

Working Group Series for Participating Contractors and Industry Partners

Session #10 | February 10, 2022 8:30am-10:00am

Agenda

- Meeting Procedures
- Welcome
- Safety Message
- Joint Management Committee (JMC) update and discussion
 - New 2022 required training
 - Online Intake Tool (OIT) status updates
 - ICF process cycle times for completed projects
 - Detail on flawed project process
 - Application and flawed project deadlines
 - Follow-ups from 12/16 meeting
- Resources, support, and next steps

Action Items/Commitments

Information in colored text throughout the document corresponds to the action items listed below.

- Several process improvements will be put into place to help resolve the number of projects with “Action Required” statuses, including sending out more automated email reminders (and/or text message notifications if contractors have opted in to this service), scheduling more meetings between account managers and contractors, and including the most common submission issues in ICF’s School of Clean Heat
- The JMC will post a redline version of changes made to the 3/1 version of the Program Manual

Welcome

- Program representatives on the call today:
 - JMC Co-Chairs: Will Xia (Con Edison), Donovan Gordon (NYSERDA)
 - JMC Members: Ray Cotto (Central Hudson), Steve Coulter (Con Edison), Jennifer Cross (National Grid), Nicole Williams (NYSEG, RG&E), Mark Maloney (Orange & Rockland)
 - Implementation Team (ICF): Mike L’Ecuyer, Kenn Latal
 - Working Group Support Team (Concentric Energy Advisors): Ben Davis, Pieter Zwart, Clara-Ann Joyce

Working Group Series: Review of Typical Meeting Format

- As outlined in previous meetings, the intent of this Working Group Series is to create a forum for working meetings between participating contractors, industry partners, and other stakeholders with the NYS Clean Heat Program Administrators.
 - Emphasis is on the “working group” nature of these calls, with focus on clarifying issues, pain points, affected parties, and proposed solutions

- The JMC wants to promote dialogue and discussion with a focus on transparency and communication
 - The intent is to drive toward solution development
 - Emphasis here is on open communication with the industry. The JMC does want this to be a two-way process in terms of flagging and communicating issues.
- The hope is to have stakeholder-led presentations of pre-submitted topics in addition to updates from the JMC on topics discussed in previous sessions

Safety Message

- The JMC would like to present a safety message each month, to keep the program core value of safety top of mind
- In these winter months, removing snow and ice from your vehicle is important, especially in light of the recent storms that have come through New York State
 - Prepare to give an extra 10-15 minutes in the morning
 - Start your car and warm it up
 - Brush off loose snow and scrape the glass for any ice, paying special attention to lights and license plates
 - Check the mud flaps and wheels for ice buildup
 - Remove as much snow and ice from the top of your car

New 2022 Required Training – Cold Climate ASHP Sizing and Design

- TRC, a Quality Service Provider for the Program, reviewed information about the new contractor training requirement, as detailed in an email that recently went out to Program stakeholders
- Effective January 1, 2022, all *new* ASHP installers seeking to become NYS Clean Heat Program Participating Contractors must also provide documentation that they have completed an ASHP manufacturer-sponsored Cold Climate ASHP Sizing and Design Training requirement
 - The training covers things like the basics of load calculations and design, maximum capacity at design conditions, minimum capacity at warm/temperate conditions, controls and distribution strategies, etc.
 - A number of manufacturers have these trainings available now
 - The trainings are required for new contractors, but are also great refreshers for existing Participating Contractors
- These trainings are being developed at the manufacturer level and are being taught by the manufacturers themselves or through distributors and manufacturers' reps
 - Some are in person, some are offered via webinar, and some are still under development
- The status of trainings is as follows:
 - Mitsubishi is offering trainings via Zoom right now: one occurred last week, and two more are coming up on 2/16 at 2pm and 2/18 at 9am
 - ABCO is running a training for Daikin on 2/15 at 8am. Signup is available on DaikinCity.
 - Fujitsu has trainings in development
 - LG will soon be offering trainings in partnership with Klima NY
 - Haier will soon be offering trainings in partnership with Emerson Swan

- Samsung HVAC's Peter Donaghy added during this meeting that training is now available anytime on Samsung's Business Academy
- Currently, there is no central tracking of these trainings – information is being passed by word of mouth. Please talk to your distributor and/or manufacturer for the most up to date information.
- For those who work near the Massachusetts border and work with the MassSave program, this training will be required there as well beginning January 1, 2023
- This training is for ASHP. Contractors registered for GSHP only are not required to complete it.

