

## QUESTIONS AND ANSWERS FOR HPC'S RECOMMENDATIONS

### 1. What was the original intent of the HPC?

The HPC's originally envisioned their role in the Mass Save Program as an independent general contractor providing multiple energy savings measures and solutions to the ratepayers of the Commonwealth through the Mass Save Program contracting directly with the PA's.

### 2. Would HPC's contracting directly with the PA's add a burden to the PA's?

No. The PA's presently contract with many contractors and vendors in their everyday delivery of services. To include the HPC contractors in that realm should not differ from their everyday course of business. The payment schedule to HPC contractors of the PA's would be similar to that which they currently provide to the program. The HPC's would simply be added as a contractor/vendor to the PA's.

### 3. Should HPC's be part of or be allowed to present to the Residential Management Committee?

The HPC's should be represented on the Residential Management Committee because the subtleties and concerns of operating a one-stop, full service business quite often cannot be translated to the RMC representatives at BPWG back to the RMC since there are no decision makers of the RMC who sit on the BPWG.

### 4. Should the lead vendors (LV's) be conducting inspections of the HPC home energy assessments and weatherization installs?

No, simply because the LV is a direct competitor of the HPC. It is a conflict of interest, a violation of ethics, and defies the realm of common sense in any manner of business practices, especially when the inspections themselves are subjective in nature and tied to a merit system created by the LV's and which can lead to the suspension of an HPC from the program itself.

### 5. How is the IIC labor pool for both the LV and HPC structured?

The LV gets paid an administrative fee to generate a work order. The LV is also paid a technical fee for questions related to their work order and/or their HEA, which is referred to as their "contractor hotline" (which in reality is providing solutions to ambiguities in the HEA's). The LV has access to whether the IIC is a Tier 1, 2, or 3 contractor, since it is an LV-created merit system. The IIC's perform their task and is given a merit score rating. The LV is not scored on a merit basis on the weatherization work. The LV is also compensated to perform QC inspections of the IIC's.

The HPC is not compensated for administrative costs for generating a work order. The HPC is not compensated for any type of technical support provided. The HPC is not allowed access to an IIC's tier rating, and the HPC is not allowed to assign the contract to an IIC. The HPC is responsible and assumes the merit-based rating of the IIC's work and not the IIC, which places the HPC in danger of suspension from the program for work performed by the IIC on the HPC HEA. THE IIC SHOULD BE RESPONSIBLE FOR THEIR OWN MERIT SCORE.

**6. Is the IIC labor pool other than the HPC's own resources the only source of labor for weatherization available under the Mass Save rules?**

Yes.

**7. Is the HPC at a disadvantage to attracting participation from the IIC labor pool?**

Yes, because the HPC does not receive an administrative fee as the LV does. Therefore, the HPC has to discount a percentage of the weatherization work, usually 15-20%, in order to recover its administrative costs.

**8. Is the compensation package equitable for the HPCs?**

No. It has not taken into account the cost of doing business such as administrative and overhead costs, labor benefits, cost of living increases, marketing, promotion and advertising, training costs, certification, licensing and registration costs, transportation, etc.

**9. Should HPC's participate in lead sharing?**

Yes, primarily because HPC marketing activity has generated a high number of calls to the 1-800 Mass Save number, for which the HPC contractors presently receive no benefit.

**10. Is there a benefit to the Mass Save program to provide leads to the smaller, developing HPC contractors?**

Yes. The HPC lead time to serve is much shorter than the LV time to serve. It is a one-stop shopping experience for the ratepayer. It helps create stability for growth in job creation for the HPC's under the Green Jobs Community initiative.

**11. Will the adoption of these recommendations create additional energy savings and encourage growth to HPC companies?**

Yes. The HPC will be free to grow without the punitive restrictions of being subcontractors to their competitors; be able to freely and equally use the IIC labor pool; be equitably compensated for the services provided, allowing for better cash flow and more liquidity to provide employee benefits and higher compensation, creating a stable labor pool. With a more stable work force, we will be able to serve additional ratepayers thereby creating increased energy savings.