MEETING MINUTES

Wednesday, April 24, 2024
Virtual Meeting via Zoom

Councilors Present:	Greg Abbe, Commissioner Elizabeth Mahony, Kyle Murray, Daniel Leary, Brian Beote, Paul Johnson, Meg Lusardi, 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:	Steven Miller
Consultants Present:	Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Margie Lynch, Ben Cartwright, Griff Keating
DOER Staff Present:	Ina Dasso, Alissa Whiteman, Ian Finlayson, Jo Ann Bodemer

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

Bodemer stated that the Council would forego public comment given the extensive agenda and public comment listening sessions for the 2025-2027 Three-Year Plan scheduled in May and June.

February and March EEAC Executive Committee Meeting Minutes – Vote
Bodemer asked if the Executive Committee had any revisions to the February and March Executive Committee Meeting Minutes. No members of the Executive Committee proposed any revisions. DOER, as chair of the Council, approved the February and March EEAC Executive Committee Meeting Minutes as submitted.

February and March EEAC Meeting Minutes – Vote
Bodemer asked if the Council had any revisions to the February and March EEAC Meeting Minutes. Lyne indicated that the PAs and EEAC Consultants had already provided non-substantive corrections to the February and March EEAC Meeting Minutes, which are reflected in the drafts. DOER, as chair of the Council, approved the February and March EEAC Meeting Minutes as amended.

Department of Energy Resources (DOER) Updates
Bodemer announced that the April 17 listening session had nearly 150 attendees and two more listening sessions are scheduled for May 13 and June 3. Bodemer encouraged Councilors to share information on the listening sessions with their constituents. Bodemer also announced that the May 15 EEAC Meeting will be held in person at 100 Cambridge St.

4. Equity Working Group (EWG): Election of New Members

Council Discussion
Bodemer stated that Washburn has been an active participant in the EWG and submitted a statement of interest for election to the EWG as a representative of the Council.

Election of New EWG Members – Vote
Winner motioned to elect Washburn to the EWG as a representative of the Council. Murray seconded. All were in favor, with none opposed or abstaining. The Council voted to elect Washburn to the EWG as a representative of the Council.

5. 2025-2027 Plan: Presentation of Draft Plan

Program Administrator Presentation
Terach, Peters, Beote, Downey, Porter, and Brian Greenfield, on behalf of the PAs, presented a detailed overview of the 2025-2027 Plan including differences from the 2022-2024 Plan, approaches to decarbonization, equity goals, sector-specific strategies for program delivery, and data reporting.

EEAC Consultant Presentation
Calcagni, Keating, Lynch, Cartwright, on behalf of the EEAC Consultants, presented an assessment of the 2025-2027 Plan that focused on compliance with mandated greenhouse-gas goals, notable components, and areas for continued improvement within each sector.

Council Discussion – Equity and Income Eligible Programs
Johnson asked what caused the substantial increase in non-energy impacts (NEIs) between the 2022-2024 and 2025-2027 Three-Year Plans. Keating replied that thermal security and comfort are NEIs tied to weatherization and cooling driven by heat-pumps. Keating added that these NEIs provide substantial benefits related to health and safety for income-eligible customers.

