

# MassSAVE/Weatherization Home Energy

## State of the Programs

Joint Presentation of the Program  
Administrators and the Residential EEAC  
Consulting Team

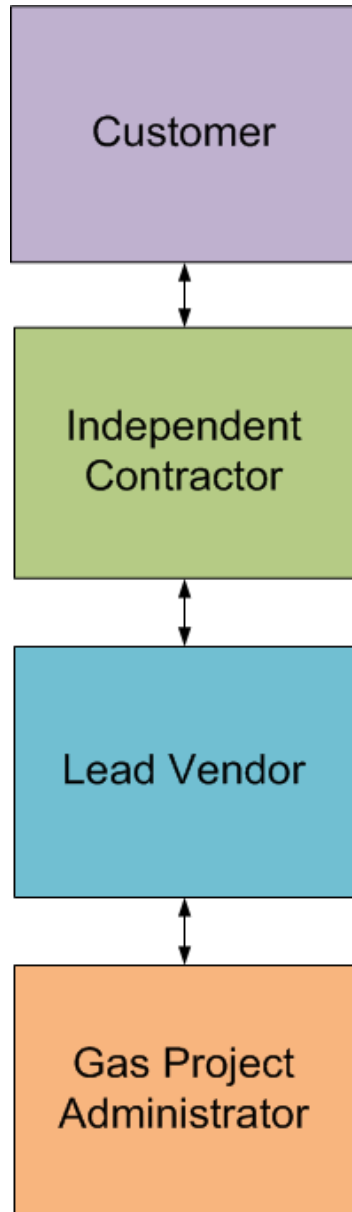
May 11, 2010

{Draft}

# Agenda

- Program Design History
- Current Summary of Issues
- Model Overview of Key Components
- Proposed Process Going Forward

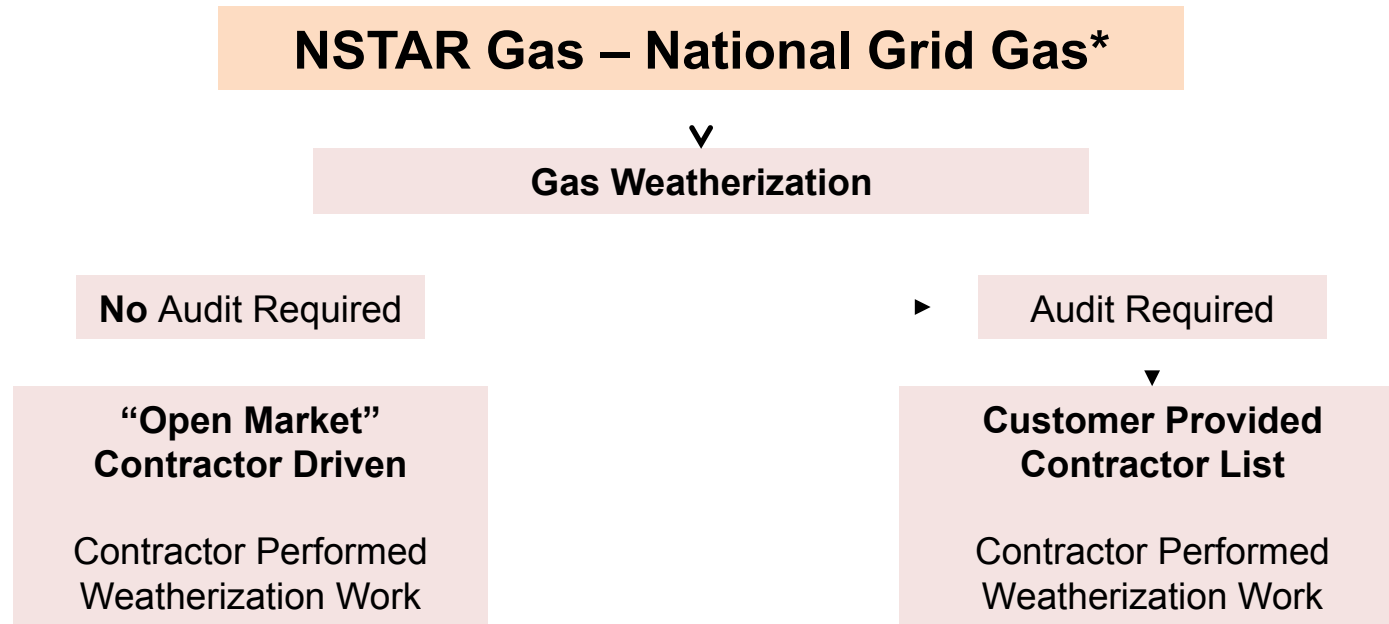
# Gas Weatherization (the Past)



