DRAFT - Massachusetts Energy Efficiency Advisory Council Resolution Regarding the April 1st Draft of the 2025-2027 Energy Efficiency Plan

Adopted XX , 2024

I. Introduction

The Energy Efficiency Advisory Council (EEAC or Council) is charged with reviewing the Massachusetts Program Administrators' (PAs) draft 2025-2027 Statewide Electric and Gas Energy Efficiency Plan (the 2025-2027 Plan), submitted to the EEAC on April 1, 2024 (the Draft Plan).[1] The Mass Save® programs are integral to the Commonwealth's achievement of its 2050 climate mandates[2] and provide significant benefits to Massachusetts ratepayers, including economic benefits through lower utility bills, and non-energy benefits, including public health and environmental benefits through reductions in greenhouse gas (GHG) emissions. The EEAC's role in plan development is to ensure that the final plan reflects, to the fullest extent possible, the Council's recommendations and consistency with the Commonwealth's statutory and policy goals.[3]

Stakeholder Participation

The Council appreciates the active and meaningful engagement by stakeholders. Throughout the 2025-2027 Plan process, the Council has prioritized stakeholder feedback and suggestions.[4] Public comments were carefully considered when developing the Council priorities for the 2025-2027 Plan. Additional stakeholder feedback regarding the Draft Plan has been incorporated into the Council's comments, to the fullest extent possible. The public is calling for a transformative plan that addresses the need for substantial GHG emission reductions, while also targeting program offerings to better serve historically underserved populations and increasing both our workforce and supplier diversity.

[1] G.L. c. 25, §21(c). The EEAC recognizes that the Draft Plan encompasses the individual electric and gas statewide plans and that each PA is required to file its own plan to the Department of Public Utilities.
[2] An Act Relative to Green Communities, St. 2008, c. 169, codified at G.L. c. 25, §§ 19, 21-22, as amended by An Act Relative to Competitively Priced Electricity in the Commonwealth, St. 2012, c. 209 (Energy Act of 2012), by An Act to Advance Clean Energy, St. 2018, c. 227 (Energy Act of 2018), by An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy, St. 2021, c. 8 (the Climate Act), An Act Driving Clean Energy and Offshore Wind, St. 2022, c. 179 (2022 Clean Energy Act) (collectively, the Green Communities Act), and Investigation by the Department of Public Utilities on its own Motion into Updating its Energy Efficiency Guidelines, D.P.U. 20-150-A (May 3, 2021) (Guidelines).
[3] In a December 2023 Resolution (the December Recommendations), the Council put forth its priorities and recommendations for the 2025-2027 Plan which were developed through an extensive stakeholder engagement process including five public comment sessions, six Council workshops, and the Equity Working Group's (EWG) focused attention on strategies to ensure the equitable delivery of energy efficiency in the Commonwealth. The December Resolution set an expectation of an innovative and forward-looking plan, with a focus on alignment with GHG emission reduction and electrification goals, equitable program delivery and participation, and investment in workforce development.
[4] To date, the Council has received over 100 written public comments.

The Council urges the PAs to incorporate stakeholder feedback into the Final Plan, particularly the public comments that align with the Council's priorities: Massachusetts GHG reduction goals, Workforce Development and Equitable Program Delivery.[5]

The Draft Plan

The Council commends the PAs in preparing a Draft Plan that is both detailed and responsive to many of the EEAC December Recommendations and looks forward to further dialogue with the PAs and interested stakeholders to refine the Draft Plan to a sixth electric and gas statewide Plan that is bold, creative, and forward-looking, with a focus on distributive justice and GHG emission reductions through energy efficiency, active demand management, and electrification.

Toward this end, the Council respectfully requests that the PAs continue to work with the EEAC and its Consultants to refine and improve the Draft Plan, through interim updates responsive to this Resolution. To date, through a series of meetings, representatives from DOER, as Chair of the EEAC, the Office of the Attorney General (AGO), the PAs, and Council Consultants, have explored elements of the Draft Plan. These discussions were framed around the Residential (including low-income) and Commercial and Industrial sectors, equity, and the supporting data tables. The Council appreciates the PAs' willingness to engage in solutions-based discussions and their demonstrated commitment to this process.

This resolution provides feedback to the PAs on the Draft Plan and identifies areas where improvement may better reflect the Council's December Recommendations.[6] It is organized i~~n~~ three sections: 1) a summary of the Draft Plan; 2) additional PA agreed upon changes to the Draft Plan and: 3) EEAC additional requests.

