

**Multi-Family and Low Income Workshop**  
**February 26, 2015**  
**1:00 PM – 5:00 PM**  
**Division of Fisheries and Wildlife Field Headquarters**  
**1 Rabbit Hill Road, Westborough, Massachusetts**

**Draft Meeting Summary**

45 people attended the third workshop (see Attachment A for the participant list). The background documents and presentation slides can be found on EEAC website: <http://ma-eeac.org/2-26-15-multifamily-and-low-income-workshop-meeting-materials/>

**INTRODUCTION, CONTEXT SUMMARY, AND WORKSHOP OVERVIEW**

Ian Finlayson, Department of Energy Resources (DOER) and Dr. Jonathan Raab, facilitator from Raab Associates, welcomed the group to the third residential programs workshop and reviewed the agenda. The workshop objectives were to discuss the multi-family and low income initiatives and begin to refine options and develop recommendations for changes to the programs. Particular emphasis was placed on completing the recommendations for the low income initiative. During the final workshop on March 9th, the voting councilors will finalize recommendations that will be reviewed and considered by the full Energy Efficiency Advisory Council (EEAC) for packaging into resolutions that will be distributed to the Program Administrators (PAs) and clarify the EEAC's priorities for the next three year plan.

**MULTI-FAMILY RETROFIT INITIATIVE**

Presentation

Courtney Moriarta, SRA, provided the multi-family retrofit initiative overview. See the presentation slides on the website.

Clarifying Questions

Councilors asked the following clarifying questions and provided the following comments about the overview. *Responses are in italics.*

- How are participants defined on slide 9?
  - *It is defined by units. It is not building to building.*
- The multi-family evaluation report mentioned that some PAs recently deployed a common audit tool so it does show up as a single offer. Some of the noted issues could be diffused with this common offer.
  - *Yes, that is correct, there is now a common audit tool. It would be an additional measure to bring a more integrated customer facing piece to the puzzle.*
- Does the audit for electricity and gas happen during one visit?

- *Depends on what the customer wants to explore. The Multi-family Market Integrator (MMI) focuses on what the customer is most interested in—it can be very focused (e.g. I just want lighting). But it could happen that two vendors show up to do an energy audit and then a gas audit.*
- In the multi-family sector we have no idea of what the close rate is on the commercial side of it. Is it still the case we do not know this information?
  - We know the aggregated results for the entire commercial retrofit program but we do not know what the results are for multi-family as a subset of that sector because the data is not reported that way.

### Discussion, Refine Options, Develop Recommendations

Dr. Raab posed specific questions about various topics related to the multi-family retrofit initiative. Councilor comments and questions are in bullet format following the questions for each topic.

#### *Comprehensive integrated approach for multi-family customers*

Three questions were posed regarding the comprehensive integrated approach for multi-family customers. The questions included:

- 1) What approaches and reporting should be used to further integrate the Residential and C&I programs for multi-family customers including special attention to potentially underserved-market segments (e.g. condominiums, renters, moderate income, etc.)?
- 2) What program delivery modifications could be implemented (single point or contact, customer oriented approaches, custom projects, etc.) to further promote more comprehensive projects?
- 3) What program incentive structures could be used to increase flexibility in measure offerings while being easy to understand and effectively balancing the needs and interests of building owners and tenants?

Councilors responded with the following comments and questions:

- We have self imposed and externally imposed challenges. The self-imposed challenges, such as how the programs get tracked and structured, that are related to the silos we've created are solvable. We may not be able to address the externally imposed challenges. If the PAs were asked how to redesign it from scratch, they could probably provide useful suggestions.
- There is a mismatch between the residential and C&I incentive. Building owners may do residential measures because they have deeper savings or incentives that nearly cover the full cost; but they do not access the C&I program for major facilities changes because the incentive is not great enough to warrant allocation of staff time to it. I think the numbers reported for multi-family show lower savings than actual because there is additional work done on the commercial side that isn't included. On reporting and delivery, benchmarking could solve many of these issues. For example, maybe we use WegoWise as a screening tool for the program and as an asset management tool for the

owners, and as a reporting tool to look at pre and post retrofit energy use data to verify savings. This would create a sub-segment of commercial and residential that could be reported in one format.

