MA ENERGY EFFICIENCY ADVISORY COUNCIL

MEETING MINUTES

Wednesday, May 15, 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, Mary Wambui, Alexis Washburn, Sharon Weber, Brooks Winner, Cindy Carroll, Maggie Downey, Martijn Fleuren, Kate Peters, Hammad Chaudry, Chris Porter, Tim Costa, Stephanie Terach
Councilors Absent:	Steven Miller, Jonathan Schreiber, Michael Ferrante
Consultants Present:	Eric Belliveau, Adrian Caesar, Gretchen Calcagni, Margie Lynch, Ben Cartwright, Griff Keating, Jen Chiodo
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 12:42 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 and Electrification Council)
Cowell commented that the 2025-2027 Plan is the best in the country. Cowell said that the Northeast Energy Efficiency and Electrification Council is working on strategies to seamlessly integrate federal and state funds into Mass Save offerings. Cowell noted that these are sources such as the Inflation Reduction Act (IRA) and the Massachusetts Community Climate Bank. Cowell highlighted the importance of tracking and integrating incremental funds into Mass Save programs.

Department of Energy Resources (DOER) Updates
Bodemer announced that the last public comment listening session on the 2025-2027 Plan is scheduled for June 3 at 6:00 PM. Bodemer indicated that participants could preregister for public comment.

Bodemer stated that the Equity Working Group (EWG) seeks representation for a community-based organization focused on environmental justice or equity advocacy. Bodemer encouraged Councilors to recommend suitable members or organizations prior to May 31. Winner added that the EWG seeks geographic diversity, especially representation for western Massachusetts. Bodemer said that the EWG will vote to elect this representative at the July EWG meeting.

Bodemer said that the June 12 EEAC meeting will focus on further review of the 2025-2027 Plan. The Council will prepare a Resolution that analyzes the Plan and highlights additional recommendations. Bodemer said that the Council will vote on the EEAC Resolution on the 2025-2027 Plan during the June 26 EEAC meeting.

Program Administrator Updates
Peters, on behalf of the PAs, provided updates on a Fitchburg Housing Authority electrification project, outreach to implementation partners, rebate processing, first-quarter heat-pump production, and upcoming requests for proposals.

Washburn joined the meeting at 12:56 PM.

4. Critical Review of 2025-2027 Plan and Budget

Calcagni, on behalf of the EEAC Consultants, provided an overview of the 2025-2027 Plan, responsiveness to Council recommendations, spending allocations, and opportunities for further improvement.

Johnson joined the meeting at 1:00 PM.
Costa joined the virtual meeting at 1:07 PM.

Commercial & Industrial (C&I) Working Group Presentation on Draft Plan
Cartwright, on behalf of the EEAC Consultants, presented planned savings and budgets for the C&I sector, comparisons between the 2022-2024 and 2025-2027 Plans, the process for C&I Working Group (CIWG) review, and feedback and recommendations from the EEAC Consultants, CIWG, and PAs.

Program Administrator Presentation – C&I Sector
Josh Kessler and Amit Kulkarni, on behalf of the PAs, reviewed key activities in core C&I initiatives and the PA response to all C&I recommendations on the 2025-2027 Plan.

Wambui joined the virtual meeting at 1:40 PM.

Council Discussion – C&I Sector
Weber reinforced the Consultants' recommendation for standardizing approaches and measure packages. Weber said that there are many existing buildings and expressed interest in standardizing measure packages to decrease costs over the three-year term. Weber inquired about the status of the National Grid mid-term modification (MTM) on refrigerant leak mitigation. Weber suggested that the PAs avoid duplicating national efforts to reduce emissions from refrigerant leaks. Weber also said that she believes the Department of Public Utilities (DPU) does not want Mass Save to offer incentives for electric vehicles (EVs) and asked the PAs to share their perspective. Kessler said that the goal is to ensure that technical-assistance vendors have the skills to address issues and capture energy savings, but electrification studies would identify opportunities for fuel switching. Kessler stated that program funds would not be used to subsidize the purchase of electric vehicles, but electrification studies may identify potential fleet-electrification projects.

Rose asked if the PAs have data on the scope of refrigerant leaks or frequency of refrigerant leaks from heat-pumps. Chiodo replied that refrigerant-leak mitigation begins with an assessment followed by protocols to address leaks through the Mass Save program if leaks are identified.

Murray asked if there is an opportunity for Councilors to be involved in the deep-dive meetings since DOER, Office of the Attorney General (AGO), EEAC Consultants, and PAs will join. Bodemer said that subject-matter experts from each organization will attend the deep-dive meetings and then report back to the Council.