Online Intake Tool (OIT) Improvements Status Update

- A number of previous sprint items were completed in 2021, as discussed in prior updates
- The first three items for 2022 were completed on 1/18:
 - Fields have been added for Con Edison and Orange & Rockland Category 2a and 2b
 - Fields have been added to flag LMI projects for NYSEG and RG&E
 - The Note/Comment field has been activated for contractors to use on new applications if needed
- Adding total project aging to the dashboard proved trickier than originally anticipated. The plan is now to create two reports within the OIT instead of adding an aging column:
 - One report will be used to display paid projects by date range. Users will be able to enter a date range and verify which projects have just received payment. Aging information can be included here.
 - Another report will be used to display all other statuses, and can include both overall aging and aging within status
- The next sprint is scheduled to conclude on 5/1. It will include the following tasks:
 - Adding report functionality as discussed above
 - Including equipment model and serial number on either the summary or project page so that contractors can check equipment information before submitting
 - Implementing cloning measures so that users can hit a button to copy duplicate information within a project
 - Enabling smarter entries based on fuel type – drop-down lists would change to include only the options relevant to the selected fuel type
 - Reassessing and redesigning fields in the project layout to resolve column width issues
 - Making all versions of the OIT identical – this is something ICF will continuously be working on as requirements and offerings become more and more uniform across utilities
- After the 5/1 sprint concludes, the larger project will be to finalize getting all of the OITs onto one platform as a uniform system. ICF is on track to do this by the end of August.
 - Once everything is all on the same platform, functionality can be expanded to allow bulk uploads in Excel across service territories

ICF Process Cycle Times for Completed Projects

- ICF has been able to process projects more quickly for the smaller volume utilities

- In the graph shown on the slide, the dotted lines represent all other utilities excluding Con Edison – processing performance for this group has been more consistently under 20 days for projects that do not require attention
 - Sometimes a project will not be flagged as Attention Required even if something needs to be quickly resolved with the contractor
- As discussed in previous updates, a large element of the cleanup efforts through the winter focused around getting through the backlog of applications that had piled up, especially in Con Edison’s service territory. Con Edison had identified over 2,400 projects that had only minor things incorrect or missing and granted some clemency on those projects.
 - Processing this large chunk of applications before year-end drags the solid blue line upwards
- The program continues to work hard to tighten up the entire process, including reducing the number of applications that come in needing attention
 - Currently, approximately 30% of projects require attention over the course of the program

Detail on Action Required Project Process

- The Action Required status in the OIT indicates a project that needs some additional information, an additional document, etc.
- Current process: If a processor identifies an issue, the application is moved to an “Attention/Action Required” status. An automated software is used to notify the contractor, where the processor can select pre-set descriptions of what the issue might be.
 - There have been requests from contractors to make these descriptions a bit more granular. With the automated software, it is challenging to add detail to the pre-set options, and without the automated software, it becomes challenging to send out notification efficiently.
 - Participating contractors are encouraged to reach out to their account manager right away if there is any confusion
 - If no response is received within 14 days, another email goes out and the account manager will try to get in touch. If no response is received after 90 days, the project is reverted to an Inactive status
 - From here, the contractor still does have the opportunity to provide the outstanding information and reactivate the project
- Process improvements will be put in place to try to reduce the number of projects with “Action Required” statuses, to avoid future backlogs and improve communication with contractors:
 - More automated email reminders will be sent out. Contractors can also opt to receive text notifications in addition to emails.
 - The program is working actively with account managers to schedule more contractor meetings – account managers and contractors can talk through blocks of projects that may have come in, if there is a particular item or issue that keeps coming up, etc.
 - The most common submission issues will be included in ICF’s School of Clean Heat webinars

- These webinars are not required, but may be helpful as refresher courses for someone who has already been participating in the program. There are versions for GS and AS, both downstate and upstate.
- Utility program managers are also available to assist with issues

Application Deadlines for Process Improvements

- Two additional process improvements will be implemented going forward, so that Program staff can be accurately tracking the backlog of projects and focusing efforts in the right places
 - For contractors who have already been resolving issues in a timely manner, this will not affect you. The JMC appreciates your good work.
 - For contractors submitting larger custom work that requires pre-approval, this will also not affect you.
- The JMC is looking to establish a 45-day deadline for contractors to begin communications about resolving applications with errors.
 - In some instances, projects have been left outstanding for quite some time with no communication. Program staff are trying to get ahead of this to keep projects moving along.
 - A new status called “Application Inactive” will be created. Projects will be placed in this status if the 45-day deadline is missed.
 - It is important to note that projects in the “Application Inactive” status are not cancelled. Contractors can easily reinstate these projects by replying to the communications sent to them and submitting the information requested.
- The JMC will also establish a 60-day deadline for submitting new projects. New prescriptive project applications must be submitted within 60 days after the project is commissioned.
 - The JMC understands that this program has been quite fast-moving, and is committing to a structure where changes are communicated at a regular cadence.
 - Projects submitted a bit later on can get stuck between new requirements and old requirements. 60 days, or 2 months, after a project is commissioned is the latest the program expects to receive applications
 - This deadline will also not affect large custom projects that require pre-approval, and will not affect projects that are being addressed in a timely manner

Written Question – Jones Services

- In my opinion, contractors are already in a sensitive state because of the incentive changes that are coming on March 1. Now deadlines are being imposed. The “deadline” is really a holding status, but it is a hard word to hear at this time.
- **Response:** The JMC understands that the wording of “deadline” may sound harsh to some. As noted in the explanations above, the new process improvements described above will not affect contractors who are resolving issues with their projects in a timely manner. The JMC has noted this comment and will change the wording to “timeframe” going forward.