It should be noted that the Council's December Recommendations, including the comprehensive equity recommendations, stand as the comprehensive EEAC recommendations to guide the PAs' continued development of the 2025-2027 Three-Year Plan.[7] The following sections focus on key elements that should be prioritized to meet the spirit and intent of the December Recommendations.

Commented [B(1]: From M. Wambui: " I propose the inclusion of a provision akin to the one in 2021, which mandates the PAs to address the equity recommendations." (EWG recs)

II. Summary of the Draft Plan

The Council appreciates that the PAs have developed a Draft Plan that:

A. Budgets, Savings and Cross-Cutting Policies

1. Includes planned enhancements to data tracking and reporting, including easy access to key metrics with a geographic lens;
2. Is consistent with the Secretary of Energy and Environmental Affairs (EEA) Letter, dated March 1, 2024, which set forth GHG emissions reduction and budget requirements;[8]

[5] https://ma-eeac.org/public-comment/
[6] https://ma-eeac.org/wp-content/uploads/EEAC-Resolution-and-Priorities-for-2025-2027-Plan-12.20.23.pdf
[7] https://ma-eeac.org/wp-content/uploads/Appendix-D-Council-Resolution-Dec-20-2023.pdf
[8] https://ma-eeac.org/wp-content/uploads/March-1-GHG-Mass-Save-2024-2.pdf

3. Advances aggressive goals, with a strong focus on ~~weatherization and~~ electrification;
4. Advances the delivery of prescriptive electrification measures through a coordinated statewide effort, which will contribute to the maximization of GHG emissions reduction by reducing administrative costs, the potential for cost reduction strategies and aligns with market transformation theories; and
5. Reflects a commitment to equity and the equitable delivery of energy efficiency.

B. Residential Sector (including low-income, active demand management)

1. Incorporates program-delivery design modifications to ease customer participation, including but not limited to, a) expansion of the turnkey delivery model to include barrier mitigation for moderate-income customers and heat pumps; b) changes to income-verification requirements including self-attestation for moderate-income customers to receive 100% cost coverage for weatherization, and the changes to low-income qualification outlined below; and c) increased customer service and technical assistance, including a new Statewide Contact Center and navigation support for income-qualification processes ;
2. Introduces an optional pre-approval process for heat pump rebates;
3. Provides year-round income-qualification that is independent of the fuel assistance application process, and establishes working relationship with Mass Health for identification of low-income customers not on the utility discount rate;
4. Redesigns the Home Energy Assessment to focus on decarbonization; including support for households to decarbonize over time;
5. Increases the total number of heat pump and heat-pump water heater installations; and
6. Continues to promote and support electrification, Passive House, and Specialized Code adoption for new construction.

C. Commercial & Industrial (C&I) Sector

1. Includes budget to support existing-building commissioning (EBCx) studies and decarbonization plans;
2. Supports expanding and enhancing electrification offerings to all C&I customers through energy assessments that explore both energy efficiency and electrification opportunities, introduces new studies oriented toward decarbonizing entire portfolios and assistance for customers seeking building data reporting (e.g. BERDO/BEUDO), improves tracking of progress on electrification studies, requires all-electric buildings for New Construction, enhances inspection processes, introduces new heat-pump measures and creates a state-wide model for custom and prescriptive measures;
3. Increases support for medium and large customers to enable access to adequate numbers of trained account managers;
4. Expands access to Deep Energy Retrofits by allowing longer timelines, based on customer investment plans, and includes projects that can achieve program GHG reduction targets prior to electrification;
5. Establishes a central phone number for customer service; and
6. For small business turnkey projects:
   a. commits to a single vendor to address all fuel types;

Commented [D(2]: From A. Washburn: "Haven't overall weatherization #s declined from previous plan terms?"

Commented [D(3]: From M. Fleuren: "Not really. Weatherization is decreasing in the next plan. Strong focus on electrification is accurate, but we are recommending further down that they increase focus on Weatherization, so this line is not accurate."

Commented [D(4]: From A. Washburn

b. commits to providing a checklist for assessments to small business vendors; and
c. uses new and existing tools to support renters and engage landlords to overcome split-incentive barriers.