- There are two issues regarding buildings that implement heating system changes without applying for incentives. First, we need accurate data on who is installing energy efficient equipment so we can make accurate forecasts. Second, if they are doing this without the incentive, then perhaps we do not need to offer incentives.
- We should look for whole building based performance opportunities by collecting data to better understand building stock and benchmarking.
- The Multi-Family initiative has been under continual improvements over the years. A good stride was made with MMI and the energy action plan, and improvements can still be made in areas of better integrating commercial and residential sides of the programs to deliver a seamless customer experience. We may need to continue gathering information to continue improving the experience of the multi-family customer.
- At the most simple level, we are asking that the PAs have the ability to merge all the multi-family units regardless of the rate code. It seems that it is a barrier due to reporting and information technology issues more than anything else. To make a more seamless experience for the customer we could use the same vendor regardless of whether it is commercial or residential and lighten up on our concern for which budget line item and program the action falls under.
- We have residential and C&I silos due to rate recovery issues and the desire that everyone who pays in pays their relative amount. As the programs developed, they went on parallel paths. Multi-family was the collateral damage because it fell in the middle. We may have looked at it as its own sector at one point; but it became a byproduct of other forces. Condo buildings represent a challenging facet of the multi-family initiative because they may have many meters that the property manager may or may not be able to access to compile the data. This may be something we will have to overcome.
- How does the LEAN program overcome commercial and residential silos?
  - *We have a consolidated program with residential and commercial sub-reported. The statute requires that the program is jointly funded by commercial/industrial and residential ratepayers. Bottom line is we just do it as long as there is a low income beneficiary at the end. We do not try to track every dollar back. Tracking is done in program funding, but that doesn't affect operations. Savings are tracked back to residential.*
- I agree that we should not pay for incentives to upgrade if they are going to do it anyway. How do contractors get paid? What are the incentives for the contractor to solve the problems? If we pay them enough, they'll do it. So we need to figure how much we will pay them and if we need to pay them more.
- This is difficult sector with many different building types, sizes, and owner types. It is hard to capture all in one program. A major concern is that there are sustainability-focused owners out there that do not complete the paperwork to receive the rebate for

the work even though it aligns with their sustainability focus. What does it mean if even people like this won't do it?

- Consider key points in time for building owners/property managers as opportunities to leverage deeper savings. Large-scale rehab projects may be the best opportunity for integrating efficiency. To some extent the programs can be owner oriented, we should recognize the opportunities at times of rehab or refinancing. State agencies track the refinancing timelines for affordable housing and this information could be shared with PAs to help align opportunities. It is unclear whether or not any agencies track similar information for market rate buildings.
- The DOER and utilities have been working on a commercial real estate road map, which led them to the understanding that timing is critically important for buildings. Huge opportunities are available when refinancing occurs or when tenants turn over. We heard this during the morning public comment period on residential retrofits and again now. We should take advantage of building lifecycles.
- I hope municipal government information technology can play a part in understanding our buildings and time-specific opportunities by linking the inspectional services department and permitting. I also hope energy disclosure and reporting ordinance work expands beyond Boston to help collect and share information that would serve as a foundation for improvement.
- Do multi-family owners, who have a mix of master meter and tenant meters, have the ability to query utilities to get data for benchmarking or is it a battle every time they try to do that? If not, we need a regulatory solution to allow this to happen statewide.
- One option to address this is the 3/50 rule where if there are three accounts in a building and none are using more than 50% of the load, then the data can be shared in aggregate. It is assumed that this is a safe threshold that does not violate privacy.

Dr. Raab summarized the main themes of the group discussion.

- Seek better ways to segment the sector due to the variety of ownership patterns, building types, meter configurations, etc.
- Benchmarking would be helpful/critical in identifying retrofit candidate buildings and giving feedback to owners and tenants
- Whole building based performance remains the gold standard
- Implement a new initiative in partnership with housing finance institutions to target retrofit opportunities such as refinancing, rehab, etc. of larger commercial/residential multi-family buildings to piggy-back retrofit work on.
- Provide a fully-integrated (Residential/C&I) Multi-Family program
  - Single point of contact
  - Report C/I side energy use and savings information and integrate with the residential information, to allow a view of how programs are serving entire multi-family buildings
  - Similarly, there is a desire to look at incentives on both the residential and the C/I sides and to make them more integrated

The following additional comments were provided:

- In regard to LEAN's approach, we might need to do a better job [in Multi-Family] at segmenting buildings and pooling money. LEAN seems to have it easier since it all goes toward low income where as we have two pots of money that require us to spend it out of different pots.
- It is cleaner from a rate standpoint under the low-income program because we know the designated rate code for each customer. The intricacy comes under C&I program, particularly on the gas side, where we might have a master meter situation under a C&I rate pattern. This is the rate issue that surrounds the whole multi-family initiative.

Dr. Raab stated that it seems what people are saying that pooling information, service, and money in a more integrated way would be more effective.

### *Benchmarking*

What value can statewide benchmarking (and disclosure?) offer in multi-family housing and how can benchmarking be introduced in the most effective, efficient way?

