EQUITY WORKING GROUP
MEETING MINUTES

Monday, February 5, 2024
Virtual Meeting: Zoom

Equity Working Group Members Present: Mary Wambui, Brooks Winner, Alexis Washburn, Stephanie Terach, Margie Lynch, Benjamin Cartwright, Kyle Murray, Sonakshi Saxena, Jo Ann Bodemer, Cindy Luppi, Doug Quattrochi, William Rose, Jhenny Saint-Surin, Maggie Downey, James Collins

Equity Working Group Members Absent: (None)

Other Attendees: Adrian Caesar, Emily Lamb, Charlie Harak, Bernetta Morton, Elena Weissmann, Danilo Morales, Scott Rodman, Joe Nunley, David Lyons, Chris McClellan, Leah Cohen, Rachel Evans, Kate Peters, Aisha Khiyaty, Christina Steiner, Benjamin Silverman, Sam Nigro, William Rose, Brian Beote, Briana Kane, Katelyn Mazuera, Chris Lavallee, Melanie Coen, Corey Starzman, Emma Zehner, Angela Parnay, Cora Funke, Anxhela Mile, Alissa Whiteman

1. Call to Order

Bodemer, acting as Chair, called the meeting to order at 11:02 AM.

2. Public Comment

No meeting participants provided public comment.

3. Equity Working Group (EWG) Updates

Bodemer announced that the appointment of new Councilors necessitates the reelection of members to the EWG. Bodemer added that the Department of Energy Resources (DOER) is amending the EWG Charter to establish the EWG as a permanent EEAC subcommittee. Bodemer said that Washburn and Harak agreed to participate as members of the public until DOER finalizes revisions to the EWG Charter.

4. Renter and Moderate-Income Geography-based and Statewide Offerings for 2024 and 2025-2027

Geography-based and Statewide Offerings

Peters, on behalf of the program administrators (PAs), described geography-based offers for rental properties and moderate-income customers which were developed based on EEAC and EWG recommendations. Peters presented a table comparing EEAC recommendations to incentives or strategies proposed by the PAs.

Bodemer asked what incentives would apply to market-rate homeowners in targeted geographies. Peters replied that these customers would receive standard program incentives for heat pumps and weatherization.

Quattrochi asked what turnkey projects entail. Peters said that in a turnkey-delivery model, vendors coordinate pre-weatherization, weatherization, and heat-pump installation so customers can work with a single entity to complete projects.

Winner asked Peters to confirm that value added for the renters in targeted geographies is the turnkey-delivery model since rental properties already receive enhanced incentives. Peters responded that self-attestation of income is another mechanism to encourage participation by renters by making it easier to access higher incentives for heat-pumps and pre-weatherization barriers. Winner asked how the PAs will prioritize spending within the budget for geography-based offerings. Peters said that the PAs will collaborate with local partners to understand priority areas and take an individualized approach to decarbonizing rental buildings to maximize benefits for renters.

Harak asked if self-attestation as a moderate-income customer would result in enhanced offerings while self-attestation as a market-rate customer would result in standard incentives. Peters confirmed that incentives would change based on income, but the PAs determined that 100% incentives for weatherization were appropriate to offer through self-attestation.

Lynch commented that the EWG has expressed wanting to avoid providing enhanced incentives to renters in luxury buildings even if they live in targeted geographies. Lynch said that many strategies have focused on customers between 60-80% state-median income (SMI) or area-median income (AMI), but customers between 80-100% SMI or AMI are also underserved and face many barriers to participation. Lynch said that collaborating with local partners and prioritizing within targeted geographies may help address barriers, but the budget for geography-based offerings is important. Lynch expressed hope that enhanced offerings and streamlined participation might motivate more landlords to participate. McClellan noted that the PAs try to implement all eligible measures and provide appropriate incentives, but some buildings have barriers that prevent project implementation.

Bodemer asked if the PAs require self-attestation of income within the targeted geographies to enhance data collection. Peters confirmed that the PAs want to better understand the intersection of renter status and income and said that renters in targeted geographies will receive 100% incentives for weatherization.

Murray asked if the PAs know how many apartments exist in which landlords would cover future heating costs. Peters replied that the PAs want to understand coverage of heating costs but want to create an individualized approach with communities and landlords to decarbonize buildings without exacerbating energy burdens. Murray asked if any enhanced offerings would be contingent on negotiation with landlords. McClellan said the PAs do not track which landlords cover utility bills, but they would want to negotiate agreements to protect renters from increased energy burdens. Quattrochi agreed that there is not a database which tracks the coverage of utility costs in rental properties.

Quattrochi asked if the self-attestation form will designate ranges of salaries or ask customers to input their incomes. McClellan said that self-attestation will help identify potential low- and moderate-income customers, but providing high incentives warrants some form of income verification.