D. Equity (including workforce development)

1. Includes $1.4 billion investment to support increasing participation from renters/landlords, moderate-income customers, language-isolated customers, and small-businesses;
2. Expands and streamlines access for moderate-income customers by shifting to an AMI-based income qualification and self-certification to receive 100% cost coverage for weatherization, and provides navigator services for the income-verification process (see also II(B)(1) above);
3. Targets 21 Designated Equity Communities[9] (with high renter and LMI populations) for priority outreach ~~focus~~ and incentives, including 100% cost-coverage for weatherization to all residents, regardless of income status;
4. Launches a Commercial and Industrial sector led school-decarbonization program to support energy efficiency and electrification in disadvantaged equity communities;
5. Increases funding and flexibility for Community First Partnerships (CFPs);
6. Provides additional customer support, such as the Statewide Contact Center (see II(B)(1) above) and enhanced supports for language other than English (LOTE) customers; and
7. Increases investment in workforce diversity by doubling funding to MassCEC.

Commented [D(5]: From A. Washburn: "Priority outreach? Enhanced outreach and engagement?"

III. PA Agreed-Upon Modifications to the Draft Plan

Commented [ER(6]: This section reflects feedback from the PAs and is not subject to modification from the Council. Additional recommendations should go in Section IV.

The following are modifications to the Draft Plan that the PAs have already agreed to make in the final plan. The Council appreciates the collaborative work between the PAs and the Council Consultants in reaching these improvements.

A. Budgets, Savings and Cross-Cutting Policies

1. Correct identified errors in the budget tables, including those related to: 1) over-budgeting for the Heat Loan; 2) allocation of Program Planning and Administration funds in the Low Income versus the Residential sectors (Eversource); 3) number of multifamily new construction units; 4) errors identified as a result of Consultants' Low Income PA differences analysis.

B. Residential Sector

1. Create an "Emerald" tier for contractors in the Heat Pump Installer Network (HPIN) that deliver both weatherization and heat pumps;
2. Provide increased cost transparency to ensure competitive pricing for heat pumps;

[9] See Figure 18 in the Draft Plan Final-Draft-MA-2025-2027-Plan-04-01-24.pdf (ma-eeac.org)

3. Align step-down in incentives for partial-displacement heat pumps with step-down for full displacement heat pumps over the term; and
4. Continue to increase capacity to serve low-income customers and meet increasing demand, by expanding delivery of low-income programs to the existing residential contractor workforce.

C. Commercial & Industrial Sector

1. Include details of a new offer with dedicated budget, to decarbonize targeted schools in equity communities that meet criteria agreed upon with DOER;
2. Describe the marketing approach to businesses to promote electrification, including the "Cash for Clunkers" strategy for businesses with delivered fuel;
3. Incorporate the process and timeline for marketing materials that will help customers understand ventilation issues, benefits of code compliant ventilation, and associated costs;
4. Provide details on the process to develop an EBCx offer, including working with a vendor to identify best practices, and redesign the EBCx initiative to align with the prescribed approach;
5. Expand standardized tools and templates, as well as appropriate training on their use for medium and large customers;
6. Develop a Decarbonization Planning Guide that will help customers through the planning process to electrify buildings;
7. Establish minimum qualifications and training requirements for Turnkey vendors;
8. Address the marketing customer funnel and how PAs are tracking customers through that process, and describe how individual PAs are working together to establish best practices for customer service;
9. Commit to customer service improvements by:
   a. detailing the process of referring customers to outside experts for opportunities found in small business assessments that are more technical than conventional measures;
   b. hiring multi-lingual energy specialists for the most spoken languages beyond English relative to Language Access Plan recommendations;
   c. enhancing the current C&I customer service information and processes.
10. Include weatherization audit check-lists;
11. Describe support for promoting energy-aligned leases for landlords/tenants;
12. Develop a digital repository for PDFs of PA-supported Technical Assistance studies; and
13. Describe the process for addressing small business customer complaints.
14. 14. Detail the small business program as follows:
    a. Volume of assessments: By aligning the PAs in multiple territories, we are streamlining the onsite process for vendors and customers, freeing up bandwidth for vendors to do work. And through the customer direct option, we are striving to serve more customers through the small business pathway.
    b. Vendor relationships: Vendors are incentivized by delivering on projects to the customer. KPIs, which are PA specific, but may include items such as customer service surveys, are used with vendors. If vendors are not performing well on the KPIs, then the PAs have the ability to redirect leads.

