eversource, and Unitil MTMs to the 2022-2024 Plan and suggested that the Council support all the proposed MTMs, except the Eversource request to reduce its income-eligible budget within the electric portfolio. Calcagni explained that the pipeline for income-eligible projects suggest that Eversource may be able to spend its planned budget and referred to the EEAC Consultants' detailed memo, which was included in the meeting materials.

Council Discussion

Bodemer commented that there is a robust pipeline of income-eligible projects and a full year remaining in the 2022-2024 term, so Eversource should work to spend its planned budget. Bodemer said that increases in gas spending seem to oppose the Commonwealth's goals for electrification and, although legislation allows incentives for fossil-fuel equipment through 2024, the PAs need to be thoughtful about the transition away from fossil fuels.

Winner stated his concerns that PAs are doing the bare minimum by simply notifying the market about upcoming legislative changes that will eliminate incentives for fossil-fuel equipment. Winner said that the PAs should be more proactive and strategic in transitioning the market away from fossil fuels if they are requesting millions of dollars to continue the adoption of fossil-fuel measures. This strategy should help market actors understand ramifications for their businesses. Winner agreed with Bodemer that the PAs should not employ ratepayer dollars for incentives that oppose climate goals and urged the PAs to follow the EEAC Consultant recommendations for shifting the market away from fossil fuels.

Murray seconded Winner's comments and communicated similar concerns about increased spending on strategies that oppose state-climate goals. Bodemer replied that the PAs need to balance legal obligations, the transition for the new-construction market, and broader climate goals.

Weber agreed with Bodemer's stance that the PAs should not request reduced budgets for income-eligible programs if there is a robust pipeline of projects and there is a full year left in the current term. Weber asked if the PAs have derived any lessons from the proposed MTMs that can inform funding allocations for the 2025-2027 Plan. Evans said that one reason for the higher number of MTM requests is that the DPU Order on the 2022-2024 Plan requires the PAs to file MTMs for any requests to increase program budgets, but in prior years there was a threshold within which the PAs could simply notify the Council of increased budgets.

Peters noted that Eversource has worked with Action for Boston Community Development to forecast performance and acknowledged that recent pipelines have been much more encouraging than before. Beote agreed.

Porter indicated that increased spending on gas programs also supports weatherization and gas-to-electric-fuel switching, so the requested funds will not necessarily drive the installation of additional gas equipment. Porter said that the PAs need to distinguish between current tools in their disposal, immediate program goals, and long-term goals. Porter said that the PAs are sending market signals to t that programs are aligning with policy direction in Massachusetts and that they are taking an expansive view of the legislation to limit future incentives for fossil-fuel

new-construction outside of emergency replacements. Porter proclaimed that the PAs have an obligation to pursue cost-effective savings wherever available while transitioning the market away from fossil fuels.

Murray asked how much of the incremental spending on gas programs would be directed toward non-gas equipment, such as weatherization and building-shell upgrades. Porter replied that the PAs can follow up with this information.

Wambui commented that many affordable-housing projects start years before actual construction is initiated, so Councilors should recognize the reality that some of these projects will require fossil-fuel systems and funds from the PAs.

Lynch commented that the PAs are sending market signals, but there is reluctance to build all-electric homes which has maintained activity in fossil-fuel-new construction. Lynch said that the Council identified significant propane and gas activity in 2019 and encouraged the PAs to transition builders to all-electric-new construction; however, the EEAC Consultants recommended efforts beyond enhanced offerings for all-electric new-construction to overcome reluctance in the market and maximize the energy efficiency of new buildings.

EEAC Resolution on National Grid, Eversource, & Unitil MTMs – Vote
Rio motioned to approve the EEAC Resolution to support the National Grid, Eversource, & Unitil MTMs, except the Eversource request to reduce its income-eligible budget. Weber seconded. All were in favor, with none opposed or abstaining. The EEAC Resolution on National Grid, Eversource, & Unitil MTMs was approved by the Council.

Cape Light Compact MTM Overview
Downey, on behalf of Cape Light Compact (CLC), reviewed the status of its prior MTM to increase Cape Light Compact's three-year budget for its income-eligible programs, to avoid ceasing services to income-eligible customers by late February.

Council Discussion
Johnson asked what caused CLC to exceed its planned budget. Downey responded that the cost of heat-pump installations were about 30% higher than planned. Johnson asked how CLC miscalculated during planning since it usually does a great job. Downey said that CLC did not have a robust strategy to deliver heat-pumps when developing the 2022-2024 Plan and used the best information available at the time. Bodemer said that the Council already passed a resolution to support the MTM.

Weber asked if CLC can expedite approval of the MTM. Downey indicated that the DPU is doing its best to review the MTM request and may issue an order soon.

Wambui appreciated that CLC exceeded its planned budget for income-eligible programs in the electric portfolio and said that it illustrates the ability to achieve equitable outcomes.

Rose noted that the Office of the Attorney General supported the MTM in its separate comments to the DPU.

Rio left the virtual meeting at 2:47 PM.

8. Massachusetts Clean Energy Center (MassCEC) Training for Residential Energy Contractors (TREC)

MassCEC Presentation
Jennifer Applebaum and Raija Vaisanen, on behalf of MassCEC, presented an overview of the TREC straw proposal, which is workforce development and training for residential contractors funded through the Department of Energy and enabled by the Inflation Reduction Act. Vaisanen indicated that TREC will target both environmental-justice municipalities (EJMs) and in-demand professions including energy analysts and assessors, home-performance contractors, and heating, ventilation, and air conditioning (HVAC) contractors.