- Building owners in Cambridge and Boston are asking many questions around aggregated tenant data since they need to respond to building energy and disclosure ordinances. Some of these questions are specific to the multi-family sector. This should be a conversation we have offline with NSTAR (Eversource) and National Grid and the building owners who want/need their data in a reportable format.
- The benchmarking program for low-income multi-family has been lauded nationally as a good way to screen projects for program eligibility. Being able to compare similar buildings has been very useful. Many building owners use benchmarking as an asset management tool to understand how to better manage their portfolio. Valuable tool, yet complex.
- Benchmarking alone leads to energy savings because one can manage the portfolio better. I would also suggest the solution of a state-wide data disclosure based on building size and single customer energy use percentage criteria to provide owners with the aggregated data. It will allow owners to assess whether or not to get an energy audit.
- Dr. Raab asked if the utilities can look at a building and aggregate the data instead of requiring state-wide policy.
  - *It is not as straightforward and easy to complete action due to different fuel use and legwork and cost involved with mapping of meters. But, it is a worthwhile long term investment if we want to get savings from the multi-family sector.*
- Just want to caution that benchmarking for all multi-family classifications may not be needed. In areas of split-incentives, it could create barriers to participation.
- We assume benchmarking will help solve the problem but that might not be the case. Utilities know high-energy users and they still do not send letters to them. The owners will get the benchmark data but then what is the follow up? How do you get mileage from benchmarking to drive savings?

- We talked about behavioral programs with messages being sent to high-energy use homeowners who didn't ask for them, and that we are seeing good results. That is a form of benchmarking. PAs could do similar thing with multi-family units. This is an opportunity to build on incremental progress. This might be a problem when split PA situations exist; but they could partner, especially if one is electric and one is gas. Similarly if two PAs operate in the same town—that would be a good project for 2016.
- Understanding how the low-income program uses benchmarking and the motivations that a property manager or owner has to participate may help us to understand incentives for benchmarking in multi-family if it wasn't legislatively mandated. Benchmarking is not inexpensive, so we need to know what they will get out of it.
- LEAN uses WegoWise, which costs \$39 per account. The benchmarking program was used initially to help prioritize LEAN's work. But now we use it as an outreach tool and as a metric to understand the efficiency level of the building as compared to other similar buildings. It is a good way to see where a building is at in a snapshot. WegoWise also provide owners with information about water use and other items a building owner might want to track for cost considerations.
- I help affordable housing owners prioritize energy retrofits and then implement them. We've used WegoWise for 5 years to benchmark. The market price is \$72 per building per year, which includes up to 10 accounts. We encourage community partners to track master meter accounts instead of in unit data because in unit data is hard to access and if it is only electric, then there are only a few things you can do to save energy (e.g. refrigerator replacement). We use WegoWise as a screening tool to prioritize properties and identify the worse-performing buildings. Partners use it for asset management. We also use it in the program as a follow-up and verification tool to see whether or not projected savings are realized, and implement follow up if needed. We also use it to track spikes in energy use and determine when, where and why the spike occurred. Finally, we use it for year-to-year comparison to show accomplishments to funders and the general public. When we set this up with WegoWise, they completed the legwork to create the inventory of potential accounts because they know if they get an account they are likely to keep the account.
- The NCLC is active in four jurisdictions and my comments were driven from owners saying they want the data but cannot get it—they are motivated to achieve energy savings, so we need to remove the barriers that are in place. On the question of cost, the Institute for Market Transformation tracks cost of setting up these systems and could serve as a resource for deciding how to set up the system and collecting the funds for operation.

Dr. Raab summarized the main themes from the benchmarking conversation.

- Massachusetts already has important experiences with benchmarking including WegoWise for the low-income multi family program. Benchmarking and public disclosure is also happening in Boston and Cambridge for large multi-family buildings as part of building disclosure ordinances.

- Broader benchmarking of some or all sub-sectors of multi-family housing would be beneficial both from individual owners perspective and from PAs perspective of identifying and motivating owners to save in various ways
- Need to develop a plan/initiative for how benchmarking would be used.
- Concerns around more extensive benchmarking include privacy concerns and cost issues.
  - Privacy concerns could be addressed by looking at other states, and Boston disclosure ordinance where this problem was addressed (e.g., at least 3 units with no one unit with over 50% of the consumption). Benchmarking also does not require disclosure e.g. Low income multi-family program
  - Benchmarking has a cost; but WegoWise does not seem to be cost prohibitive, and other companies offer these services

Participants made the following additional comments:

- It is important not to conflate a tool with a company that implements the tool. There are many companies that do monthly benchmarking. In my buildings we use benchmarking and found it is a great tool for motivated building owners; but does not add value to unmotivated owners.

### *Serve Buildings with Unregulated Fuels*

In a fuel blind multi-family program, what implications should be considered in terms of budgets, goals, customer service, and deployment of vendors and contractors?