Commented [D(7]: From M. Fleuren: "If this does not result in a decrease in Heat Pump pricing, it will instead result in an increase in cost to the consumer. We should build in a requirement that if prices do not decrease sufficiently as a result of these step-downs, that the incentives return to their higher levels so as not to jeopardize our targets."

Commented [JB8R7]: See redline edit in Section IV below.

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c. Market segmentation: will add details on their ideas of how they currently use it and how they plan to use it in the next plan.
d. Quality control: will add more details, but would be interested in what kinds of examples would be helpful to include.
e. Weatherization quality control: will include description on quality control for weatherization. Requiring blower door testing at this stage of a nascent program offering would act as a barrier to participation, but could consider it further into the term as production increases. PAs can do IR scans. Inspectors are BPI certified.
f. Weatherization production: will express commitment to small business weatherization.
g. Tracking electrification: under discussion
h. Tracking of account management: will include general information on different vendor approaches.
i. CFP project facilitation: Under discussion, more input needed.
j. Evaluation: will support an embedded evaluation.

~~13.~~

D. Equity

1. Increase LMI heat pump planned production to at least 22,000 heat pumps, and continue to look for additional opportunities to increase this number;
2. Refine the offer for rental properties in Designated Equity Communities as follows:
   a. all rental properties in the Designated Equity Communities are eligible for 100% cost coverage for weatherization, barrier mitigation, and heat pumps without needing to qualify individual households based on income. Some PAs may identify certain geographic areas within the Designated Equity Communities for this offer.
   b. 1-4 unit properties must go through the moderate-income turnkey program to receive 100% cost coverage for those measures.
   c. 5+ unit properties must go through the multifamily program to receive 100% cost coverage for those measures.
   d. low-income qualification requirements must be met to receive services and incentives under the low-income program.
3. Support small businesses by providing:
   a. support for one or more small business liaison(s) for CFPs;
   b. small business concierge services to be provided via current delivery pathways as agreed upon with DOER;
   c. enhanced language services for small businesses as described in Section C.9. above;
4. Provide funding for CFPs sufficient to support hiring Energy Advocates at wages designed to reduce turnover; and
5. Collaborate and work with MassCEC to develop a strategic approach to workforce development that will support the needs of Mass Save and ensure proper data tracking to report on outcomes achieved.
6. Operationalize Language Access Plan (LAP) recommendations by:

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Commented [JB9]: From B. Winner: I'm concerned about this. The Moderate-Income Turnkey Program doesn't exist yet, and we're essentially saying here that we won't serve any 1-4 unit properties with this offer until it's set up, correct? The PAs need to find ways to serve these customers ASAP and that shouldn't require waiting for a whole new program to be stood up.

Commented [JB10R9]: The PAs will be launching the turnkey program in a limited area at the end of 2024 to be ready for a full launch by 2025.

Commented [D(11]: From A. Washburn: "with living wages"

Commented [JB12R11]: The PAs have agreed to increase the wage available for both full and parttime energy advocates but the EEAC cannot define that as "living wages."

a. providing additional information in the Final Plan regarding how language access recommendations from the LAP will be implemented for all sectors;
b. revising budget to align with planned implementation of the Language Access Plan with consideration of proportionally distributing spending between sectors, and to represent optimized planning and alignment with existing and other planned resources; and
c. establishing metrics to measure success and regularly report progress.

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IV. EEAC Additional Refinements to the Draft Plan

To support a Final Plan, the Council requests the PAs adopt the following additional changes:

A. Budgets, Savings and Cross-Cutting Policies

1. Prepare a revised Draft Plan with benefit-cost models to be submitted to the Council no later than September 25 ~~1~~ that reflects the PAs commitment to additional changes reflected herein and represents the contents of a final plan to be filed with the Department on or before October 31, 2024;
2. Refine the existing market transformation logic models to reflect current understanding of the heat pump market and the policy environment around it. Continue to update the document as the term progresses to ensure it is a live document representing an agreed upon strategy to transform the Residential HVAC market;
   a. If average heat pump prices do not meaningfully decrease as incentives decrease, thus putting more burden on the resident, increase incentive levels to alleviate cost impact on residents and ensure heat pump adoption remains on track with program targets.