Follow-up resources from 12/16 Meeting

- As a quick follow-up to materials shared in December and January’s meetings, the JMC is sharing again a few resources that have become recently available:

- An OIT status glossary, outlining definitions of what each status means, is now available on the OIT documents page and accessible [here](#)
- A step-by-step guide for the OIT is now available on the Help page of each utility's OIT tool
- ACH payment guidance is now posted on the NYS Clean Heat Resources [webpage](#) under Working Group Series – General Reference and is also accessible [here](#)

Program Manual Update – 3/1

- A new version of the NYS Clean Heat Program Manual will be provided on March 1. It will integrate the previously announced incentive changes for Central Hudson, Con Edison, and Orange & Rockland, which have been reviewed in past calls and communications.
- The application deadlines for process improvement, as discussed a few slides ago, will also be incorporated. This includes the 45-day deadline for contractors to resolve applications with errors as well as the 60-day deadline after project commissioning for contractors to submit new prescriptive project applications.

Written Question – Mitsubishi

- In the March 1 update, will Multifamily rebate categories be detailed? For example, a project with 12 units, new construction, and total building load under 300,000 Btu would be Custom because it is over 5 units? Will the type of project (new construction, direct replacement, or gut rehab) affect the rebate?
- **Response:** This project example would be Custom because it is new construction. Pg. 11 in the current Program Manual outlines this. Category 2 does call out that for multifamily buildings, all retrofit mini-split heat pumps or central ccASHPs shall be eligible for Category 2 regardless of heating capacity, while multifamily new construction or gut renovation projects shall be eligible for Category 4, regardless of system capacity.
- A table is included at the very beginning of each version of the Program Manual that shows what updates have been made by date
 - The JMC will also post a redline of edits on the Resources webpage to provide additional transparency on changes made

Verbal Question – Lake Country Geothermal

- To provide the contractor's perspective on the 45-day deadline previously presented and feedback to contractors on flawed applications: Our experience has been that often no detail is shared when an application is labeled as flawed, and it becomes cumbersome to obtain that detail and try to resolve the issue.
 - Sometimes, we don't even receive an automatic notification that the application is flawed, and only discover there is an issue when we log in to submit other applications.
 - I would suggest that receiving the rebate payments in the bank is motivation enough for contractors to clear out these applications – to implement a 45-day deadline after which it is more work for us to reinstate the application adds unnecessary burden.

- **Response:** It sounds like in the current process, you are not receiving feedback in as timely a manner as necessary. This is something that Program staff is committed to improving. If there are any specific issues, please reach out.
 - Secondly, the JMC wholly agrees that receiving the rebate is motivation enough to clear out any stalled applications. This is why it was mentioned that the 45-day deadline will not affect contractors that have been resolving issues in a timely manner. For the vast majority of participating contractors, this deadline will not have any effect, since they are already well within the timeframe.
 - The imposition of these rules is focused on another subset of contractors we have been seeing who are not so motivated. Program staff commits to making it known when a project has unresolved issues by reaching out multiple times via phone and email to get responses. The JMC is trying to streamline that subset of jobs where contractors have not been responsive.
 - To further clarify the 45-day deadline: if that deadline is missed and the application goes into Inactive status, the project does not require a resubmittal from scratch. The contractor simply needs to respond and provide the missing information in order to reinstate the project and continue to move the application forward. It is not about putting people back at the start of the process, but rather about focusing time and efforts in the right places.
 - The hope is that by instating a set timeframe after which the Program will no longer actively follow up, this will free up time for account managers to work with those who are responsive on their applications that need attention. If someone is not responsive on a project, the account manager can take a pause on that inactive application.

Written Question

- Where can the 2b adder incentive be found in the Program Manual, and how long are these intended to run?
- **Response:** Incentive information on Category 2 begins on pg. 20 in the current Program Manual. On the following page there is a table that shares the 2b incentives for the utilities that offer them. Right now, these are additions for these utilities with no intention to stop them.