- The DOER wants to see multiple fuel options available to building owners, but they recognize the PAs are bound by how they claim savings. It will be important to find a method that does not perversely incentivize one fuel over another due to ease of claiming savings. It needs to be a neutral playing field.
- This is a bugaboo in terms of how PAs are judged in terms of savings. We are on board with serving oil and propane, but PAs run up against the barrier that the council views everything in terms of annual savings as a percentage of sales and there is a reverse incentive here in that oil and propane savings do not lead to electric savings in all cases. What it will look like is that we spend more money for the electric savings we get. If the metric is not changed, then the PAs will look like they are performing worse. If you are going to ask PAs to go deeper, then consider looking at a different metric that incorporates something other than electricity because otherwise the message to the PAs is to be as shallow as possible. The electricity portion gives only a small piece of the pie. Benefits or lifetime savings as a way to get to benefits would be a better metric.
- I advocate changing performance metrics to award PAs on energy savings defined by BTUs or carbon savings, or some other metric. Targeting multifamily electric resistance heat would be an important accomplishment in the next plan.
- If savings will be claimed on an unregulated fuel, who will pay for it? It sounds like a legislative problem because you cannot expect rate-payers to foot the bill.
- Regarding electric rate-payers funding oil customers, almost all oil customers are also electric customers and not all of the funding comes from electric rate payers. The DOER

is developing regulations to create incentives for renewable thermal credits; draft regulations should be available this summer. That will help to monetize the thermal systems and give PAs the opportunity to track it. We like the idea of carbon savings as well as oil savings and we have petitioned the DPU to add a small-avoided cost adder for GWSA compliance to the other avoided costs included in the avoided energy supply costs study. It would help give a common metric for describing the benefits from unregulated fuel conversions but only for efficiency—it is not creating a carbon price for the whole economy.

- If the EEAC can help in programming, the PAs should let us know. Regarding serving buildings with unregulated fuels, the best for multi-family buildings will be a one-stop-shop, whole buildings approach incentive program. It would be challenging, but maybe it warrants more discussion.

Dr. Raab summarized the key themes from the discussion about serving buildings with unregulated fuels, noting that more discussion may be necessary.

- Allow PAs to account for the benefits that they get from saving unregulated fuels similar to in HES
- Revise the metrics or seek alternative metrics. For example, a metric could be added for oil, or translate all savings into btus, or use a carbon metric or some combination
- Other areas that might allow PAs to appropriately claim savings from renewable fuels would be renewable thermal credits (regulations are in development at DOER) and the proceedings at the DPU to add an avoided cost of GWSA compliance to the set of avoided costs used to calculate the benefits of energy efficiency programs

The following additional comments were offered:

- Annual savings as a percentage of sales is actually in previously completed EEAC goal setting and not in metrics. My previous comment was more focused on the EEAC and how they look at PAs being aggressive with goals or not. The best way to change this would be in the term sheets for the three-year goals. The goal should be to look at benefits rather than electric annual savings as a percentage of sales.
- The DOER is open to looking at this as well.
- If the EEAC changes the way it sets goals then the PAs may be able to stop distinguishing between residential and commercial if done through multi-family buildings *and the entire world would be better*.
- Backing away from the annual number is tricky from the perspective of the climate plan. We would have to think about how we could demonstrate compliance in 2020.
- Many of us on the EEAC are thinking more in terms of lifetime savings for BTUs, for carbon, for benefits. We just need to set the right annual goals to achieve the climate plan numbers.

Dr. Raab clarified the proposal and the last few comments: The suggested revision is to change the EEAC goals from the annual electric savings goal to a benefits goal. Another issue that we

identified that cuts across all the programs is demand savings and demand response in the commercial sector.

## **MULTI-FAMILY PROGRAM PUBLIC COMMENTS**

- Decia Goodwin, Massachusetts Housing Finance Agency. We are helping to organize fellow financiers of affordable housing and assessing past performance in terms of annual units served. We hope to present a letter to begin a partnership on the hard topic of multi-family buildings. The struggles you are having to serve multi-family buildings was faced by Energy Star Homes for many years. We look forward to working with you and we have a predictable pipeline of units undergoing refinancing and we think the Commonwealth's resources can be greatly extended by predictably augmenting certain energy measures with the features offered by the programs.
- Eric Gardner, New Ecology, speaking from a building owner perspective. First, regarding benchmarking, the language in the brief suggests the idea is to benchmark participants in the program. I would advocate for a broader view because a lot of the benefits of benchmarking come from benchmarking everybody. Regarding building owners, they are responsible for the facilities in the tenant's units. Not having the energy data is a handicap for them in terms of understanding the opportunities they could take advantage of. I would advocate for finding ways to provide them with this data. Finally, regarding the market rate multi-family programs in general, I would echo the need for a streamlined process and a single point of contact to help reduce barriers for building owners.

