

# Working Group Series for Participating Contractors and Industry Partners

## Session #2 | June 10, 2021 8:30am-10:00am

### Agenda

- Meeting Procedures
- Welcome
- Stakeholder-initiated topics for discussion
  - Cooling load requirements (BPCA-NYS)
  - QA/QC inspections (BPCA-NYS)
  - Project eligibility clarifications (Vigilante Plumbing, Heating, and Air Conditioning)
  - Heat pump water heater recommendations (A.O. Smith)
- Joint Management Committee (“JMC”) update
  - Status updates on process improvements
  - Planned revisions for July 1
- Resources, support, and next steps

### Action Items/Commitments

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

- Long-term: The JMC/ICF commits to spreading the message about using minimum cooling load on applications with the ICs and, in turn, account managers so that the messaging reaches the contractors
- The JMC will implement an incentive process for projects over 120% of building load in the 7/1 Program Manual update
- The JMC will continue to make progress on changes to the QA/QC inspection checklist, to have ready in time for the 7/1 update
  - In the longer term, the JMC will commit to process improvements on the QA/QC front, as relates to procedure, protocol, and having contractors on site for inspections
- The JMC will consider the choice of words used in identifying outcomes of QA/QC inspections. A suggestion has been made to change from “Fail” to “Nonconformance”.
- The JMC will continue to reassess weighting of items in the QA/QC inspection checklist
- Long-term: The JMC will continue to work with the QA vendors to encourage customers to allow contractors to attend QA/QC inspections
- The JMC will share a detailed, bulleted list of changes that will be made to the Program Manual in advance of 7/1
- The JMC will check on whether inspection reports can be FOILed (in reference to the Freedom of Information Law, “FOIL”)
- ICF will keep an eye out for Anthony Vigilante to reach out to have additional conversation about projects over 120% of load for technical reasons and to approve some of Anthony’s projects
- After the 7/1 Program Manual update, the JMC will re-engage on the topic of deeper engagement with heat pump water heater contractors

- Francois Lebrasseur (A.O. Smith) will send contact information for the EPA HPWH group to ICF

## Welcome

- Today's meeting structure will be a bit different from the first session
- As discussed in the first session, the goal is to have these sessions be focused on stakeholder-initiated topics. To that end, four stakeholders have submitted topics for discussion, and the majority of time today will be focused on hearing from them.
- Program representatives on the call today:
  - JMC Co-Chairs: William Xia (Con Edison), Wendy MacPherson (NYSERDA)
  - JMC Members: Ray Cotto (Central Hudson), 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 the first meeting, 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
- Meeting structure: Future meetings are envisioned to focus on 5-minute presentations from stakeholders who have asked to speak in advance about a particular issue. In the second part of the meeting, the JMC will provide updates on previously discussed topics.

## Cooling Load Requirements (BPCA-NYS)

- Hal Smith, speaking in his capacity as President of the Building Performance Contractors Association (BPCA-NYS), presented about cooling load requirements
- A lot of jobs have been kicked back because it has been deemed that the equipment used provides over 115% of cooling load, which is outside of the 90-115% of building cooling load range required by the NYS Clean Heat Program ("Program")
  - It seems as though the problem is that the intent here is to use the *minimum* cooling load of the air-source heat pump ("ASHP") to determine whether it falls within this range, but sometimes the NEEP sheet/spec sheet gets misinterpreted and the *maximum* cooling load is used instead
  - When actually looking at the minimum cooling load, it is very rare to have a project get kicked back. This seems to be a matter of interpreting the NEEP sheets correctly and using the right number.
- This issue was suggested as High priority – many heat pumps are installed every day and this affects many projects

- ICF noted that the Program is striving to make it as clear as possible that the minimum cooling capacity is needed for variable speed units so that contractors better understand what to enter on their application. ICF is also double-checking documentation as well to catch as many of these instances as they can.
- Next steps identified include spreading this message with the Implementation Contractors and making sure messaging is funneled down to account managers so they can make this specification clear as they work with the contractors

**Verbal Question – Daikin North America**

- When did the range change from 120% to 115% capacity? What about the heating outputs – can you clarify?
  - Understanding was that you could go anywhere from 90% to 120% of capacity for heating – is 115% for heating and cooling?
- **Response:** ICF: 115% is on the cooling side. As applied to variable speed ASHP, minimum cooling load should be used to compare to the 115% limit. 90-120% is on the heating side. 90% will get you into the full load incentive category.
  - Previously, projects over 120% of building load were being disqualified from the program, but the JMC is instituting a process for projects over the 120% mark. An incentive cap will be in place, which will not go much higher than what is offered at 120%. This will be officially implemented in the July 1 Program Manual updates. ICF is involved in updating their IT systems to address projects like this that have already been submitted.