## NSTAR & National GRID

- Insulation Jobs performed by Outside Contractor Network
- No Audit Requirement
- **Missed Opportunities** (No CFL bulbs or Direct Install Measures)
- Very Little Air Sealing
- Lacked Whole-House Approach

# Historical Perspective



For 2010 – Based on Recommendations by DOER & Consultants  
Moved to Mandatory Audit Requirement – Reviewed and approved by  
DPU in connection with Three-Year Plans.

Other PAs who have not historically employed the “Open Market Approach” for weatherization have experienced fewer transition issues

**\*Other Gas PAs have minor variations in program model**

# 2010 Gas Weatherization

NSTAR – National Grid

NSTAR – National Grid

Elimination of “No Audit” Model

Audit Required

**Customer Provided List of Approved\* Weatherization Contractors  
Or  
An Approved\* Contractor That Refers a Customer to Get an Audit is Guaranteed Air Sealing and Weatherization Work**



## **New Program Design Benefits:**

- Active working group
- Still Competitive
- Air Sealing Will Become Routine
- Contractors Will Now Have Ability to Provide Instant Rebates
- Ability to Capture More Savings – Going Deeper

# Key Weatherization Issues

NSTAR – National Grid

Issue Identified	Actions/Resolutions	Additional Considerations
<b>Marketing</b> Marketing driving consumers to MassSAVE lead vendors only.	<b>Website</b> -List Participating Contractors on Mass Save Website for NSTAR & National Grid Gas -Contractor List provided to customer.	-Drive more customers to weatherization contractors as a first point of contact. -Weatherization contractors need to be educated on program eligibility guidelines. (customer confusion)
<b>Contractor Referral Process</b> Contractor brings customer to table – relationship assurances	<b>Development of “Contractor Referral Form”</b> -Detailed work proposed by contractor is identified prior to the assessment. -Lead Vendor does not offer a contract if in receipt of referral firm. -Confirms an established contractor/customer relationship	-Contractors claiming an established relationship with the same customer -Customer requests a bid from lead vendor – current model prevents lead vendor from providing bid – limiting customer choice and causing customer confusion.