Wambui commented that the greenhouse-gas goals set by the Secretary of the Office of Energy and Environmental Affairs (EEA) are the primary motivation behind the 2025-2027 Plan, as opposed to equity goals. Wambui urged the PAs to remember that reducing emissions can lead to more inequity if existing sources of injustice in energy and socioeconomic systems persist. Wambui suggested that the 2025-2027 Plan will encourage cream skimming, which has resulted in an inequitable distribution of benefits that has left many communities behind. Wambui noted that a small fraction of the 150 participants in the April 17 Listening Session provided comments, and though the Executive Summary is helpful, the format of the 2025-2027 Plan does not facilitate ease of comprehension. Wambui said that the PAs should make the plan more understandable for the public if the public is the intended audience. Wambui also encouraged the Council to consider whether the purpose of EEAC meetings is to report information or create a forum in which the public can influence the energy-efficiency Plan. Wambui stated that the EEA's inaugural Environmental Justice Strategy, released in February 2024, identified meaningful engagement with environmental-justice communities (EJCs) as a core principle; however, the April Draft Plan should reference distributive justice as it was a key priority among members of the public. Wambui said that the public has access but no influence on the Plan, which is made evident by the low number of heat-pump projects planned for the income-eligible sector relative to the high number of delivered-fuel customers. Wambui understood the excitement about a 62% increase in income-eligible spending, but asserted that the spending is not commensurate with the number of income-eligible households and renters in the Commonwealth. Wambui said that the Plan should aim to serve more income-eligible customers if combatting the climate emergency is an urgent priority. Wambui emphasized that repeating the term "equity" in the Plan is not sufficient for improving actual inequity, even though the programs have made progress toward equity. Bodemer clarified that Council discussion on the Plan is intended to inform the EEAC recommendations for and response to the April Draft Plan.

Weber said that the EEAC Consultant presentation was helpful for understanding the distribution of benefits and propensity of different customer segments to participate in programs. Weber recommended that the PAs promote heat-pump-water heaters through income-eligible programs given the savings potential, but noted that incentives for water-heating equipment have not kept pace with costs.

Winner requested an estimate of the bill impacts associated with the budget for the 2025-2027 Plan, which is much greater than the 2022-2024 Plan. Winner seconded Wambui's comments and reiterated that improvements are required to work toward distributive justice, even though some aspects of the April Draft Plan are encouraging. Winner highlighted the increasing importance of distributive justice as the budget for Mass Save programs increases, since failing to address gaps in equity as budgets expand will exacerbate inequity. Winner said that achieving

equity will take time, but the Plan needs to establish a meaningful path toward distributive justice.

Fleuren asked the PAs to describe the technical support and marketing for income-eligible and language-isolated customers, which is included in the proposed income-eligible budget. Fleuren asked how the PAs will use these funds and how they can maximize effectiveness. Fleuren also asked the PAs to clarify their intent to employ turnkey-program delivery and support through program navigators. Fleuren said that implementing a turnkey program which controls price and quality is difficult, whereas guiding a customer through program participation reduces attrition without requiring contractors to control all aspects of projects. Fleuren asked that the PAs explain how they will incorporate home-performance contractors (HPCs) and independent-insulation contractors (IICs) into the proposed program model.

Murray asked if the planned budget for 2025-2027 is adjusted for inflation. Porter replied that the budget is expressed in nominal dollars. Murray said that this may suggest a decrease in weatherization projects due to a decrease in purchasing power of the dollar. Porter explained that spending on weatherization is not static, but the PAs will review the Plan data to confirm the number of planned projects compared to the current Plan. Murray concurred with Winner and Wambui's thoughts on distributive justice and shared similar concerns regarding bill impacts. Murray suggested that the PAs disaggregate savings and spending for renters from low- and moderate-income data to avoid lumping them into one category.

Abbe acknowledged the focus on replacing electric-resistance and delivered-fuel heating with heat-pumps, but expressed concerns that every new fossil-fuel-heating system installed in income-eligible homes may continue to operate close to 2050, which is the deadline for achieving net-zero emissions in Massachusetts. Abbe asked how the PAs will reconcile the use of ratepayer dollars for fossil-fuel equipment with the deadline for net-zero emissions.

Johnson said that renters comprise 38% of the Massachusetts population, but asked how the PAs will serve them comprehensively given that they do not own the properties. Peters said that the PAs are proposing a custom approach in target communities to determine how to serve and electrify renter-occupied units without creating adverse impacts.

Fleuren recommended that the PAs develop metrics of success for workforce development, such as the number of training participants retained as employees for at least six months. Bodemer agreed on the importance of enhanced reporting and collaboration with MassCEC.