## **LOW INCOME PROGRAM**

### Presentation

John Wells, Vice President for Energy Services at LEAN, presented the low-income program overview.

### Clarifying Questions

Councilors asked the following clarifying questions and provided the following comments about the overview. *Responses are in italics.*

- The briefing paper indicated that the low income program should be screened only through low income cost effectiveness testing. Is that different than the TRC test that applies to PAs?
  - *That is the same test.*
- How does the federal WAP program and fuel assistance and the 1-4 unit program fit together?
  - *It all happens behind the scenes to some extent. Before the utility moneys we had limited resources and had to prioritize the efficiency opportunities. Once the money was available we were able to address all the opportunities in the building.*

*Our managers are skilled at finding the limits and procedures for each bucket to complete the work.*

- Does the weatherization assistance program (WAP) cover up to 80% AMI?
  - *60%, it is the same eligibility as the Mass Save programs. A major difference is the WAP program has less of a concern with the TRC test. We will often shift the less cost effective and difficult measures to WAP funding.*
- What measures or non-measures are covered by federal funding?
  - *In the heating system world, we can deal with asbestos when we find it but the utilities don't deal with it. It is called a pre-condition, but it is built into the hardware program that facilitates removal of it. In a similar way, if there are other repairs or additional work to do, such as adding a bathroom fan for ventilation, we will do it and fund it with the federal source and sometimes with the PA funding. The final blend must meet everyone's goals for savings and funding. We don't break it out into a detailed report for how each house is broken down; that would be a burden and may not even be useful.*
- What percentage of the \$4,000 per unit is PA money or other money?
  - *This varies but if you averaged every WX job across the state the average cost would be \$4,000. It is complicated though because the funding from DOE (WAP) is low, so their contribution is less than it was 4-5 years ago. So now the PAs contribute about 75% on average. But we can spend up to 10k on a house.*
  - *Some substantial pre-weatherization measures are actually cost effective under the TRC. Net energy benefits contribute to this but they are less than half the total.*
- When you talk about heat pumps being cost effective for replacing electric resistance, are you talking about ductless mini-splits or something else? Does it apply to single family and multi-family?
  - *We are doing a multi-family retrofit pilot right now and finding that one mini-split works well in smaller units with 1-2 bedrooms on the same floor. But this isn't in every case. If it is two stories, it is usually not cost effective but marginally cost effective if high use. We haven't done multi-head heat pump units yet; but may try to support a pilot test of a new Mitsubishi multi-head product.*
- Since the federal WAP requires ventilation, are you subject to federal regulation requiring compliance with ASHRAE standard 62.2?
  - *We didn't get a waiver. The Federal DOE WX requires 62.2 compliance and we will go in and make sure the house meets 62.2 but there are places you cannot do a blower door test due to asbestos or other hazardous materials. For those situations the federal WX requires over ventilation, which isn't good for efficiency or the client. We have to make a judgment on how to apply that in the field.*
- You also showed a large increase in demand savings relative to the goal—was this driven by a particular measure?
  - *If you look at the energy savings you'll see it also went up almost proportionally.*

- Do you have a data set or analysis that you can provide offline about the effectiveness of heat pumps?
  - *Yes, but we are still collecting data and only have 8-10 installations across the state. Preliminary results show savings, but some installations are more cost effective than others.*

### Opportunities for Improvement Presentation

John Wells presented on the opportunities for improvement.

### Clarifying Questions

Councilors asked the following clarifying questions and provided the following comments. *Responses are in italics.*

- Are LEDs replacing incandescent bulbs or compact fluorescents?
  - *LEDs are not replacing CFLs at this point; we are mostly replacing incandescents.*
- Do you do a blower door test in the audit? Since you use federal money, are you required to use the Davis-Bacon wage rates? You don't have the same problem as we have in HES because your customers get it all for free. In terms of me as a councilor, I want you to focus on areas of biggest opportunity, not just anybody that comes through the door applying for fuel assistance. Focus on people without insulation in the walls. I want to know what you are doing to optimize the money from the ratepayer?
  - *Yes, we do blower doors, usually more than once. We do it to establish a baseline then afterwards to assess standards. On the wages, during the ARRA funding there was a special labor wage rate for DOE funding, which disappeared after the end of ARRA. But some of us still collect the sheets and ensure that wage rate continues to be paid. Not everyone does this. Finally, we prioritize by high-energy users, seniors, young families with children, or disabled persons. We have to prove our prioritization to federal people who complete the reviews.*

### Discussion, Refine Options, Develop Recommendations

Councilor comments and questions about the opportunities proposed by LEAN are below.