Verbal Question – Absolute Comfort

- Things have changed quickly in this program, especially the rebates and now these deadlines. I can't always get responses when I have a problem with a project – my account manager can get busy and sometimes take some time to respond. When I call the project help hotline, sometimes they don't have the information I need. I eventually do hear back from my account manager, but it might take a week, for example – this time adds up.
 - Some of the responsibility does lie with the contractor, of course, to submit complete applications. However, contractors don't always sign up for a job and submit it to the program right away – many might wait and submit a batch of projects at once. Sometimes a job gets signed on and doesn't get started for 4 months.
 - Maybe the JMC should be setting some deadlines for themselves, such as giving 120 days' notice before changing rebate amounts.
- **Response:** The JMC hears your concerns. We are setting deadlines for ourselves – December 1 was the internal deadline for providing notice for these March 1 changes. As laid out in

December's meeting, the JMC commits to only making changes at most twice a year on a set cadence, with at least 3 months' advance notice.

- We also hear your concerns on the back-and-forth timing of responses to project inquiries. If necessary, please reach out to Kenn Latal if you need to escalate an inquiry that is not receiving attention.
- To reiterate: With the 45-day timeline for resolving project issues, the project is only placed in Inactive status if there is no activity. We want to work with contractors to flag issues and exchange messages and information. Only when Program staff has reached out and made an effort and still no response is received from the contractor is when we turn to Inactive status.
- It may be timely to remind stakeholders that if there are broader issues, or issues several stakeholders are dealing with, you are encouraged to fill out the [Stakeholder Issue Template](#) to share out to the group at this meeting and to get feedback from other contractors and stakeholders. Please do not hesitate to bring up these issues – that is what this forum is for. The JMC wants to prioritize items that we can change and where we can find compromise.

Verbal Question – Habitat845

- We own multiple real estate businesses, build spec, and rehab houses in disrepair. We have been grateful beneficiaries of the Program incentives. The rebate program has been absolutely essential to our budget. We ask the JMC to reconsider the announced reductions in rebates – because of the reductions, we now have to reconsider whether we can incorporate clean heat into our projects. We are hoping that the rebates can be brought back to the highest levels, especially as we need clean heat more than ever now.
- **Response:** The incentive changes are for the downstate utilities only, and the JMC has explained their reasoning for needing to make these changes in prior communications. The 2b decommissioning incentive has been added, which may be helpful to you.

Verbal Question – Moravec Geothermal

- Consistency with any kind of a rebate or credit has always been something the industry has struggled with. There are a lot of projects that are struggling with supply chain issues – we cannot get equipment as quickly as we could before. In new construction projects, we are providing customers with a quote, but by the time the project commences, the rebate could have been pulled. Costs are constantly changing, and the homeowners are the ones absorbing the changes.
- **Response:** The JMC hears your concerns. We are putting in place our biannual cadence of announcing changes, with the goal to get to a point where we are running a consistent program for everyone. Some utilities are planning to give a lot more thought to new construction. The utilities are taking notes on your point about new construction and will follow up with you offline.
- **Additional Response:** Moravec Geothermal had also submitted a question in writing regarding the 45-day timeline: Basically, as long as there is communication between contractors and ICF/the utilities, the application stays active?

- The answer is yes. There may be a situation where there is a complex issue that takes some time to resolve. As long as there is communication, the application will stay active, even if 45 days have passed since the original flag.

Verbal Question – Samsung HVAC

- Samsung would like to note that their Clean Heat Education slide deck is complete and available for dealers anytime on Samsung Business Academy. If contractors would like to take that course in person or online, please contact your local distributor.

Verbal Question – RYCOR

- First, a shoutout to Central Hudson and ICF, who have been great partners. We install a great deal of heat pumps with them and their turnaround times have been stellar.
- With the rebate reduction, we are suffering in sales and have seen the effects right away. Customers call us sometimes a year after we have given them proposals, and there are probably 10 homes a day where we visit and give proposals. Our comfort specialists are communicating with customers we talked to a month ago or even further out and have not been able to convert a single one with the lower rebate structure. We are booked solid through February, but only have two projects for March. We are hoping to see a turn on that when we create a new book of work (*i.e.*, with customers who did not previously know about the higher incentive rates).
 - We did hear something encouraging about a 2b adder incentive being added. We take into account contractor reward when budgeting a project. If there is an adder we don't know about, it could be helpful.
- **Response:** The JMC appreciates your feedback and insights here. At a high level, we would like to see the 2b adder for decommissioning take that shift. It provides a higher incentive (\$1,000/10,000 Btu/h) while guaranteeing decommissioning of the prior system. Your specific case can be discussed more offline.

Resources, Support, and Next Steps

- The slide deck, meeting notes, and additional Q&A responses will be provided after the meeting
- The next Working Group Series meeting will take place on Thursday, March 10th
- Links to helpful resources, as well as contact information for the program-wide inboxes and utility program representatives, are available in the presentation slides

The JMC appreciates all of the feedback received here and will continue to communicate with manufacturers, contractors, distributors, and other industry representatives.