Winner expressed support for the schools and equity community offerings. Winner commented that he is skeptical of the carbon capture component of greenhouse-gas (GHG) reduction measures, particularly if it uses ratepayer dollars. Winner asked if the PAs have communicated with the people in equity communities to determine what program design would be most effective in reaching target schools. Kulkarni responded that the PAs are consulting with the schools, town residents, construction managers, municipal-electric plants, project managers, and other stakeholders. Bodemer said there is a strong focus on decarbonizing schools in the state, and the PAs have been good partners in the conversation because they have many resources to support these efforts.

Porter responded to Weber's question on refrigerant leaks, stating the DPU is still vetting the refrigerant-leak MTM. Porter said that in the absence of feedback, the 2025-2027 Plan will be used to assess if the DPU shares the Council's and the PA's view that refrigerant-leak mitigation is good for Mass Save. Porter stated the PAs believe they have carved out places where program intervention is appropriate to reduce GHG emissions that may not be addressed by other equipment standards. Porter responded to Winner's question on carbon capture, stating the PAs

are very targeted in how they may deploy carbon-capture technologies. Porter said that the PAs had supported CHP systems, which are driving electric benefits but unlikely to be decommissioned, so it may be appropriate to reduce GHG emissions from those systems.

Johnson asked what Council recommendations for the small-business program are not addressed in the Plan. Cartwright responded that many revolve around verifying, tracking, and improving vendor and project quality. Bodemer explained that the purpose of the deep-dive analysis is to review unaddressed recommendations and determine further improvements to the 2025-2027 Plan. Johnson asked what role the selected small-business vendors fulfill. Kessler replied that these vendors provide turnkey services and conduct comprehensive audits. Johnson asked for clarification on enhanced incentives to small-business customers who lease their facilities. Kessler responded that the small-business program typically covers a percentage of the project cost up to a certain cap, which is 70% for standard customers and planned to be 90% for lessees.

Wambui said that she attended a tour for the National Grid pilot for district geothermal, during which Mass Save was raised as a critical resource for building decarbonization. Wambui said that the April Draft Plan missed an opportunity to address how agile Mass Save can be in fulfilling decarbonization needs. Wambui emphasized the need for Mass Save to coordinate with other initiatives in the Commonwealth, and that environmental-justice neighborhoods, such as Lowell, face real challenges with full electrification. Wambui said that in 2023, the Massachusetts School Building Authority (MSBA) coordinated with other organizations to replace old, non-condensing boilers with condensing boilers. Wambui said that a slide on school electrification and equity does not address the major lack of institutional coordination and alignment, and that the next Plan needs to demonstrate how it will solve real problems to deliver tangible benefits to equity communities. Bodemer agreed that it takes institutional coordination to decarbonize schools, so DOER will coordinate this approach with PA support.

Rio shared Winner's concerns regarding the use of ratepayer funds for carbon-capture technologies. Rio recommended that the PAs not use Mass Save dollars on regulatory compliance. Rio asked if the PAs control the disposal of heat-pumps to mitigate refrigerant leaks. Beote replied that contractors are required to remove refrigerants upon disposal to prevent leakage. Kulkarni said that refrigerant leaks are a significant issue with variable-refrigerant-flow (VRF) systems, but the PAs have conducted initial research to quantify carbon emissions resulting from refrigerant leaks. Kulkarni noted that concerns with VRF systems have pushed the industry to modify system design such that refrigerants are contained outside of buildings to mitigate leaks.

EWG Presentation on Draft Plan

Lynch, on behalf of the EWG, reviewed high-priority issues and recommendations on the 2025-2027 Plan for achieving equitable outcomes.

Program Administrator Presentation - Equity

Peters and Saint-Surin, on behalf of the PAs, summarized strategies to improve equity in program implementation. Peters described approaches to increase electrification for income-eligible customers and deliver program benefits for renters. Saint-Surin covered mechanisms to improve supplier diversity.

Council Discussion – Equity

Washburn asked if consumers or vendors are the intended audience for the diverse vendor network. Saint-Surin said that the intended audience is vendors, and diverse-business enterprises will have opportunities to learn about requests-for-proposals, upskilling, and other program opportunities. Washburn asked what outreach the PAs are conducting to support Tier 1-vendor collaboration with diverse-business enterprises (Tier 1 vendors are the top-ranked vendors in the Mass Save program). Saint-Surin said that they received feedback and are emailing vendors to communicate the importance of this to the PAs.