Council Discussion – Residential Programs

Murray asked if recent participants need to wait in order to receive decarbonization-focused assessments. Murray also suggested that compliance with the Clean Energy and Climate Plan would require installing 100,000 heat-pumps annually, but the 2025-2027 Plan includes 115,000 heat-pumps over three years.

Fleuren asked the PAs to confirm the EEAC Consultants' finding that incentives for heat-pumps will decrease during the 2025-2027 Plan. Fleuren suggested that the PAs adjust the budget for HEAT Loans over time and consider changes to interest rates if they are required to make

budgetary reallocations. Fleuren noted that a decarbonization-focused assessment is a good strategy, but asked the PAs to confirm if assessors will scope all services in one assessment or multiple assessments. Fleuren said that it is difficult to train one assessor to identify all savings opportunities and also difficult for customers to consider all upgrades at once. Fleuren said that the EEAC Consultants raised concerns about a turnkey model for market-rate customers and reiterated his prior comment that the market-rate program is different. Fleuren said that installing heat-pumps through a turnkey model may elicit concerns from contractors.

Weber asked if the PAs will consider implementing income limits for HEAT Loans to ensure that incentives for interest buydowns are directed toward customers who need the incentives, especially given that the budget for HEAT Loans is $400 million. Wambui agreed.

Johnson commented that the number of planned weatherization projects relative to heat-pumps does not align with the Council recommendations on the 2025-2027 Plan and the requirement for weatherization prior to heat-pump installation. Bodemer responded that the Council recommendations included placeholders for quantitative recommendations and the Council and PAs will determine final inputs through the planning process. Porter noted that there are many pathways to meet the weatherization requirement, but many heat-pumps will be installed in newer homes or recent recipients of weatherization upgrades.

Wambui said that the PAs need to be transparent about the administrative costs associated with new initiatives in the 2025-2027 Plan. Wambui raised her apprehension regarding the lack of emphasis on weatherization as the lowest-cost resource in the Plan, despite Porter's response to Johnson.

Washburn asked if DOER and EEA staff have discussed potential overlap between the decarbonization clearinghouse and statewide contact center, given the significant administrative costs associated with the statewide contact center. Bodemer indicated that all involved parties have considered potential overlap. Washburn cautioned the PAs from investing in the statewide contact center if it proves to be redundant with the decarbonization clearinghouse.

Rose echoed Weber's comments and said that spending on market-rate and low- and moderate- programs is imbalanced. Rose also reiterated Lynch's concerns about new line items in the hard-to-measure initiatives and asked the PAs to explain how they would use the additional funds.

Winner also supported Weber's comments about income caps on some incentives as a mechanism to control costs. Winner asked whether the decarbonization-focused assessments will involve revisiting homes that have been weatherized in order to explore opportunities for deeper savings.

Rio said that the increased budget for HEAT Loans may be attributable to higher interest rates instead of higher adoption, but asked the PAs to confirm the cause.

Council Discussion – Commercial & Industrial (C&I) Programs

Weber noted that the 2022-2024 Plan had proposed high incentives and savings that were never realized and encouraged the PAs to develop an achievable 2025-2027 Plan. Weber supported the

EEAC Consultant comment that the Plan needs to provide more detail on new initiatives and strategies. Rio agreed.

Rio commented that non-energy-savings measures that only reduce greenhouse-gas emissions, such as refrigerant-leak repairs, are new. Rio asked if carbon capture and gas-leak repairs are appropriate investments for energy-efficiency programs, or whether the gas-distribution companies, Massachusetts Clean Energy Center (Mass-CEC), or Massachusetts Department of Environmental Protection may be more suitable for making such investments.