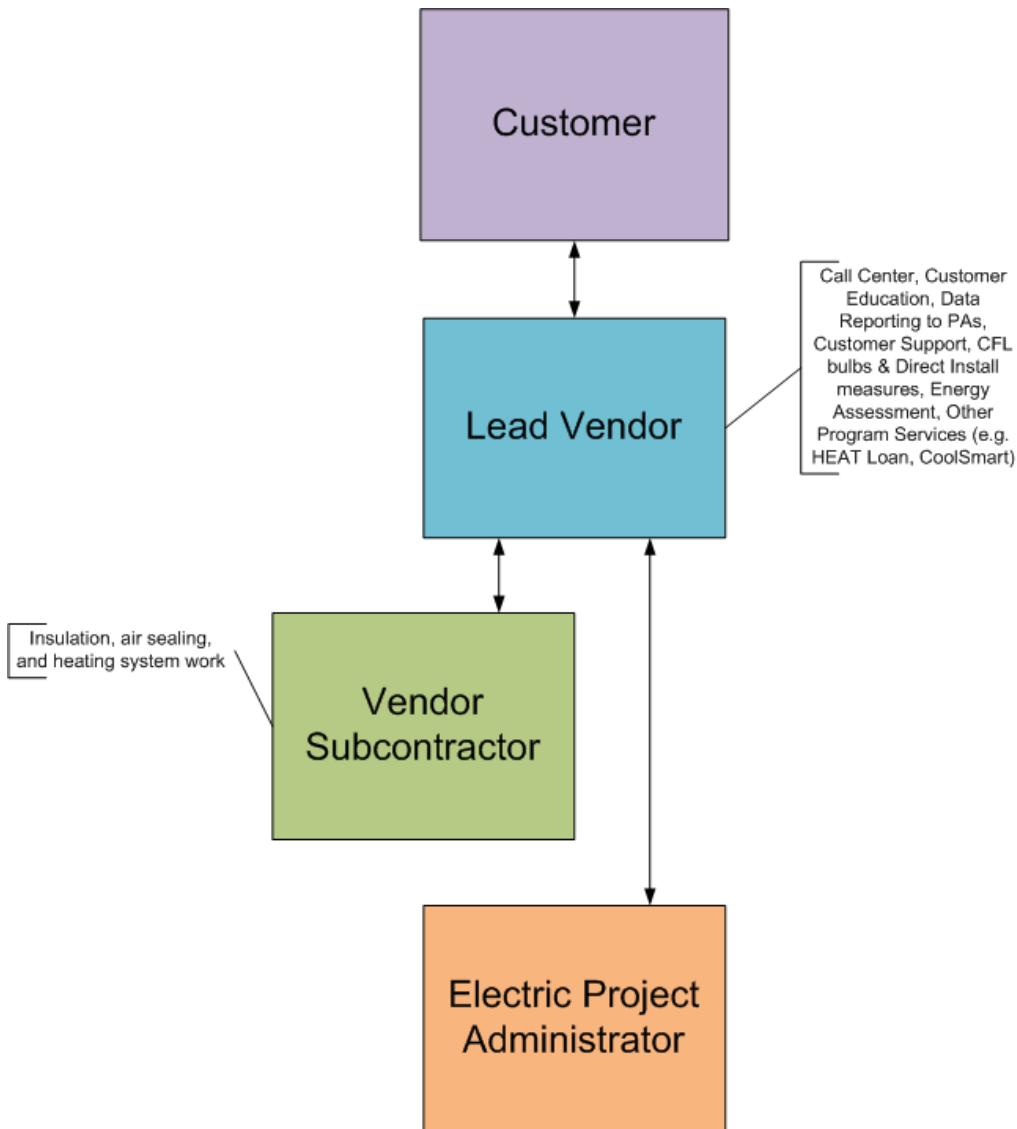
# Key Weatherization Issues

## cont'd

### NSTAR – National Grid

Issue Identified	Actions/Resolutions	Additional Considerations
<p><b>Instant Incentive vs. Rebate</b></p> <ul style="list-style-type: none"> <li>- Contractors stated that they could not compete with an instant incentive offered via lead vendors. “My customers have to pay in full up front and wait for payment”</li> </ul>	<p><b>Payment Directly to Contractors</b></p> <ul style="list-style-type: none"> <li>- Process changed to pay contractors in order to allow for instant incentive to be offered to customers.</li> </ul>	<ul style="list-style-type: none"> <li>- Vast majority of contractors reacted favorably to this change.</li> </ul>
<p><b>Timely Payment to Contractors</b></p>	<p><b>Increased Check Payment Run</b></p> <ul style="list-style-type: none"> <li>- Payment time was cut from 4-6 weeks to 2-4 weeks.</li> </ul>	<ul style="list-style-type: none"> <li>- Incomplete paperwork causes delays</li> <li>- Some contractors want immediate payment</li> </ul>