Wambui asked Peters to clarify her comments on renters. Peters explained that the EWG recommended that the PAs remove income-verification requirements and increase renter incentives, specifically incentives for pre-weatherization barriers, because renters in equity communities receive 100% incentives for weatherization. Peters added that the PAs need to consider whether electrification projects in rental properties will produce benefits that accrue to renters and reduce energy burdens. Peters acknowledged that the PAs have not formulated a solution to this challenge, but the PAs understand the request and desired outcomes. Peters said that the 2025-2027 Plan includes an approach to collaborate with communities to identify rental properties suitable for full decarbonization. Wambui recommended that the PAs focus decarbonization efforts on customers heating with delivered fuels. Wambui asked if the PAs believe that a whole-building approach to decarbonizing multifamily buildings will not benefit renters. Peters said that the PAs need to consider impacts to energy burdens as part of the approach. Wambui emphasized that Mass Save needs to support building decarbonization in equity communities in a way that reduces energy burdens for renters, and asked what infrastructure is required to ensure that program delivery is efficient and timely. Wambui said that the 2022-2024 Plan was successful in allocating funds toward moderate-income programs, but unsuccessful in establishing an infrastructure to deliver and implement the program. Wambui requested that the PAs, DOER, and Low-income Energy Affordability Network (LEAN) think about the structures, capabilities, and skills needed to serve vulnerable customers and combat the climate crisis. Wambui recalled that the PAs took steps to expand access to Mass Save programs during the COVID-19 pandemic and reiterated that infrastructure is required to deliver on Plan goals. Wambui also asked if Mass Save has funds for removal of dirt from basements if it creates barriers to participation.

Washburn asked when DOER will launch offerings funded by Solar for All grants. Commissioner Mahony responded that DOER is working with the Environmental Protection Agency to negotiate contracts but is targeting the fall of 2024. Commissioner Mahony said that the goal is to coordinate with successful delivery models, such as the Community First Partnerships (CFPs).

Winner noted that he had hosted a focus group for property owners in Framingham, and that property owners are concerned about high energy bills contributing to tenant turnover, particularly in buildings with delivered fuels or electric resistance heat. Winner suggested that the PAs strategically target renter buildings using the CFPs and other local partners, and reinforced Wambui's comment that program budgets and infrastructure must be sufficient to meet goals.

Johnson asked how the PAs will ensure that the increased investment in equity-specific efforts will enable programs to reach underserved customers instead of failing to spend planned budgets. Bodemer replied that the PAs are incorporating turnkey-delivery models and increasing incentives for moderate-income customers, engaging directly with property owners and Community First Partners, and acting on other EWG recommendations. Bodemer said that the EWG believes these strategies will improve outcomes. Johnson asked if the PAs would change their marketing approaches. Bodemer said that changes to the delivery model, such as direct engagement with property owners, represent functional changes in marketing strategy.

Winner commented that background checks are a critical issue for achieving equity in the workforce. Winner said that Browning the Greenspace and other stakeholders have provided meaningful input on this subject and encouraged the PAs to remove barriers to workforce entry.

EEAC Consultant Presentation – Income-Eligible and Residential Sector
Lynch, on behalf of the EEAC Consultants, discussed the April Draft Plan's responsiveness to EWG and Council recommendations on residential-program implementation, including low- and moderate-income strategy and delivery models.

PA Presentation – Income-Eligible and Residential Sector
Porter, Downey, and Collins, on behalf of the PAs, reviewed responses to recommendations on income-eligible and market-rate strategies including development of a statewide contact center, modifications to the HEAT Loan, and improved project-management models.

Council Discussion – Residential Sector
Murray emphasized the need to actually execute strategies instead of considering them in the Plan. Murray said that better data reporting is also helpful for informing decision making.

Fleuren requested that the Council discuss residential programs and strategy prior to the C&I sector during the next EEAC meeting to create balance. Fleuren stated that existing tools and systems may be unable to handle the significant growth expected within the income-eligible programs, and that the Draft 2025-2027 Plan does not include budget for revamping software and program processes that can overcome the anticipated bottlenecks. Fleuren said the community action agencies (CAPs) are looking to increase staff, but a sustainable approach requires investment in improved systems. Fleuren said that the HEAT Loan is a massive driver of success for heat-pumps and remediation of pre-weatherization barriers, so contractors will be concerned about the reduced budget for HEAT Loan. Fleuren acknowledged the rationale and financial value of the budget reduction, but limiting the HEAT Loan to $25,000 will push contractors to find alternative financing, thereby increasing customer costs. Fleuren said that the number of weatherization projects in the Plan is less than what has been accomplished in the previous three years, and the overarching problem is that the Plan assumes the decarbonization audits will collect more information but recommend less weatherization upgrades. Fleuren added that the Plan places enormous pressure on the turnkey model by presupposing that the model will result in the achievement of targets.

Johnson noted that the Council suggested more weatherization projects than included in the Draft Plan. Johnson said that half of the weatherization jobs will be done to meet insulation requirements for heat-pumps, which indicates that there is not enough promotion of weatherization for non-heat-pump customers. Johnson said that it would be appropriate to call the EEAC the Heat-Pump Advisory Council, because weatherization is the most cost-effective form of energy efficiency, and recommended that the PAs increase the number of planned weatherization in the 2025-2027 Plan.

