



TO: Judith Judson, Commissioner, Massachusetts DOER & Chair, EEAC
Ian Finlayson, Massachusetts DOER

FROM: Michael Ferrante, Massachusetts Energy Marketers Association

DATE: April 9, 2018

SUBJECT: Comments: Mass Save Program

On behalf of a group of retail heating oil and propane companies within the membership of our association, I respectfully submit comments regarding the operation of the Mass Save program. The attached comments were generated after I asked our collective membership to submit feedback to me via phone or email. The email comments are relayed to you in quotes.

It's our hope that these comments and others gathered through your Mass Save "listening" sessions will be helpful to the Department of Energy Resources and the Energy Efficiency Advisory Council as they work to improve this valuable program.

I also wanted to make you both aware of 3 other heating oil industry developments that are crucial in helping to advance energy efficiency in oil heated homes and businesses statewide and reducing fossil fuel emissions in the Commonwealth.

- On March 15, 2018, our association launched the second year of an oil heat equipment rebate program using funds from the National Oilheat Research Alliance (NORA). The rebates include \$350 for a new oil-fired furnace or boiler and/or \$250 for a new heating oil storage tank. Although modest in comparison to the Mass Save program, our NORA program is self-funded by the heating oil industry and last year we provided rebates to over 1500 customers.
- As you know, the heating oil industry in Massachusetts has been voluntarily embracing and selling biofuel blends in their fuel for over a decade, and now that the Commonwealth's APS regulation (225 CMR 16:00) has been promulgated, more and more retail heating oil companies will be blending biofuel at levels from B10 (10%) to B20. This will reduce the amount of heating oil sold statewide by as much as 120 million gallons over the next several years and reduce fossil fuel emissions.

- Further environmental benefits will be realized in the Commonwealth as of July 1, 2018 when state regulations kick-in requiring that all heating oil gallons (#2 distillate) meet sulfur content of 15 parts per million (ppm). We are currently at 500ppm.

Respectfully submitted,

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Comments: Mass Save Program

- Retail Heating Oil Company, Northampton

“I find this program in my area is encouraging customers to switch from oil to another energy source. They’ve even told my customers that oil heat is not the “energy of the future”. Poorly trained auditors have given bad efficiency test information and bad direction to customers. Also, the free set back thermostats have not always been compatible with the heating system (e.g. with a Trol-a temp zone dampers) or were installed incorrectly.”

- Retail Heating Oil Company, Brockton

“It’s been a very good program in terms spurring equipment sales. Negatives are: 1) the amount of time people have to wait for an audit and 2) the age for an early boiler retirement should be 25 years or less.”

- Retail Heating Oil & Propane Company, Winchester

This retailer said the Early Boiler Replacement program – which he praised for its structure and effectiveness – has become a “horror show” since Clear Result purchased Conservation Services Group. This retailer said he has customers who have waited months for their rebates to be processed. One customer is still waiting for a rebate on a new boiler that was installed 8 months ago. In prior years, this retailer said rebates were processed in 4 to 6 weeks. He said that when he calls Clear Result to advocate for his customers, he feels it has become “a clearing house” since the company operates energy efficiency programs in many states. He added that rebates are held up because of minor paperwork details. Essentially, he feels, “customers are not getting what they are promised.”

This retailer also added that his customers – many of whom have been with his company for decades --have stated that Home Works auditors have suggested that the customer use another contractor for the oil-fired equipment installation and have then referred the customer to a specific contractor.

- Retail Heating Oil Company, Scituate

Like other retailers surveyed by our association, this retailer also said he has found that some auditors are recommending that homeowners look to hire another HVAC contractor to do the installation work as opposed to the established heating oil company. On the rebates specifically, this retailer suggests the program tiers be restructured as follows:

-Go from “at least 12 years old” on a furnace to 20 years and increase the rebate to \$1000 across the board for furnaces in both AFUE categories.

-If equipment is not over 20 years, award \$500 rebates just like hot water boilers.

-Drop rebates for steam boilers at least 30 years old to \$1700.

-Any steam system under 30 years old should receive a \$500 rebate.

- Retail Heating Oil Company, Dedham

“I know that having the Mass Save rebates has helped a lot to convince people to update their old equipment. Without the rebates and zero interest loans I don’t think many people would update their equipment the way they have this past several years. Please pass this on to the powers to be.”

- Retail Heating Oil Company, Holliston

This retailer has been using the Mass Save program “for 8 or 9 years.” He applauds the program as a “great marketing tool” for his company and he uses the program extensively with his customers. He would like to see Mass Save add another tier of rebates for an oil-fired boiler currently on the market that has 90.7 AFUE and increase the \$500 rebate to \$600 or if possible, \$750 to accommodate this high efficiency boiler. This retailer wants Mass Save and state officials to know that although installing new, high efficiency systems “cuts deeper” into his heating oil gallons sold annually, it’s better for the industry because he “saves customers 30% on oil consumption by pushing better products.”

He did add that he has found some home auditors recommending “friends” to do the new installation work versus the existing, established oil heat retailer, and this can pose customer relations problems for the retailer.

- Retail Heating Oil Company, Quincy

“Today (April 6,2018) is indicative of the frustrations we have with Mass Save. We put in a boiler with an indirect for a customer in Milton back in August. First, they returned the invoice saying there was no system information there – there was. Then they bounced it because they said the boiler was not compliant – it was, and I sent them the AHRI certification. Months go by and now they are looking for an AHRI cert for the indirect, which doesn’t have one – as is the case with most manufacturers. They say an indirect qualifies, but if it’s not listed on the AHRI site they won’t approve the rebate. Nowhere in their literature do they say it needs to appear on AHRI. It simply says indirect fired hot water heater. There’s no efficiency ratings like for boilers, so most manufacturers don’t try to get certification for their storage tanks.

So, I have spent hours on the phone with the customer, the manufacturer, AHRI, and Mass Save and have gotten nowhere. They create requirements where there are none to be had and have clerks who don’t have the authority or ability to intuit decisions. No wonder everyone I talk to has had it with this group.

It was a great program when CSG ran it. Now that Clear Result does I'm not sure it is any more. It truly seems as if they are trying to trip up the customer to avoid paying out the rebate. Perverse as it's the customer's money in the first place!"

- Retail Heating Oil Company, Arlington

"I get a kick out of the fact that to take advantage of the early boiler rebates, customers have to schedule and audit. Per my advice one of my customers, an older woman, scheduled her audit, got the audit, and then was convinced by them (Home Works) that gas is the only way to go. They produced a quote very quickly and got her all set up with a loan in no time flat. The only way I was able to save the account was because she called me for a broken toilet handle. I arrived within an hour to fix, and as I was leaving she informed me she was going gas. I believe I was able to convince her otherwise however, their (Home Works) quote is way overpriced and that's like letting the wolf into the hen house for an inspection. This is way out of line in my opinion not to mention that I have had this customer for years and like I said she is old and gullible. This company reminds me of the other company that got in trouble a few years ago with the MA AG."