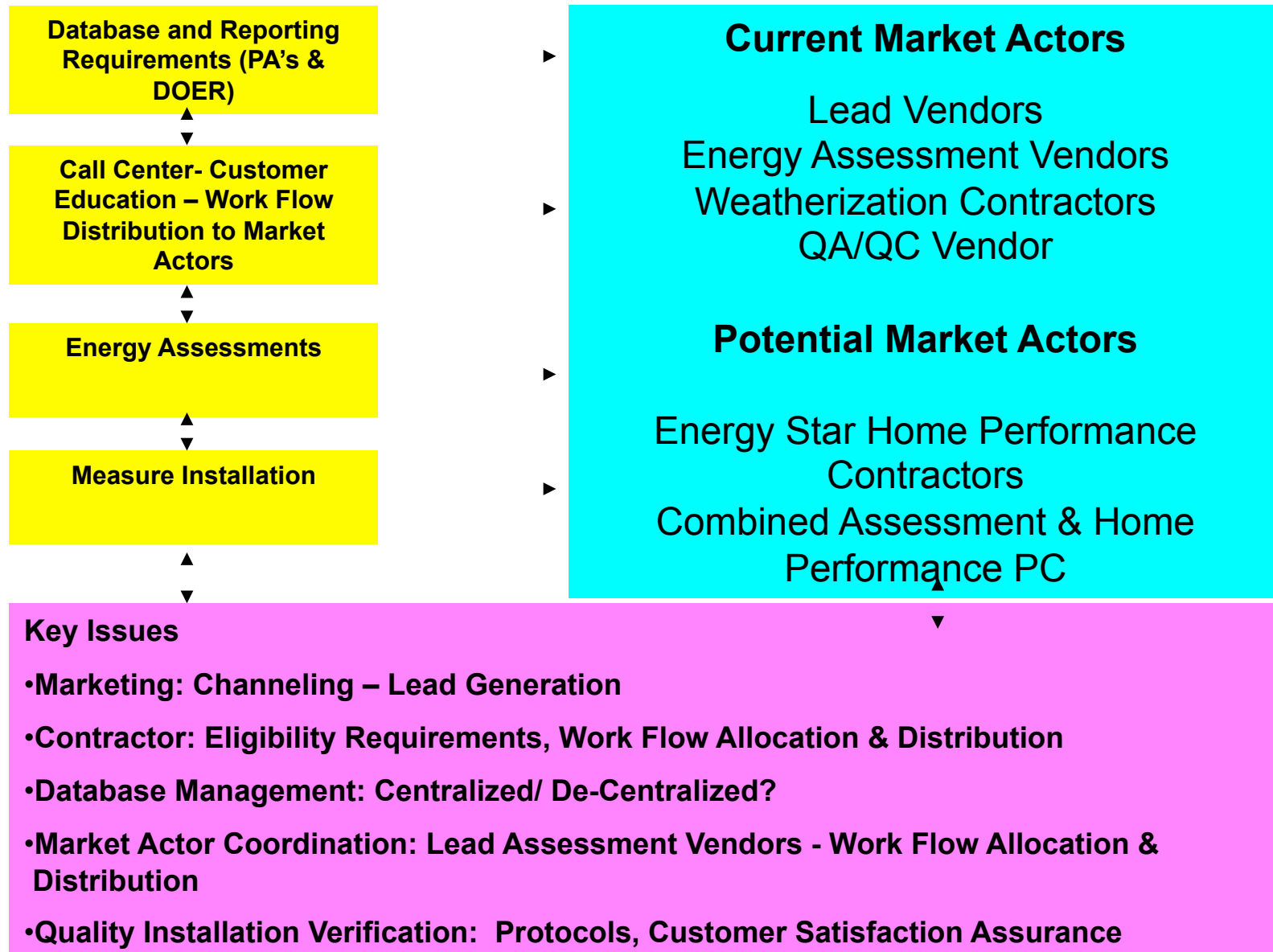
# MassSAVE/RCS (Current)



- Streamlined Delivery Process
- CFL bulbs & Direct Install Measures
- 100% QC of Sub-Contractor Work by Lead Vendor