- I'm working with non profit groups to send to the PAs to review and would like to see the LEAN proposal for adding non-profits that serve low income customers to see if we are consistent.
- I'm excited about the opportunity to expand eligibility, especially for oil, but am concerned about what it might do to the pipeline of work. I'm more concerned about the non-profit proposal; this might not be the appropriate program for them since they are not multi-family buildings. How would eligibility impact the current pipeline?
- Expanding the eligibility (to non-profits and 80% AMI fuel assistance applicants) should not impact the queue. We occasionally get a few applicants who apply but don't meet the threshold. Including these people wouldn't impact the queue.

- There maybe many owners who currently don't apply because they know they barely won't meet the criteria but they would apply if they knew they were close and could be eligible.
- The gas budget is already fully allocated for 2015 (in February) and this might cause capital planning problems for some property owners who planned to have the equipment installed over the summer so the equipment is ready for next winter, but they'll have to wait until their turn comes.
- That is a fair statement. The gas bucket is a different level of funding than the electric budget. The committee recommended we do 1/3 public housing, 1/3 CDCs, and 1/3 private owners of low-income housing and we keep to these buckets closely. That is a management issue. But we haven't heard complaints about the wait. If a project has a timing issue, we've worked to fit those in so we do not lose the opportunity. There is a queue now that did not exist three years ago but this is mostly because we are now becoming known for our work.

Dr. Raab summarized the themes from the group discussion thus far. He said it sounds like technologies are not the main issue and they should be incorporated into the programs if they are cost effective. There is hesitation on the eligibility due, in part, to the queue to get the work completed. The EEAC would need to determine whether or not they would increase funding if eligibility is expanded or if they will reshuffle the allocation of existing funds.

Participants made the following comments:

- I support the proposal to serve those in the 60-80% median income category if they are applying for fuel assistance. The decision should be how much, if anything, are they paying to participate. We would not be changing their eligibility but we would be changing the benefit. They will be booked to HES in the residential sector, not the low-income sector, which will impact cost effectiveness in the residential sector; however this is still acceptable. I also support LEAN serving non-profits so long as we define which nonprofits will be served. This will also impact C&I cost effectiveness. We need to further discuss the 80% HUD standard.
- The LEAN proposal was to fund both of these out of the low income bucket.
- Regarding whether or not it will open a flood of applicants if the 80% HUD standard applicants are eligible: the rules are skewed toward extremely low income applicants. I think it is more an equity issue for buildings where most of the building would qualify but because of 2-3 units they do not qualify, which then precludes the building from the program. Adding those 2-3 units then enables the building to reach the 60% of median standard. I see this as an equity issue that won't open the floodgates.
- Does anybody have concerns about fairness in extending benefits and LEAN service to households in the 60-80% range of median income who apply for fuel assistance but not the larger group of people who do not come in to apply? Should that whole group of 60-80% be eligible? Should it be a policy people can take advantage of?

- I support providing service for those who apply for fuel assistance and are at 61% or more; but the challenge is that we at Renew Boston would feel duty bound to promote it because it is available.
- We've talked about capping that piece of the program at X number of homes.
- Non-profits are one of the areas most difficult to reach in Boston so I support this; but the questions to answer are how it will work and how non profits will be defined.
- The DOER would rather see a broader moderate-income program covered through HES. Maybe 60-120% AMI taken to scale as a statewide offering, but it wouldn't be zero co-pay.
- There is huge difference between people in the 60-70% range and 110-120% range. 60-70% falls well within the poverty range. Lumping them all together is probably not the best option.
- If eligibility is extended to the 60-80% range, would it be capped? Possibly capped at \$10,000?
- We are open to discussing how to deal with that population. 75% of the homes can be fully weatherized for less than \$4,000. We rarely reach the \$10,000 cap.
- I agree we need to define nonprofit so it only includes those serving low-income people. An example is Head Start that serves people at 135% of the federal poverty level, which is a clearly defined population, a low income related non-profit?

## **LOW INCOME PROGRAM PUBLIC COMMENT**

Members of the public made the following comments:

- Don Bianchi, Massachusetts Association of CDCs. We support 88 mission driven non profits by giving them voice on public policy decisions. I have two comments about data collection and new programs to deal with energy efficiency at the time of refinancing that I will put in writing. Today, I'll address a third point, the eligibility for the multi-family LEAN program. The MACDC believes that more resources need to be secured if the eligibility criteria are broadened. The queue for gas related services is up to two years long and cannot accommodate more pipeline without more funding. If the budget cannot accommodate program demand, then PAs are not capturing all the potential energy savings. In the absence of additional resources, MACDC believes that broadening the low-income program for a broader range of incomes or uses should not be considered. Especially concerning is the proposal to use the program for non profits as this would dilute scarce resources. Although we heard John state that the wait is not an issue, I have heard that the wait is significantly impacting some operations. I can get more information on this and pass it to the EEAC within the next week. Please hold on considering the broadening of eligibility.
- Beverly Craig, Homeowners Rehab. We are a big user of LEAN, which is a great program that is well managed and reaches many properties. Regarding benchmarking, WegoWise was transformative in managing assets. It is really important to be able to figure out which buildings to prioritize. There was discussion about opportunity points—Low income buildings have a 15 year cycle of project finance. Although the LEAN program

