

**Good Afternoon. My name is Dennis Pasqualino. I am an HPC representative member of the Best Practices Working Group for the Mass Save Program and I would like to thank the EEAC for the opportunity to speak before you today.**

**The HPC community in its few short years of existence since the last three-year plan has more than proven themselves as a legitimate and stabilizing force within the Mass Save Program, providing 40% of the savings achieved by the program. We offer the rate payers a range of services which include home energy assessments, weatherization, heating and air conditioning upgrades, solar, and upgrade windows and doors to tighten the envelope of their home and increase their energy efficiency. In fact, we are a one-stop point of contact for the rate payers. When our energy analyst signs a contract for weatherization with a homeowner, the homeowner knows right there and then who will be working on his house, who his contractor is and who to contact for questions and concerns. There is a real comfort level in dealing with “Joe down the street” and not getting some contractor whose name is being pulled out of a hat in rotation. From their first call to the Program to the completion of their work, they only have to deal with one company. This simplicity adds to greater customer satisfaction, referrals and more services sold, thereby more energy savings.**

**The majority of the HPC companies are small, growing concerns built by hard working dedicated people putting in many hours above and beyond the call of duty trying to grow their businesses so that they can offer and provide more energy efficiency to rate payers. But to do so, we need some help from you to help reorganize some of the original structure that we feel needs to be tweaked in order to grow. Changes that we have talked about over the last three years in Best Practices to no avail or been told it needs to be part of the next three-year plan, which is our hope today that our following points will be considered.**

**First would be lead sharing from the 1-800 number of the Mass Save Program.**

**At the present time, the lead vendors and the PA's do not share leads coming from the Mass Save 1-800 number, with the exception of one PA, Columbia Gas.**

**Western Massachusetts Electric Company, which is now referred to as**

**Eversource, did offer lead sharing until they changed lead vendors. Columbia**

**Gas made a strong commitment to the HPC community to increase green jobs in**

**Massachusetts. The Program with Columbia Gas is a healthy one, providing**

**faster and more stream-lined service for their rate payers. There are many**

**benefits to lead sharing. HPC's convert more leads to HEA's and HEA's to**

**weatherization contracts, again reducing administrative and marketing cost.**

**Lead sharing will help stabilize the HPC community, which invests in more weatherization crews, energy analysts and administrative staff. This will allow HPC's to spend more money on marketing to bring even more rate payers to the Mass Save program outside of the 1-800 number. We ask that in the next three-year plan as part of a pilot to help the smaller HPC's that companies doing \$8 million or less be part of a lead sharing program from the 1-800 number to obtain approximately 25 leads per auditor per week. It should be noted that the HPC's marketing efforts drives a great deal of the activity that goes to the Mass Save 1-800 number and the Mass Save website. We have expanded through our efforts and cost the Mass Save brand, and as a result hope to be compensated by way of lead sharing.**

**Our second revision is that HPC's contract directly with the PA's. It was always the intention when developing the HPC program among the contractors that we would be independent contractors providing Mass Save services and not subcontractors of the lead vendor who we are in direct competition with for HEA's. A great number of HPC's feel that it is very challenging doing business when the company that oversees your company's performance and future is at**

the same time your company's direct competition. Having rules and regulations set by a lead vendor to micro-manage how your company is to be run is a daunting existence at best. We have proven ourselves through performance – please allow us the opportunity to improve our performance by being free market businesspeople contracting directly with the PA's just as a utility or excavating contractor would. By working under the vendor system, creativity is inhibited in business planning, marketing, and customer service, and may also be adding cost to the program. By its nature, the HPC program has no right being under a vendor system. Its true place is as that of a direct contractor to the PA's.

Our third revision is the third party inspections. At present, the HPC weatherization jobs are being inspected and HEA's are being reviewed by the lead vendor, who, as was previously pointed out, are our direct competitors. On the face of it, it doesn't pass the sniff test. Wouldn't Ford Motor Company like to do the quality control inspections of General Motors, or vice versa. If it has the feel of impropriety, enough said. It just shouldn't be. Third party inspectors like CRI or others should be conducting the inspections for HPC contractors. There would be no further administrative cost – the PA would

**either pay the lead vendor or the third party. There would be no hint of conflict of interest and all things would be above board. This is extremely important when inspections are subjective at best, and HPC's performances are scored, with punitive consequences are placed upon the HPC. Unlike our competitor, the lead vendor, who is not scored and receives no punitive consequences for its performance. The HPC's should not have to submit their HEA's for review to the lead vendor. Quality control of HEA's, if needed, should also be performed by an independent source.**

**Our fourth revision is having an HPC representative on the Residential Management Committee. We are very pleased to have a place with the BPWG to air our concerns with the PA's. However, we sit in a room with contractors who are decision makers in their own company and representatives from the PA's who are not decision makers for the PA's, who then have to go back and represent what we say to the Residential Management Committee. Oftentimes, not fully understanding the subtleties of running an independent business, our point of view is not often accurately expressed and does not allow for dialog between the decision-makers of the PA and the contracting community. BPWG**

**alone does not allow the decision makers on both sides of the table to share ideas.**

**In summary, for the HPC community to achieve even greater success in providing energy savings for ratepayers in the Commonwealth of Massachusetts, please provide in the next three-year plan:**

- **Lead sharing at a rate of 25 leads per auditor per week for growing companies doing under \$8 million per year**
- **HPC's contracting directly with the PA's, not under the present vendor system**
- **Mandating third party inspections for HPC HEA and weatherization work; and, most importantly**
- **An HPC representative on the Residential Management Committee**

**This will allow innovation to grow and energy savings to soar.**