Whiteman asked how many 1-4-unit homes receive weatherization services following the remediation of pre-weatherization barriers. McClellan said that about 20-25% of weatherized homes have common pre-weatherization barriers. Quattrochi said that about half the participants in regular virtual meetings for the Massachusetts Landlords Association indicate that their properties have pre-weatherization barriers. Winner asked if there is a higher prevalence of pre-weatherization barriers in target communities with older housing stock. McClellan said that this is likely the case.

Wambui stated that the EWG seeks to ensure that Mass Save serves the most vulnerable customers, but there are limited program budgets so the PAs may need to leverage other funding to achieve equitable outcomes. Wambui said that the PAs have developed great offerings for weatherization and heat-pumps, but quality control and customer education will be necessary to ensure they successfully mitigate energy burdens. Peters said that the PAs are considering parameters for heat-pump sizing as they develop a turnkey approach for heat-pump delivery. Peters also noted that the PAs have robust quality assurance, quality control, and customer education program through the Heat-Pump Installer Network.

Winner emphasized that simplicity is a guiding principle and encouraged the PAs to consider whether they will be able to easily explain offerings to customers and community partners. Downey responded that the offerings are complicated because there are several requirements and nuances that apply to specific segments. Downey said that the offerings are attempting to address several equity recommendations and it will take significant coordination with targeted communities. Bodemer agreed that the challenge to communicate effectively is not insurmountable and expressed confidence in the PAs, despite how complex the offerings appear on paper.

Quattrochi suggested that the PAs thoroughly serve a targeted area without the added complexity of income verification and self-attestation if there is a limited budget. Quattrochi asked if the $5,000 incentive for pre-weatherization barriers was an actual incentive or financing offer. McClellan said that market-rate renters have access to a $5,000 incentive to remediate pre-weatherization barriers. Quattrochi said that the Mass Save website does not effectively

communicate this offering and recommended that the PAs reorganize the website to sort offerings by measure category, then list the incentives for different income tiers. Bodemer said that market-rate customers in each targeted geography will benefit from geography-based offerings, but the EWG emphasized the need for safeguards against serving wealthier customers. Bodemer said that all ratepayers fund Mass Save programs and the PAs need a defensible justification for the selected geographies and eligibility requirements. Quattrochi noted that low-income renters have time and financial limitations, so complicated designs will cause attrition in participation.

Luppi commented that the Green Justice Coalition identified a disparity in benefits delivered to underserved, vulnerable communities relative to the funds they pay into programs. Luppi said she hopes that the Community First Partners (CFPs) and other local partners can help renters and landlords leverage these new offerings. Bodemer said that the PAs will coordinate with CFPs to target rental properties, but requirements for income qualification will add some complexity to receiving 100% incentives.

Beote noted that the "quarterbacking" model allows the Low-income Energy Affordability Network (LEAN) to function as an advocate for customers by handling project scoping, inspections, permits, payments, and vendor selection. Beote said that this model limits entries into homes and overcomes time constraints for income-eligible customers.

Wambui stated that building a procedure to achieve equity and distributive justice is complex but necessary to reach different communities. Wambui said that although Mass Save will not solve every issue, it can begin to achieve justice by empowering and connecting communities. Wambui added that the CFPs will play a significant role in implementing these seemingly complex offerings.

Winner said that renters need to be able to understand offerings and succinctly explain them to landlords to motivate participation. Winner said that Mass Save programs can be hard to navigate, which is particularly challenging for low- and moderate-income customers since they may not make decisions for building upgrades. Winner also said that turnkey services will help but the programs need to encourage participation in the first place.

Proposed Criteria for 2025-2027 Community Selection

Saxena reviewed the eligibility criteria for geography-based offerings, which are based on DOER's initial recommendations and consider demographic factors such as renter population and income. Mazuera described strategic responses to EWG recommendations for eligibility, income verification, and other program-delivery.

Downey said that Oak Bluffs and Tisbury were included as equity communities since they have low participation rates and meet two criteria for environmental justice municipalities (EJMs).

Quattrochi asked if the underlying data is disaggregated by zip codes or municipality. Saxena responded that the Veracity tool developed by DNV (an organization contracted by the PAs) is an online-data dashboard with zip code-level data. Quattrochi asked whether applying offerings within targeted zip codes would enable the PAs to simplify messaging and pinpoint funds within

communities. Saxena said that the PAs do not have zip code-level data for all demographic factors used to determine eligibility for geography-based offerings. Peters indicated that the PAs used census-block data to inform winter-energy-price mitigation for moderate-income customers. Feedback from vendors suggested that they could target customers with door-to-door canvassing, but broader community outreach is difficult because many people within target communities were not in eligible census blocks.