Commented [D(13)]: From M. Fleuren

~~2.~~3. Reach an agreement on data tracking and reporting for the 2025-2027 term, including key performance indicators, quarterly reporting and council data requests, as well as equity data tracking including:
   a. review and update equity targets to reflect the increased emphasis on equitable outcomes and distributive justice, as well as the Council's equity priorities and recommendations for the 2025-2027 Term;
   b. ensure consistent tracking and reporting of data to assess progress toward achieving recommendations, including for "ready access" geography-based rental property and moderate-income programs, for multi-family projects (by project type, e.g., building size, ownership status, projects in certain geographies), language access, and to measure success of CFP outreach efforts;

Commented [D(14)]: From A. Washburn: "Is it possible to include a documented methodology which would better allow for consistent comparisons across plan terms?"

Commented [JB15R14]: The PAs and council consultants collaborate to ensure continuity in data across plan terms.

Commented [JB16]: From B. Winner

~~3.~~4. By Q3 2026, complete a "participant study" to better understand motivations for participation and why customers participate in Mass Save. Apply insights to develop and implement programmatic or process changes to increase participation by underserved customers and to reduce barriers to participation; and
5. Establish a small working group, with representatives from DOER, PAs, AGO and Council Consultants, to examine the development and implementation of a data platform to be a repository for a uniform set of statewide data relating to the delivery of energy efficiency and decarbonization programs to Commonwealth residents and businesses.

6. Implement these refinements while continuing to meet the GHG emissions reduction and budget requirements set forth in the EEA Secretary's letter of March 1, 2024.
7. Continue to identify opportunities for cost reductions, particularly among non-incentive costs.
~~4.~~

B. Residential and Low-Income Sectors

1. Identify cost and service redundancies with existing program services from new customer supports including but not limited to the Statewide Contact Center and language access and reduce budgets accordingly;
2. Budget no more than $200 million for HEAT Loans, reinstate a 7-year repayment term, and implement means testing (e.g., tiered interest rates based on income level) to direct program funds to customers in greatest need;
    a. Exclude pre-weatherization & pre-electrification barrier mitigation from the $25K HEAT Loan cap.
    b. Secure lower interest rates for HEAT Loans by renegotiating the underlying formulae, implementing a loan loss reserve, or taking other appropriate steps to realize programmatic savings on interest buydowns.

3. Conduct a review of low-income workflow processes to identify opportunities to achieve efficiencies (cost/human resource, reduced time), including through automation and/or electronic methods to manage capacity in face of higher weatherization and heat pump production;
~~2.~~4. Conduct a review to identify non-incentive cost reductions from planned Residential and Low-Income budget values, prioritizing reductions in Program Planning and Administration and Sales, Technical Assistance and Training cost categories. Include a summary of cost reductions identified as a result of this analysis and review;
~~3.~~5. Increase planned weatherization units for the Low-Income and Residential sectors;
~~4.~~6. Describe the PA approach to promote Home Energy Assessments (HEAs) and ensure adequate weatherization prior to, or within 6 months of, ~~in conjunction to~~ market rate heat pump installations;
~~5.~~7. Include information on key milestones and timing for rollout of Turnkey Services offer; include plans to evaluate this effort and compare it to the traditional pathway, engaging with evaluators as early as possible; establish metrics to support determination of when the offer is ready to transition from only Moderate-Income customers to all market rate customers;
~~6.~~8. Maintain this Term's per/ton incentive structure for partial displacement heat pumps and use heating tons rather than cooling tons to better align with greenhouse gas reduction priorities and consider other incentive revisions as necessary to achieve priorities for equity, GHG reductions, and cost management;
~~7.~~9. Implement additional approaches for controlling cost increases for heat pumps such as bulk and/or group purchasing;
~~8.~~10. Increase promotion and adoption of heat pump water heaters, including by adding them to the Turnkey Services offer, providing enhanced incentives to moderate income customers, and developing additional resources for contractors and customers;

Commented [D(17]: Proposed Rec. from AGO: "6. Implement these refinements while continuing to meet the GHG emissions reduction and budget requirements set forth in the EEA Secretary's letter of March 1, 2024."

Commented [D(18]: From A. Washburn: "Who would implement the means testing? Financial institutions or PAs? And will there be reporting to the council on income tiers utilizing the HEAT loan?"

Commented [JB19R18]: These are excellent questions. The council consultants can work with the PAs to address these details.

Commented [D(20]: From M. Fleuren: "If customers want to finance heat pumps but also have barriers, they will exceed the $25K cap. These are the hardest customers to reach and face the biggest roadblocks to electrification. We should not be excluding them from electrification because they have barriers that need to be financed. This policy ...

