

Mass Save Pathway Discussion

- ▶ LV vs HPC pathway misconceptions
 - ▶ Customers don't choose which pathway is better, HPCs serve all customers they acquire, while LVs serve all customers PAs acquire
 - ▶ HPC pathway is successful because HPCs focus on Mass Save offerings
 - ▶ HPCs used to focus on other services, but that was ineffective
 - ▶ HPCs can push electrification, but we are HEA and Wx experts and should be recognized for our impact on Wx
 - ▶ Electrification impact would be additional benefit
 - ▶ Used to expect HPCs to recover a \$20-\$30 loss pre HEA, now increased 10 X to \$300 loss per HEA, which is no longer viable

Cost Effectiveness

- ▶ HPC pathway is significantly more cost effective than LV path
 - ▶ Unsustainably under-compensated
- ▶ Providing HPCs the full ask of \$330/HEA, or \$1,000/Wx install, still results in a more cost-effective pathway
 - ▶ Not to decrease LV pathway, but showing HPC pathway has more than enough financial room to adjust compensation
- ▶ 3rd party consultants should work with all parties to gather data and provide recommendations (costs shown here may change as better info is gathered)

	Current LV Model	Current HPC Model	Equitable HPC Model
Program Marketing Costs	\$9M - \$12M	~\$1M	~\$11M
Program Performance Costs	\$10M - \$15M	~\$12.5M	~\$15M
Wx Installs	15,000 - 20,000	20,000 - 25,000	20,000 - 25,000
Tons of CO2 Saved	320,000 - 420,000	420,000 - 520,000	420,000 - 520,000
Total Program Cost / Ton of CO2 Saved	\$45 - \$84	\$26 - \$32	\$50 - \$62