works great for operating properties; it doesn't work well when doing a large refinancing project. I suggest creation of a different subprogram of LEAN that is for properties that are at the point of refinancing. Demonstration projects for deep energy retrofits would also be useful. We also have concern about expanding eligibility due to the wait time, especially on the gas budgets. Data access is critical—it is important that the DPU order on energy efficiency results be completed. As energy efficiency work is done we need to start thinking about climate change and the location of boilers in buildings to increase resiliency to climate change.

- Marianne McLaughlin, Jamaica Plain Neighborhood Development Corporation. We own and operate 399 units of housing in 13 locations. Properties range from 11 units to 60 units. We've worked closely with ABCD, LEAN, and New Ecology who help to convene the asset managers in a very resource efficient way to share lessons learned. On the refinance point, yes there is a 15 year cycle, but looking at the building operationally, you cannot raise rents before even thinking about refinancing given the federal shutdown that we are still operating under. We have to seize opportunities to reduce cost and provide enhanced comfort. That is another point of entry that is important to us. In our properties, many of which are low income housing tax credit properties, but because of the other funding we get we have a lot of residents that are 60% and below, and we do get some property-based vouchers. So that's getting to the point of expanding the eligibility. I would ask that you think about how to do this in a way that provides first priority to 60% and below so that those of us who own and operate these affordable units, and are facing the ability to pay our bills and provide good high quality housing to low income people, to stay focused on that mission and business purpose. But we also cannot help seeing that the other opportunities are attractive because those other people live in Jamaica Plain as well. We also operate a low income in-home childcare educators program and we would see those individuals as being perfect candidates for the nonprofit piece you're talking about and I'd like to see those situations helped. But, I have to be constructively selfish: we've got to be able to have multi-family LEAN funds to help pay the bills and drive down costs.

Dr. Raab described the proposal he heard the group discuss [Note: This includes some refinements made with the Councilors during the meeting but after the comments made following these bullet points, but all the recommendations are consolidated in this list.]

- LEAN should continue to pilot test new energy saving technologies and practices and incorporate them into their programs when they make sense, provided the programs are cost effective
- LEAN should expand its eligibility criteria to include 1) low-income multi-family houses that heat with oil/propane (assuming RCS change); 2) non-profits that primarily serve low-income customers; and 3) multi-family buildings that meet 80% of HUD standard
  - However, the two caveats are that 1) non-profits serving primarily low income need to be clearly defined; and 2) there need to be additional funds available to cover these expansions without reducing resources to pre-existing LEAN markets or exacerbating the low-income weatherization queue issues

- Defer supporting LEAN’s request to also expand eligibility to households applying for but not eligible for fuel assistance (those at 60-80% of median income)
  - There were concerns that this might be inequitable to others in the 60-80% category who didn’t apply for fuel assistance, or cause many more 60-80% households to apply for such assistance. In the end, it was agreed to defer this request to the broader discussion within the context of serving 60-80% category in the full HES program at the 3/9 meeting.
- Councilors were also more broadly interested in an initiative targeted at potential retrofit opportunities when any multi-family building is being refinanced
  - State agencies that know a low-income building is coming up for refinance should share that information with PAs and LEAN so they can capitalize on it with an appropriate retrofit initiative

Councilors responded with the following comments:

- That is in line with how I feel. One addition, evaluate the addition of a tailored initiative for low-income multi-family buildings around refinancing and in coordination with housing and subsidy allocation processes since these also provide windows of opportunity.
- I would add a separate and distinct capital finance program, similar to the programs the Mass School Building Authority uses to fix broken roofs or other large issues. The 60-80 and the multi-family 80% HUD standard should remain together, but need clarity about why they are together.
- Just to clarify, LEAN has a number of projects going through refinancing—and they haven’t begun to come to closing—but we look at energy efficiency resources and build them into the queue. This is already part of the program.
- I’m glad LEAN is able to do that even though that is not how the program is set up. There are a lot of projects that go through refinancing that do not get that figured out, either they don’t know they are eligible or the timing does not work out. The state housing agencies keep track of the refinancing that happens each year—figuring out how to work with LEAN on this is important.
- I agree with the following: Supporting low income multi family, nonprofits if it is well defined, multi-family that meets the 80% standard, technology, and in response to refinancing and tax credits, we should make sure state agencies share information about buildings coming up for refinance. I would add that the PAs work, possibly with Betsy, to get the list of buildings coming up for refinancing from the state agencies that have the information.