Commented [D(21]: From AGO

Commented [JB22]: From M. Fleuren: Include a budgeted cost to replace existing low-income software wi ...

Commented [JB23R22]: The purpose of this resolution is to address how the April draft plan responds to the EEAC ...

Commented [D(24]: From M. Fleuren: "Especially residential. Low Income weatherization is set to increase ...

Commented [JB25R24]: This is an insightful comment. The quantities for weatherization is part of the ...

Commented [D(26]: Proposed Rec from M. Fleuren: "Adjust Low-Income processes & policies to provide ...

Commented [D(27R26]: From M. Fleuren: "This is the biggest hurdle to achieving LI objectives in the program. W ...

Commented [JB28R26]: The purpose of this resolution is to address how the April draft plan responds to the EEAC ...

Commented [D(29]: From A. Washburn

Commented [D(30]: From A. Washburn: "Consider a need for flexibility with emergency replacements or ...

Commented [JB31]: From AGO: Require the installation of weatherization for all heat pump services, including ...

Commented [D(32]: Proposed Rec from M. Fleuren: "Provide workforce development funding directly to ...

Commented [D(33R32]: From M. Fleuren: "Over 50% of the assessment workforce and 100% of the installation ...

Commented [JB34R32]: Mass CEC is addressing these issues. The PAs are collaborating with Mass CEC as it ...

Commented [D(35]: From A. Washburn: "Financial and educational? And/Or a adding plumbers to the HPIN that ...

Commented [JB36R35]: These are excellent questions. The council consultants can work with the PAs to address ...

~~9.~~11. Build on success of Decarbonization Consultations by budgeting for more of them, promoting them for multifamily properties, and increasing focus on equity (e.g., significantly increasing the number of rental units served, tracking rent vs. own status, offering night and weekend appointment slots) to ensure they are being accessed by all customers;

~~10.~~12. Implement additional changes to the Heat Pump Installers Network to result in co-delivery of heat pumps and weatherization as well as other decarbonization measures such as heat pump water heaters and solar PV; and

~~11.~~13. Increase planned production in the Residential New Construction Program (including Renovations and Additions), and implement program criteria, program designs, and incentives to provide meaningful differentiation from code, reach additional market segments (including modular and manufactured housing), and advance market transformation, active demand management, and comprehensive decarbonization.

C. Commercial & Industrial Sector

1. Include a section that presents in detail the PAs electrification market strategies and their understanding of the market, including identification of the key market actors, barriers, leverage points and a description of cohesive strategies to transform the market for heating and other equipment from fossil fuel fired equipment to efficient electric technologies. In addition, the narrative and approach should include the following Council recommendations pertaining to electrification:
   a. a commitment to engage specifically with delivered fuels vendors to help them expand their business to include heat pumps and dedicated outside air system installation and maintenance and provide them with incentives to engage customers in fuel conversions.
   b. the specific C&I electrification targets on which the Plan goals are based;
   c. a clear commitment to maximizing full fuel conversions;
   d. the development of tools, such as standard measure packages, that can simplify and streamline participation and address right sizing of new HP systems;
   e. the creation of market pull towards comprehensive approaches which include weatherization, heat pumps and ventilation and specifically explore mechanisms to improve adoption of weatherization as a precursor to HP procurement and installation; and
   f. a discussion of the opportunities for the integration and support of geothermal networks;
2. Add narrative detailing the enhancements to the existing account management approach, specifically:
   a. the addition and role(s) of third-party project development vendors, how these new representatives integrate into the existing ecosystem of project development and delivery and the opportunities that they will address (ie. gaps in the current account management model);
3. Incorporate the Council recommendations regarding EBCx including, but not limited to:
   a. overcoming the first cost market barrier and the mechanism by which the PAs will assess, on an ongoing basis, whether the approach is adequate, too generous or otherwise misaligned with the targeted barrier;

Commented [JB37]: From B. Winner

Commented [D(38)]: From A. Washburn: "I would strongly advise including training for these vendors as many may be reluctant to recommend heat pump equipment. "

Commented [JB39R38]: The PAs are collaborating with Mass CEC as it develops its workforce development investment for the 2025-2027 term.

Commented [JB40]: Proposed B. Winner: "fuel conversions in alignment with the Clean Heat Standard currently under development."

Commented [JB41R40]: The PAs cannot be expected to align with a program that is not yet finalized.