Council Discussion
Wambui commented that less than 400 of 4,000 HVAC-certified professionals are based in EJMs, which makes the TREC almost inconsequential in terms of equity and justice issues. Wambui said that TREC will be less impactful for EJCs, but this inequity is broader than MassCEC and necessitates creativity to upskill workers in EJMs. Wambui said that without creative solutions, workforce-development initiatives will continue to funnel resources to established, legacy contractors. Applebaum replied that MassCEC is looking to align with other workforce-development programs to support equity and create additional access to trainings for new entrants. In addition, Applebaum said that MassCEC is eager to collaborate with the PAs on improving access and equity.

Fleuren highlighted that the workforce has not provided positive feedback on existing training programs and addressed recurring points of feedback:

- Funding is not effective when used on external programs for initial job training for candidates. All existing companies do initial training for employees which creates unnecessary overlap.
- Trainings should ideally create roles for trained candidates, but many candidates fail to secure jobs or replace existing employees which does not create a net gain in the workforce.
- Collaborating with existing companies will reduce costs of training employees and accelerate workforce growth, especially if the programs reward employers for hiring in EJMs (i.e., if the programs include an equity component).

Commissioner Mahony asked if costs include stipends for participants, in addition to tuition and training fees. Applebaum said that the Department of Energy will cover some training costs while MassCEC would cover participant-driven costs through fund matching. Commissioner Mahony suggested that wraparound services will help enable participation in underserved communities.

Johnson said that he mentioned the need for Spanish trainings in May 2023, but the first training is not available until March 2024. Johnson asked if the PAs or MassCEC can offer trainings in

more languages. Johnson said that many candidates cannot drive and lack fundamental-career skills since they are not acclimated to the professional world. Bodemer said that wraparound services aim to address all of these issues and, although there will be some bilingual trainings in Merrimack Valley, the Council recognizes the need for improved language access in training.

9. Avoided Energy Supply Cost (AESC) Study

Joint EEAC Consultant & PA Presentation
Socks, Brian Greenfield, and Steve Menges, on behalf of the EEAC Consultants and PAs, provided a joint presentation on the AESC Study which estimates avoidable costs of the energy system in New England. The results of the AESC study are used to calculate program benefits tied to avoided costs due to reduced energy consumption.

Rio returned to the virtual meeting at 3:28 PM.

Council Discussion
Wambui commented that low- and moderate-income households are disproportionately impacted by the negative impacts of climate change, so if the PAs will use 1.5% discount rate then the budget for the 2025-2027 Plan should illustrate how the programs will target lower-income communities. Wambui said that the Social Cost of Carbon considers greenhouse-gas policy, but it also needs to consider equity, specifically regarding the transition from fossil-fuel heating to heat-pumps in low- and moderate-income households.

Murray asked if the updated AESC results reduced the benefit-cost ratio (BCR) in the heat-pump example on slide 17 of the presentation. Socks confirmed that the BCR was reduced from 0.45 to 0.41 because the gas component of greenhouse-gas impacts offset the electric component, where electric-avoided costs increased but gas-avoided costs decreased. Socks noted that the results presented are preliminary and will not be finalized until January 31. Bodemer asked if the heat-pump scenario on slide 17 includes upstream emissions. Socks said that the scenario did not include upstream emissions, but cost-effectiveness would improve if they were included. Murray said that the counterfactuals referenced on slide 18 exclude program components, but the DPU Order in Docket 20-80 rejected the idea of renewable-natural-gas blending which eliminates this as a path forward. Greenfield said that upstream emissions would affect both electric and gas impacts as Socks mentioned previously.

Abbe asked what comprises greenhouse-gas-compliance benefits. Greenfield responded that these refer to the Social Cost of Carbon. Abbe asked if the Social Cost of Carbon is the same across all fuel sources. Greenfield confirmed that it is constant across all fuels, but the emissions rates vary by fuel and combustion type and also account for carbon emissions from electric generation. Abbe asked what period of time is included in the study. Greenfield said that the modeling period goes beyond 2050, but most measures do not exceed a 10-15-year measure life. Abbe said that the displacement of gas savings by increased electric consumption due to fuel switching on slide 17 has large implications.

Johnson said that the PAs cannot use the Social Cost of Carbon in cases of fossil-fuel efficiency and asked if there are policy considerations the Council should discuss. Socks explained that

fossil-fuel efficiency may involve replacing a gas furnace with a more efficient gas furnace, so the PAs must use the Marginal Abatement Cost of Carbon. Johnson asked if the PAs should cease heat-pump installations considering the results. Bodemer said that heat-pumps are still valuable, but cost-effectiveness methodology mitigates many of the benefits.

Winner asked if the Clean Heat Standard is factored into the AESC model. Socks noted that Synapse, the AESC study vendor, assumed some blending of renewable-natural gas into the gas supply, but the Clean Heat Standard was not explicitly modeled. Socks added that the draft report explains the renewable-natural-gas blending approach in the context of the Clean Heat Standard.

Bodemer stated that the PAs should continue to drive heat-pump adoption, despite that the AESC results did not produce favorable results.

10. Adjournment

Bodemer, acting on behalf of the Chair, adjourned the meeting at 4:02 PM.

Meeting Materials:

- Official Meeting Notice
- Meeting Link
- Agenda
- 2024 Consultant Team Work Plan
- 2024 Consultant Team Work Plan Presentation
- 2024 EEAC Budget Proposal
- 2024 EEAC Meeting Topics and Dates
- 2024 EEAC Priorities
- Consultant Team Mid-Term Modification (MTM) Memo
- EEAC Resolution on 2022-2024 Program Administrator MTMs
    - Attachment A
    - Attachment B
    - Attachment C
    - Attachment D
    - Attachment E
    - Attachment F
- MassCEC Training for Residential Energy Contractors (TREC) Presentation
- Avoided Energy Supply Component (AESC) Study Presentation