**QA/QC Inspections (BPCA-NYS)**

- Hal Smith presented on a second topic related to QA inspection concerns
- What is happening here is that contractors install hundreds of systems, and months later the QA inspections start, so that any issues found have already been sitting for some time and have likely been duplicated on multiple jobs
  - For example, one item that has come up as a failure in many instances is UV protection on the line set. We are in agreement on implementing this and the solution is simple now that supply houses sell rolls of UV tape – it is just a matter of covering the line set with the tape. The issue is that none of the checklist standards were given in advance. No one was aware that it was required to make sure the line set was UV protected.
    - Customers were happy with their install, and then they get a grade on their inspection that’s failing because of something small like this – it leaves a sour taste in the customer’s mouth
    - We support going back and fixing it – it’s a simple thing and we’re going to do it – but don’t give us a failing grade for this
  - Another example is a few instances where a job was sold and the project manager made some field changes on the job: a high wall head unit was swapped out for a low wall head unit. The same capacity or a bit of extra capacity was retained – in no cases was capacity dropped below originally planned. The contractor takes responsibility for not documenting these changes on the close-out paperwork – they should have done that –

but once again this resulted in a failed inspection that does not reflect the overall quality of the job.

- The ask here is to have some consideration for these grades and how they are distributed.
  - Distribution of the checklists ahead of time is requested so contractors are aware of what the inspectors are looking for and the inspection does not become a “gotcha” situation
  - All of the contractors want to do quality work and do a good job the first time
- The JMC noted that spreadsheet versions of the inspection checklists are available on the [NYS Clean Heat website](#) under Standards and Quality Assurance, which was shared in the meeting Q&A chat. This link will also be distributed with the post-meeting materials.
- National Grid responded with some further information and noted that they have heard some of these same concerns from others
  - For many of the inspections that are being done months after install, this is due to a backlog of projects that existed before the current inspection process was put in place
    - The original goal was to get as many contractors as possible moved from Provisional status to Full status
    - The backlog will work itself out in protocol and in the future we will no longer be working from this backlog
  - Regarding issues with a hard Fail: this an important topic too. The JMC is reviewing the checklist now and trying to create more degrees of nonconformances so that there can be more nuance and projects are not failed overall for a minor issue.
  - Regarding product change in the field: we do understand that that happens, and this is not intended to be overly punitive. The JMC meets weekly with the Implementation Contractors at this point and will continue to have lines of communication open with them.
  - Regarding installers/contractors not getting invited to inspections: we have heard about this happening and have brought it up with our QA/QC vendor to let them know this is not how it should be working and not how we want it to be working
    - We have asked them to make sure that when they are speaking to their customers, make the messaging more welcoming to have a contractor be invited to the inspection
  - Overall, the JMC is working towards getting on a better track in terms of QA/QC items. The checklist was posted to the Resources page, which maybe the group thought was sufficient when perhaps it was not. Changes on this front are in the works for the July 1 update, and the JMC will strive to keep everyone in the loop.
- Next steps identified include continuing progress on revised checklist items. The JMC has been looking at where revisions to the inspection checklist items are appropriate, with the intent to implement in the upcoming July 1 update.
  - Another next step relates to process improvement updates for procedure, protocol, and having installers on site. The JMC will continue to reach out to Hal and others in the course of this process.

**Verbal Question: HeatSmart Tompkins**

- In regard to working with the QA vendor to have contractors invited to the QA inspection: is this a requirement now or will it be a suggestion?

- **Response:** It is ultimately up to the customer whether the contractor is invited to the inspection. The QA vendor has been instructed to frame this as a welcoming experience and a positive thing when speaking with customers.
- On the issue of failed items in an inspection: could there be some kind of grace period where the contractors are learning on-site what the expectations for the inspections are?
  - In the future, there could be something like this where items can be failed, but right now set it up so that there is a dialogue where we are learning what to do
  - It does not seem as though there are major issues happening here where systems are not working, refrigerant is leaking out into the atmosphere, etc.
- **Response:** National Grid: Through this process, we have had a chance to take a look at how the inspector might be interpreting certain items and realize that this is not always the best way.
  - Contractors may have seen some adjusted reports where inspectors may have readjusted some items that were determined a certain way
  - There has also been discussion on holding a QA/QC webinar where the JMC and stakeholders can review the checklist together and answer questions
  - The JMC understands and appreciates that these Fails are important to the contractors, which speaks to everyone’s desire to do quality work. These Fails are not meant to reflect on anything other than the program requirements – they are not a reflection of the contractor’s work overall. The JMC is open to adjusting the requirements.
- Further question: If there is not a way to implement a grace period, is there a way to rename the corrections to something other than Fail? The customer understands that word a certain way.
  - We are trying to build a program – build awareness and happy customers. Language is important. We can’t underestimate the impact that this kind of language can have on the market.
  - If the wording can be changed to Nonconformance that would be better. If contractors get a report back that says simply “Nonconformance” instead of “Fail” in big red letters that would make a difference.
- **Response:** That is something we could potentially do.
  - ICF: It is important to note that these reports are not posted publicly anywhere and are not shared with the customer. They are really for internal purposes for program tracking and to make sure the contractors understand the program. All of the reports are used internally for the JMC to track where contractors may need help in certain areas and to make sure we can provide that help or training.
    - The link to the checklist information is posted on the NYS Clean Heat website (under [Standards and Quality Assurance](#))
    - We are not trying to take away from the work you do
    - Nonconformance is the word we use when we discuss internally – we will take that suggestion back and further discuss
- Next steps identified include having the JMC consider word choice/framing choice of corrective actions on QA/QC inspection reports and how these are being presented and shared with contractors
  - There is also a need to reassess some checklist items and how they are being weighted in the inspection – some are more critical, some are less critical