Commented [D(42)]: From A. Washburn: "Can we include a commitment to add additional geothermal network pilots rather than just discuss?"

Commented [JB43R42]: The purpose of this resolution is to address how the April draft plan responds to the EEAC December Recommendations and Priorities. It is not to introduce additional requirements.

b. streamlining the EBCx process, including clarifying the proposed modular approach, addressing the approach to project development and delivery, including whether the EBCx reports will include cost proposals from the commissioning and controls vendors to enable customers to move seamlessly into implementation and if not, then address how the offer will address the significant customer barrier that results from receiving a report that does not include a clear next step that is easy for the customer to execute (i.e. sign here and we will implement the agreed upon measures);
c. ensuring the approach is designed to achieve performance improvements in HVAC system and envelop optimization;
d. identifying the timeline for offer development and roll out including key milestones;
e. engaging evaluation to enable fast feedback and the ability to improve delivery early in the plan period to support increased participation and success;

4. The Plan should address in detail the Small Business recommendations including:
   a. ~~the plan to meet the expected volume of small business assessments;~~
   b. ~~the way in which vendors are incentivized and the metrics by which vendors are assessed and incentivized;~~
   c. ~~the market segmentation approach used in small business turnkey and how it is propagated among the vendors;~~
   d. ~~the minimum requirements and quality control process for small business turnkey assessments and share examples that meet the PA quality standards;~~
   e. ~~the need for quantitative and qualitative assessment of weatherization quality installations and sales including but not limited to the use of blower door testing, the evaluation of weatherization projects including missed opportunity assessment by independent parties, how weatherization opportunities are presented to customers and mechanisms tested to overcome market barriers/customer reluctance to weatherize, case studies that capture and promote the non-energy and efficiency benefits of quality weatherization installations;~~
   ~~f.~~ a ~~commitment to weatherization as a foundational measure necessary to support the electrification of C&I buildings. Ensure the true cost of quality weatherization is understood and supported by the program;~~
   ~~g.~~f. the tracking electrification associated with Small Business Turnkey so that it can be associated with the delivery channel as required by the Department of Public Utilities;
   ~~h.~~g. ~~the tracking of the account management model used by the turnkey vendors for small business including, but not limited to, customer intake, tracking, outreach, follow-up, complaint intake and resolution, outstanding opportunities, etc.~~
   ~~i.~~h. project facilitation services provided by turnkey vendors and the potential for CFPs to augment those services to provide a higher level of support to customers in the equity communities.
   ~~j.~~i. ~~supporting a process evaluation of the small business Turnkey offering to be completed no later than July 2026~~.
5. The PAs continued participation in the C&I Working Group (CIWG) and using the CIWG as a resource to provide input on C&I program design, delivery and implementation.
6. A commitment to accurately track measure quantities and sizes, including differentiating between prescriptive and custom measures in PA tracking systems;

Commented [D(44]: Agreed upon and moved to section III above

7. A commitment to continue working with DOER and the Council Consultants to expand the current scope of the PA proposal for a C&I customer database to better meet the intent of the council recommendation; and
8. Tracking and addressing customer complaints or concerns for customers of all sizes including collaborative solution building via the CIWG.~~,~~

D. Equity

The Council recognizes the ongoing collaboration and commitment of the EWG and the PAs to strengthen and further refine the equity aspects of the Plan and, based on EWG input to the Council, requests the following:

1. Clearly express the Program Administrators' commitment to distributive justice in both the plan language and the distribution of investment;
2. Continue collaboration with DOER, the Council Consultants, and the EWG to determine the appropriate and significant ~~(substantial)~~ increase in the number of planned LMI heat pumps (space and water heating) to advance goals of distributive justice with a priority on delivered fuel and electric resistance heat customers. The EWG and its co-chairs have called on the PAs to substantially increase the number of planned LMI heat pumps;
3. Significantly, i~~I~~ncrease planned funding for rental properties, preferably by reallocating funding from other residential sector investment;
4. Provide an opportunity for EWG feedback (e.g. at the July EWG meeting or sooner) on and further refinement to the offer for rental properties in the 21 Designated Equity Communities as described above in III(D)(2);
5. Increase workforce diversity as follows:
   a. award 15% of dollar volume of direct Mass Save contracts to M/WBEs, with specific goals for MBEs and WBEs respectively, for the 2025- 2027 Term, to be achieved by requiring diverse supplier participation in PA procurements and prioritizing supplier diversity in RFP evaluation criteria;
   b. implement recommendations and best practices from the forthcoming Mass Save M/WBE study;
   c. meet with workforce diversity advocates, such as Browning the Green Space and Action for Equity, to develop a consistent policy to increase opportunities for returning citizen to participate in the Mass Save workforce, to be implemented on or before January 2026;
   d. Data t~~T~~racking of workforce outcomes should include more granularity, e.g., reporting on percentage of trainees still employed in the industry 6 months post-training, separated by service industry (HVAC, Weatherization, etc.)
   ~~c.~~e. Consider ~~-~~providing additional support & wrap-around services for trainees that meet equity criteria.
6. ~~Operationalize Language Access Plan (LAP) recommendations by:~~
   ~~a. providing additional information in the Final Plan regarding how language access recommendations from the LAP will be implemented for all sectors;~~