# Core Program Components and Design Considerations



# Brainstorming Delivery Options

## Program Functions / Participation Options

Functions	Options for Delivery and Contractor Participation						
	1	2	3	4	5	6	7
	Lead Vendor finds projects (using call center and other means) and allocates projects to contractors (contractor arranging)				Contractors find their own projects through their own means, without Lead Vendor services		
Database and reporting to PAs Contractor management	Statewide Contractor Management Vendor						
Call center Customer education/support Contractor arranging	Lead Vendor	Lead Vendor	Lead Vendor	Lead Vendor	Home Performance Contractor		
Energy assessment	Energy Assessment Contractor			Combined Assessment/ Installation Contractor OR Home Performance Contractor			(1) Energy Assessment Contractor
Measure installation	Installation Contractor	Lead Vendor Installer or Subcontractor	Installation Contractor			(2) Installation Contractor	(1) Installation Contractor
Quality assurance/QC	Statewide Quality Assurance/QC Vendor						

Statewide Contractor Management Vendor and one Lead Vendor may be the same entity (and are shown in that manner above)

Colors other than yellow show where there are opportunities for various types of independent contractors

Need a clear, transparent, and fair process for lead vendor to allocate and distribute projects to contractors (contractor arranging)

# Other Delivery Options

## Program Functions / Participation Options

Functions	Options for Delivery and Contractor Participation						
	1	2	3	4	5	6	7
	Lead Vendor finds projects (using call center and other means) and allocates projects to contractors (contractor arranging)				Contractors find their own projects through their own means, without Lead Vendor services		
Database and reporting to PAs Contractor management	Current electric process Current gas process Statewide Contractor Management Vendor						
Call center Customer education/support Contractor arranging	Lead Vendor	Lead Vendor	Lead Vendor	Lead Vendor			
<b>Energy assessment</b>	Energy Assessment Contractor			Combined Assessment/Installation Contractor OR Home Performance Contractor	Home Performance Contractor	(1) Energy Assessment Contractor	(2) Energy Assessment Contractor
<b>Measure installation</b>	Installation Contractor	Lead Vendor Installer or Subcontractor	Installation Contractor			(2) Installation Contractor	(1) Installation Contractor
Quality assurance/QC	Statewide Quality Assurance/QC Vendor						

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## Timeline for Implementation of the New Mass Save Home Energy

- **List of participating contractors now on website**
- **Installation contractors can currently participate with NSTAR Gas & NGRID Gas by completing 'Contractor Participation Agreement' and having appropriate licensing, training, and certification**
- **PILOT:** Recruiting qualified independent energy assessment providers (May/June 2010)
- Exploring concept of home performance contractors, and installation contractors under the umbrella of the applicable MassSAVE/RCS lead vendor; need clear and fair process to allocate projects (in discussion)
- Statewide QC Vendor in place (August 2010)
- All Contractors must be BPI-certified (January 1, 2011)

## Other Considerations: Mass Save Home Energy

- PAs post “road map” describing how contractors can participate in the programs (critical task)
- Clarify future program technical standards
- Expand opportunities for contractor training
- Energy assessments in 14-17 days (or later if customer requests); set goal of <7 days in 90 days
- Link to and promotion of financing (HEAT Loan/other)

# Key Outstanding Issues: Mass Save Home Energy

- Need clear, transparent, and fair process for distribution of leads and assignment of projects to contractors
- Fixed or open EE measure pricing
- Clear and consistent message and marketing to customers to achieve deeper savings (not single measure delivery)
- Consistency in program delivery and consistent, high quality customer service – QA/QC processes
- Some contractors want to do other measures that are not eligible measures in the program
- Payment of contractors must be timely

# Going Forward Plan

<b>Activity</b>	<b>Timeframe</b>
Document Current issues	May 2010
Ad hoc group formed (PAs, consultants, 2-3 Council Members)	May 2010
Host design charette to develop solutions	June 2010
Develop detailed timeline for finalization of recommendations	June 2010
Develop recommendations from charette for model enhancement	July 2010
Develop pathway to implementing refined contractor model	Aug 2010
Present recommendations/pathways to implementation to EEAC	Sept 2010