Winner commented that Framingham has distinct differences between zip codes and encouraged the PAs to explore how to apply offerings within each zip code. Winner congratulated the PAs for developing a list of targeted geographies but suggested that the PAs explain why some Climate Pollution Reduction Grant and Justice40 communities (Haverhill, Bridgewater, Gloucester, and Methuen) were not deemed eligible.

Bodemer left the virtual meeting at 12:08 PM.

Murray seconded Winner's comments and said that the PAs put significant effort into developing the enhanced offerings and selecting communities. Murray said that the PAs receive much criticism so it is important to commend good work.

Wambui agreed that the list of targeted geographies is great and highlighted the need to think about rural areas in Massachusetts, especially given ongoing work with the Green Justice Coalition to address serious challenges with energy security and energy burdens in rural communities.

Murray asked how the PAs can implement practical cost controls to prevent contractors from artificially increasing prices due to high incentives for heat-pumps. Murray also asked if the cost controls will examine historical costs since the PA proposal is based on existing costs, which may already be elevated. McClellan said that the PAs will leverage the robust cost controls used in income-eligible programs to mitigate heat pump price inflation due to high incentives. Murray asked if the EWG could review average costs for heat-pump projects in market-rate and income-eligible homes. McClellan said that he will confirm what the PAs can share. Lynch noted that the EWG recommended that the PAs implement an online-cost-comparison tool, similar to the tool developed by the Massachusetts Clean Energy Center (MassCEC) for residential solar. Wambui said that MassCEC has an active procurement for a study on the cost of electrifying buildings.

Wambui asked if the PAs think about electrification as whole-home retrofits when serving moderate-income homes. McClellan responded that the PAs consider solutions for partial and whole-home electrification depending on customer preference and readiness to electrify. Wambui asked if the PAs will implement the same quality-control strategies used in the income-eligible programs. McClellan said that they will use a blended strategy as the PAs implement quality-assurance and quality-control standards for the Heat-Pump Installer Network (HPIN) through rebate fulfillment and third-party inspections. Wambui expressed concern that electrification of moderate-income homes could exacerbate energy burdens if the programs fail to educate customers on appropriate heat-pump usage. Wambui asked if the PAs will deliver other measures and appliances through their electrification framework. McClellan said that the current focus is weatherization and heat-pumps for moderate-income customers, but the PAs will

expand the delivery model to include more measures over time. Winner said that customers can receive incentives for induction stoves and Lynch added that heat-pump-water heaters are covered by existing offerings.

Quattrochi asked how PAs control costs for weatherization projects. McClellan replied that the PAs issue a request for quotes to set pricing for weatherization measures and may eventually implement a similar pricing approach for heat-pumps.

Wambui stated that as the programs are shifting investments toward heat pumps, they must adopt new methods to protect residents from different risks of electrification by adopting new methods.

Lynch asked if there is a definitive list of communities that will be eligible for the targeted offerings in 2024. Peters confirmed that the PAs will develop a final list of eligible communities. Mazuera, Saxena, and Downey listed probable eligible communities within each PA territory:

- Eversource: Springfield, Plymouth, and Brockton
- National Grid: Brockton and Quincy
- Cape Light Compact: Oak Bluffs and Tisbury

Terach indicated that Liberty will not deliver geography-based offerings in 2024 due to its mid-term modification for income-eligible programs, which was approved last week by the Department of Public Utilities.

Whiteman asked if the PAs will apply the turnkey approach within the 2024 selected communities. Mazuera said that customers in eligible communities will benefit from an expansion of income eligibility based on AMI/SMI, self-attestation for enhanced weatherization incentives, and other enhanced offerings. Mazuera said that the PAs are hoping to launch these changes in the first half of 2024 and clarified that the expansion of income eligibility and self-attestation are statewide changes.

Lynch stated that the PAs will file their 2023 Fourth Quarter (Q4) Report in February and release the Draft 2025-2027 Plan on March 29. Lynch said that 2023 Q4 Report will include reporting on a full year of equity targets, which marks the second set of full reporting on equity targets in the 2022-2024 Term. In March, the EWG will review Q4 2023 results and initiate discussion of equity targets for 2025-2027. Lynch said that the EEAC Consultants, DOER, and PAs will review existing equity targets, and that the PAs have been accommodating in trying to meet EWG requests.

Quattrochi recommended that the PAs identify and discuss any major issues with the 2025-2027 Plan during the March EWG meeting before they release the Draft Plan.

5. Adjournment

Whiteman, acting on behalf of the Chair, adjourned the meeting at 12:45 PM.

Meeting Materials:

- Official Meeting Notice
- Meeting Link
- Agenda
- Program Administrator Updates on Priority EWG Recommendations
- Summary of Equity and Geographic Strategies for 2025-2027
- List of 2025-2027 Communities for Geographic Strategies