~~b. revising budget to align with planned implementation of the Language Access Plan with consideration of proportionally distributing spending between sectors, and to represent optimized planning and alignment with existing and other planned resources;~~Provide funding to contractors

Commented [D(45]: From A. Washburn

Commented [JB46]: From B. Winner too

Commented [D(47]: From A. Washburn: "The increase should be more so proportional based on percentage of budget (e.g., LMI: Market Rate Res) and/or population. "

Commented [JB48R47]: This is helpful guiding context.

Commented [D(49]: Based M. Wambui feedback

Commented [D(50]: This wording was also proposed from A. Washburn, but is reflected here.

Commented [JB51]: From B. Winner

Commented [D(52]: See above new commitment III. D. 1.

Commented [JB53]: From B. Winner

Commented [D(54]: From A. Washburn: PAs to provide their methodology to the council for review. (PAs may identify certain geographic areas within the Designated Equity Communities for their rental property offer III.D.2.a).

Commented [JB55]: From B. Winner: Remove income qualification requirements for residential properties in the 21 Equity Communities to access enhanced incentives that cover 100% of the cost for barrier mitigation and heat pumps;

Commented [JB56R55]: The PAs have already agreed to this and is not listed above as they wanted to share with EWG, consistent with this recommendation.

Commented [D(57]: From M. Fleuren: "Very vague. Would be good to be more specific. Report on trainees still employed in the industry 6 months after training, increased support & wrap-around services for low income trainees & trainees from EJCs, etc."

Commented [JB58R57]: The PAs are collaborating with Mass CEC as it develops its workforce development investment for 2025-2027.

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Commented [D(59]: Agreed upon and moved to Section III.

to implement LAP recommendations in their businesses. All contractors should receive funds to provide LOTE support during installs, while HPCS should receive support to provide LOTE support during assessments and in their own call centers.

c. ~~establishing metrics to measure success and regularly report progress~~; and

7. Provide additional funding to CFPs to support, as needed, a small business liaison(s) for one or more CFPs and/or alternatively work with the CFP to better leverage existing local expertise to increase and facilitate small business participation.

Commented [D(60]: From M. Fleuren: "Over 50% of residents experience the program through HPCs, and 100% get their work installed by HPCs or IICs. Language access must extend to these areas."

E. Performance Incentives

The Council expects the performance incentive mechanism (PIM) will:

1. Leverage the existing PIM structure for the 2022-2024, with each component prioritizing a different objective of the plan to create a robust and comprehensive PIM;
2. Include an equity component that is directed to achievement in designated equity communities and specific equity populations statewide;
3. Include an electrification component that encourages progress in electrification when delivered to a weatherized building outside of equity component-eligible installations;
4. Includes standard and value components that continue to emphasize all other efficiency measures and the cost-efficient delivery of them; and
5. Combine these achievement-based thresholds with metric-based thresholds to ensure that high priority outcomes are met during the 2025-2027 plan.

The Council acknowledges the importance of a PIM and encourages the PAs, DOER and AGO to reach agreement on the level of performance incentive funding and the details of the required threshold metrics expeditiously.

V. Conclusion

The EEAC appreciates the collaborative approach of the PAs in developing the Draft Plan and is confident that the PAs will make additional improvements to its otherwise detailed, comprehensive, and well-developed Draft Plan to ensure the 2025-2027 Three-Year Energy Efficiency Plan extends the reach of energy efficiency to all customers in the Commonwealth and maximizes the benefits enjoyed by all.