Weber recommended that the PAs increase reporting on measures with poor performance. Weber said that CAPs do not use the same electronic systems and asked for more detail on how to solve this issue. Weber asked the PAs to confirm whether the Massachusetts Climate Bank offering will reduce HEAT Loan costs. Weber said that the change from a 7-year term to a 5-year term will cause a large increase in monthly payments, which may inhibit customer uptake. Collins confirmed that the CAPs have different systems for reporting data, but there is a statewide platform that centrally tracks all pipelines and projects across all CAPs and income-eligible-program vendors.

Washburn asked if customers who have recently completed home-energy assessments (HEAs) have additional opportunities to participate or will be required to redo HEAs, and if the PAs will provide guidance on decarbonization for recent participants that may be ready for heat-pumps. Chris McClellan, program supervisor at Eversource, said that the PAs envision decarbonization consultation as a pathway to provide recent HEA recipients with guidance on additional savings opportunities including heat-pumps.

Rose commented that additional data on HEAT Loan recipients, customer profiles, and the types of measures supported by HEAT Loans would be helpful to mitigate the Council's concerns.

Beote expressed excitement about the electrification journey implemented by LEAN and emphasized the importance of installation quality. Beote said that LEAN wants to reduce energy burdens and increase comfort; the human aspect of programs is important and people should not have to debate between energy and other essential expenditures. When LEAN vendors conduct energy assessments, they take the time to discuss the project with clients and make them feel as comfortable as possible with the process. Beote stressed the need to create relationships between customers and the CAPs, sharing an anecdote where a vendor connected an income-eligible customer with food banks after noticing that their refrigerator was empty during an HEA. Beote said the CAPs attempt to communicate other assistance programs and services in addition to energy efficiency and decarbonization.

Rio shared Rose's concerns about HEAT Loans. Rio said that the PAs must implement strategic reductions in spending informed by data, and that a higher upfront rebate might encourage customers to move away from HEAT Loans. Rio said explaining other incentives that can supplement Mass Save offerings, such as IRA tax credits, can help customers understand their financing options. Rio asked if there is a 9% interest rate for HEAT Loans. Porter replied that the PAs buy down the interest rate, but the rate is not guaranteed. Downey said that the default rate for HEAT Loans is very low. Rio said that the large reduction in spending for HEAT Loans may cause attrition among moderate-income customers.

Wambui agreed that heat-pump-installation quality is important, but the quantity of 3,500 annual heat-pump projects is insufficient to meet goals in the income-eligible sector. Wambui said that the PAs cannot ignore the pace and scale required to meet the Commonwealth's. Wambui said that active-demand management for income-eligible customers was aggregated into the residential active-demand program, but advanced-metering infrastructure and active-demand management are critical parts of the new energy ecosystem. Wambui said that adoption of the electronic-audit tool, approved by the Department of Energy (DOE), is an old EEAC recommendation that the PAs have not integrated into the programs. Wambui said that the PAs cannot use DOE as a gauge and they need to implement an effective data tool. Wambui suggested that the data tool might become part of the performance-incentive mechanism. Wambui said that the EEAC Consultant and PA presentations indicate a clear need for a decarbonization clearinghouse, as recommended by the Massachusetts Clean Heat Commission, to help customers navigate the complicated array of programs.

Abbe asked Collins to confirm if the central platform for project and pipeline management fulfilled the recommendation for a central data-management system. Abbe asked whether such a system, if it already exists, can integrate with the Executive Office of Housing and Livable Communities' systems for reporting on Low-Income Home Energy Assistance and other programs. Collins responded that CAPs still use different reporting systems, but there is a central project-management platform that provides increased visibility. Abbe asked if the central platform provides insight into funding and project details or primarily supports overall project management. Collins said that there are different systems for each, but LEAN is developing solutions with the PAs to streamline data collection and reporting. Abbe said that LEAN and the PAs are happy to collaborate and encouraged engagement.

Winner stated that the EWG has prioritized distributive justice and shifting budgets to improve services for renters and low-and moderate-income customers. Winner said that there are potential budget reallocations, other than HEAT Loans funds, that the PAs should assess in order to achieve distributive justice.

Cross-Cutting Recommendations
Bodemer encouraged Councilors to review the meeting materials and share feedback with DOER for discussion during upcoming deep-dive meetings.

5. Adjournment

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

Meeting Materials:

- Official Meeting Notice
- Meeting Link
- Agenda
- Program Administrator Updates Presentation (updated 5.15.2024)
- 2025-2027 Plan EEAC Consultant Presentation

- Program Administrator C&I Response Presentation
- Program Administrator Equity and Residential Presentation