Dr. Raab asked if any of the voting councilors would not support the proposal with the aforementioned friendly addition. The councilors made the following comments:

- I’m certainly receptive to everything I’ve heard. But not knowing how the funding works and the impacts that it would have is a concern. Seems like the funding is a legislative issue and I would not want us to be saying ‘nevermind that, we think funds should be

distributed in this manner.’ I am supportive enough of wanting it to go forward, but it needs to be evaluated further.

- I’m supportive, but we need to work out the details and know how it will work with LEAN. We need to know where money is coming from and how it impacts the whole program.
- I’m interested in seeing nonprofits served better, but maybe there are other ways to serve nonprofits from more abundant funding lines?
- Just to clarify, nonprofits are contributing to the program but they are unable to access the program, which is a clear inequity.
- I suggest adding that the recommendations be reviewed in context of implications on the overall budget and those who are already eligible for the funds.

Dr. Raab said it sounds like LEAN should be involved in the 60-80% discussion for HES program.

### **NEXT STEPS/WRAP UP**

Dr. Raab and Mr. Finlayson thanked the participants for their participation. New construction will be discussed at the next meeting. Meeting summaries from the workshops will be drafted and recommendations will be culled from the summaries to compile a draft outline of recommendations that will serve as the basis for the conversation at the next and final workshop on March 9. We’ll refine the recommendations on March 9, and then send those to the full EEAC for review and consideration.

### Appendix A: Attendance

| <b>Last Name</b> | <b>First Name</b> | <b>EEAC Councilor?</b> | <b>Company</b>                 |
|------------------|-------------------|------------------------|--------------------------------|
| Barnes           | Anthony           | No                     | Energy Savvy                   |
| Bianchi          | Don               | No                     | Mass. Assoc. of CDCs           |
| Boecke           | Donald            | Yes                    | MA Attorney General's Office   |
| Bowen            | Mark              | No                     | Franklin Energy                |
| Boyd             | Amy               | Yes                    | Acadia Center                  |
| Buno             | Jessica           | No                     | Keegan Werlin LLP              |
| Cellucci         | Elizabeth         | Yes                    | CMA                            |
| Chretien         | Larry             | Yes                    | Mass Energy Consumers Alliance |
| Clifton          | Amber             | No                     | Just-A-Start                   |
| Collins          | James             | No                     | ABCD/LEAN                      |
| Craig            | Beverly           | No                     | Homeowner's Rehab Inc.         |
| Footer           | William           | No                     | Conservation Services Group    |
| Gardner          | Eric              | No                     | New Ecology                    |
| Glynn            | Elizabeth         | Yes                    | LISC                           |
| Goodwin          | Decia             | No                     | MassHousing                    |
| Gromer           | Paul              | Yes                    | Peregrine Energy Group         |
| Hanover          | Jodi              | No                     | Rich May, P.C.                 |
| Harak            | Charlie           | Yes                    | National Consumer Law Center   |
| Harrington       | Cheryl            | No                     | Eversource Energy              |
| Hastings         | Riley             | No                     | Eversource Energy              |
| Huckabee         | Lyn               | No                     | DOER                           |
| johnson          | paul              | Yes                    | greentek                       |
| Kearney          | Brian             | No                     | RISE                           |
| Kimball          | Derek             | No                     | Unitil                         |
| Lopez            | Lourdes           | No                     | City of Boston                 |
| Lynch            | Margie            | No                     | Consultant to EEAC             |
| Masland          | Lawrence          | No                     | DOER                           |
| McLaughlin       | Marianne          | No                     | JPNDC                          |
| McPike           | Christina         | No                     | WinnCompanies                  |
| Mermin           | Naomi             | No                     | Naomi Mermin Consulting        |
| Moriarta         | Courtney          | No                     | Consultant to EEAC             |
| Oppenheim        | Jerrold           | No                     | LEAN                           |
| Pereira          | Laurie            | No                     | Eversource Energy              |
| Pfiffer          | Ellen             | No                     | National Grid                  |
| Pike             | Brenda            | No                     | National Grid                  |
| Raab             | Jonathan          | No                     | Raab Associates                |

|           |           |     |                                              |
|-----------|-----------|-----|----------------------------------------------|
| Song      | Margaret  | No  | Cape Light Compact                           |
| Swing     | Bradford  | Yes | City of Boston                               |
| Terry     | Elizabeth | No  | National Grid                                |
| Troy      | Joanna    | No  | MA Dept. of Energy Resources                 |
| Underwood | Corey     | No  | Columbia Gas of Massachusetts                |
| Vavak     | Amy       | No  | National Grid                                |
| Walker    | Patricia  | Yes | Representing Liberty Utilities for Jim Carey |
| Wells     | John      | No  | ABCD/LEAN                                    |
| Whiteman  | Alissa    | No  | DOER                                         |