MA ENERGY EFFICIENCY ADVISORY COUNCIL

→ CONSULTANT TEAM

LOW AND MODERATE INCOME ELECTRIFICATION

▶ July 24, 2023

www.ma-eeac.org

AGENDA

11:00 Roll call, public comment, and updates

11:10 Foundational considerations (consultants)

11:25 Contractor panel

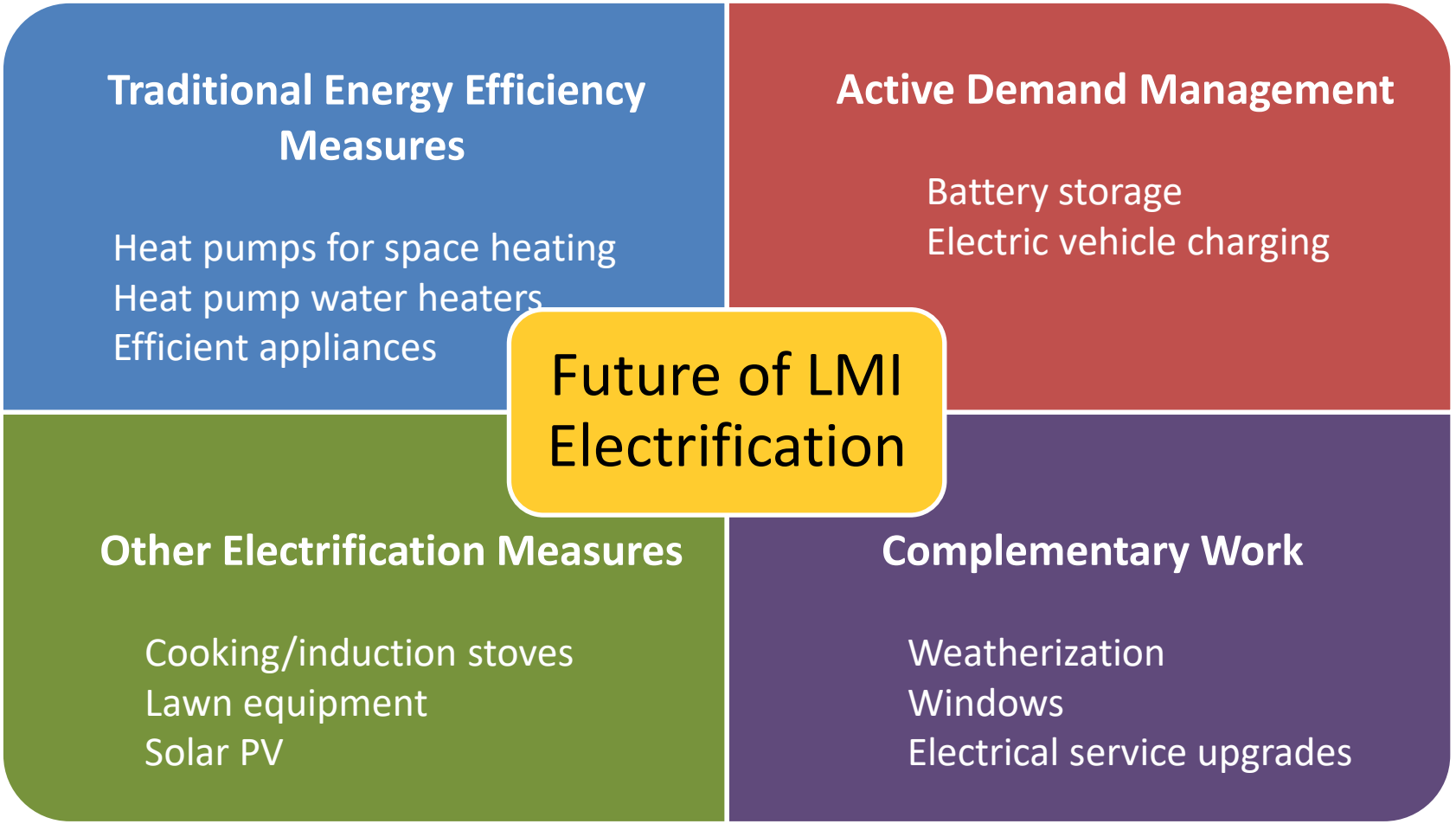
- Member of Heat Pump Installers Network
- Abode
- Home Works
- LEAN

12:15 Discussion and identification of preliminary recommendations

1:00 Adjourn

FOUNDATIONAL CONSIDERATIONS

SCOPE--MEASURES



SCOPE--CUSTOMERS

CURRENTLY

- Low/income eligible program: Income verified customers earning <=60% statewide median income (SMI)
- Moderate income offers: Income verified customers earning >=60%-80% SMI

CUSTOMER AWARENESS

- **Are the most appropriate customers being targeted?**
- **Are they familiar with the measure/technology?**
  - Have they heard of it at all?
  - Advantages and limitations, both in general and for a customer's individual circumstances
  - Operation and maintenance
- **Do they understand what incentives are available to them?**
- **Do they know how to purchase and install the measure?**

PROGRAM DESIGN AND DELIVERY--CURRENT

- **Low/income eligible sector/program:**
  - Customers are eligible to receive a suite of barrier mitigation and energy efficiency services at no out-of-pocket cost (100% incentive), provided as a turnkey service using LEAN's quarterbacking model
  - Affordable Housing Deep Energy Retrofit
- **Moderate income offers (fall under the Residential Existing Buildings Program):**
  - Weatherization (100% incentive)
  - Pre-weatherization barriers (vermiculite and knob & tube remediation, up to $7,000/customer)
  - Space heating equip. upgrades: 80% of average heat pump job cost ($16,000), 70% for fossil fuel equipment. Customer must meet weatherization criteria to earn HVAC incentive
  - Customers access services the same way residential customers do--on an ala carte basis w/sep. contractors (unless working with a Home Performance Contractor)

CONTRACTOR-RELATED ISSUES

- **Are contractors available to serve LMI customers?**
  - Geographically (esp. EJ communities)
  - In customer's language
  - Technical expertise to serve complicated MF projects
- **In a high-demand market, what is the incentive to serve a moderate income customer who has to be income verified and weatherized to get a heat pump?**

COST

- **Installation costs (free for LI, co-pay for moderate income)**
- **Operating costs**
  - Differences between electric, oil, propane, natural gas
- **Financing**
- **Eligibility for IRA tax credits?**

TECHNICAL ISSUES

- Proper sizing
- Electrical service upgrades
- Complex installations, esp. in larger projects
- Water heating, esp. in multifamily
- Controls

AGENCY/OWNERSHIP STATUS

- **All customers—including renters—should receive benefits of electrification**
- **Considerations are much more complex and challenging for rental properties, esp. multifamily**
  - Electrification retrofits are time-consuming and costly, making it difficult to secure property owner approval
  - Mixed income situations
  - Addressing potential rent increases
  - Potential change in heating bill responsibility
  - Cost effectiveness

SETTING GOALS, MEASURING AND TRACKING PROGRESS

- Key performance indicators
- Equity Targets
- Performance Incentive mechanism
- Term sheet commitments
- PAs' filed plans
- Other data availability

CONTRACTOR PANEL

DISCUSSION AND IDENTIFICATION OF PRELIMINARY RECOMMEDATIONS

Scope
Customer awareness
Program design and delivery
Contractor-related issues
Cost
Technical issues
Agency/ownership status
Setting goals, measuring and tracking progress
Other?