Johnson asked if residential contractors can serve small businesses. Porter responded that some residential contractors offer weatherization services to C&I customers, particularly small businesses in residential-style buildings, since the program is open market. Porter encouraged interested residential contractors to contact him directly. Johnson said that high customer satisfaction with the custom pathway is good, but claimed that many customers are only aware of and satisfied with lighting upgrades. Porter said that a third-party evaluation of custom-pathway participants determined that customers were satisfied, and while most of the custom measures are non-lighting, he agreed that the programs need to continue the shift toward non-lighting end uses. Porter noted that the April Draft Plan suggests a shift away from lighting and the PAs are pushing small-business vendors to expand their capabilities and achieve more savings from other end uses. Johnson voiced concerns with the 29% decrease in spending on C&I envelope measures in 2025-2027 compared to the 2022-2024 Plan. Keating explained that the impacts of mid-term modifications to the 2022-2024 Plan are not included in the EEAC Consultant presentation. Keating said that planned incentives for envelope measures in the C&I sector increased from $6 million in 2022 to $14 million in 2027.

Winner suggested that PAs describe methods to overcome challenges in C&I programs in order to meet greenhouse-gas goals and deliver cost-effective savings. Winner said that the April Draft Plan includes some good changes, but does not fully address existing challenges beyond reducing budgets. Porter said that strategies to improve performance vary by segment and initiative, noting that the electrification strategy focuses on harvesting opportunities the PAs can capture in three years in addition to longer-term preparation for the customer journey toward electrification. Porter added that the PAs are making concerted efforts to standardize and simplify the custom pathway, which produces the majority of C&I benefits. Porter requested the Council to provide recommendations to further improve the Plan. Winner said that he is meeting with municipal stakeholders next week and can share this request.

Council Discussion – Data Reporting, Cross-Sector Considerations, and Next Steps

Winner, on Wambui's behalf, asked if the PAs can provide measure-level data within each zip code. Winner said the Council and PAs should determine how the data will connect to priorities around health, climate, and environmental justice within each zip code. Winner asked how proposed data reporting aligns with the Commonwealth's climate strategy and objectives around de-siloing data. Bodemer said that the PAs are required to report zip-code level data annually.

Washburn highlighted the need for increased engagement with minority- and women-owned businesses since lead vendors have identified many barriers to enhancing supplier diversity, such as background checks and difficult procedures for program onboarding. Washburn said that the

PAs have made some improvements to the Mass Save website, but there is still a lack of visibility into how vendors can contract with lead vendors. Washburn asked if the PAs can set supplier-diversity targets for the programs.

Johnson asked if there is an existing problem with Mass Save data and how the PAs will overhaul the data reporting. Bodemer replied that the PAs want to make Mass Save data more accessible and easier to digest, but granular data will still be available. Greenfield confirmed Bodemer's assessment and also noted that the PAs propose to report on key measures by zip code on a semi-annual basis in the April Draft Plan.

Weber asked why the PAs removed the income-eligible budget for ConnectedSolutions. Porter said that the income-eligible spending is included in the residential spending for ConnectedSolutions as both income-eligible and market rate customers participate in the same active-demand management program. Porter clarified that income-eligible customers receive free smart thermostats, which enable them to enroll in ConnectedSolutions. Weber asked if the PAs can report spending on active-demand management programs for income-eligible customers and market-rate customers separately.

6. Adjournment

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

Meeting Materials:

- Official Meeting Notice
- Meeting Link
- Agenda
- 2025-2027 Three-Year Plan Public Comment Listening Session Information
- February 7, 2024 EEAC Executive Committee Meeting Minutes – DRAFT
- February 14, 2024 EEAC Meeting Minutes – DRAFT
- March 6, 2024 EEAC Executive Committee Meeting Minutes – DRAFT
- March 20, 2024 EEAC Meeting Minutes – DRAFT
- Alexis Washburn – EEAC Equity Working Group Letter of Interest
- 2025-2027 Draft Plan PA Presentation
- 2025-2027 Draft Plan C-Team Presentation