- There is also a procedural thread having to do with how the Program is reaching out to the contractors to include them in inspections. This is probably a more long-term action item.

**Verbal Question: NY-GEO**

- It is great to hear about changes that are coming to the Program Manual on July 1 and they sound positive, but we don't really know what they are. It would be good to be able to see a draft before they go live.
- **Response:** Con Edison: This has been discussed internally. At this point we are not looking to share a draft in redline/working form. **In advance of July 1 we can certainly share a detailed, bulleted list of where we would be changing language in the Program Manual.**
  - NY-GEO: If a detailed list is an accurate portrayal, this gets to the spirit of what I am asking for. I see this as a positive step.

**Verbal Question: HeatSmart Tompkins**

- The inspection reports are not public, but can they be requested under the Freedom of Information Law (FOIL)? The opposition could use them against us. There are active forces trying to tank the building electrification movement.
- **Response:** Not sure if anyone on the panel has insight into this. **The JMC will take this back and check on this if it is a concern from the industry.**

**Additional Written Questions Related to QA/QC (not addressed verbally in the meeting):**

- 1. Summary of Question:** After a QA/QC inspection, if it is determined that a deduction made does not actually require attention after clarifications are made, is the inspection record changed to reflect a higher score?

**Response:** If a deduction should not have been given, this is a scenario in which the contractor can contest the deduction. If the Program Administrator and Implementation Contractor agree and approve the contested item, the Quality Service Provider will update the score.

- 2. Summary of Question:** What are the implications of a failed inspection? What are the follow-ups and next steps, and who are the points of contact for these?

**Response:** Upon receiving a non-passing score, the contractor will receive a Corrective Action Report detailing what steps should be taken to correct the identified non-conformances. This score and Corrective Action Report will not be published. Once the contractor completes the corrective actions and submits photo documentation, the matter will be considered closed.

- 3. Summary of Question:** Would utility program materials as pertaining to personally identifiable information be protected from FOIL just as is the case for utility bills?

**Response:** The Freedom of Information Law (FOIL) provides the public with the right to access government records. The NYS Electric Utilities are not subject to FOIL.

## Project Eligibility Clarifications (Vigilante Plumbing, Heating, & Air Conditioning)

- Anthony Vigilante of Vigilante Plumbing, Heating, & Air Conditioning presented about clarifications on project eligibility for mini-split air source rebates
- For a certain project, the Manual J could say we need 24,000 Btu to heat a home, but that home has a lot of separate rooms that need heads. A 24,000 Btu unit can only handle 3 heads.
  - We could put in a bigger unit to accommodate more heads – it will not use more energy because it will ramp down to what is needed. Can we apply for what is in the Manual J but install the bigger unit? We don't want to run into a payment problem on the back end.
- **Response:** ICF: This gets back to the prior conversation about allowing over 120% of load if there is a technical reason. We are also working on an incentive calculator tool – if you have a system that is within that range it would calculate an estimate of the incentive allowed. We hope this will be useful for everyone.
- Next steps here include having Anthony reach out to his account rep at ICF so he is able to process his projects that fall into this category.
  - This is still somewhat new for the account managers in the field, so additional dialogue will need to be had at this stage.

## Heat Pump Water Heater Recommendations (A.O. Smith)

- Francois Lebrasseur of A.O. Smith presented some ideas to further engage heat pump water heater (“HPWH”) contractors in the Program
- HPWHs have great potential in New York, especially upstate. Francois’ recommendation is to push the midstream instant rebate part of the program and create an “Easy Button” for this.
  - Give the incentive to the contractors to offer the instant rebate up front to the consumer, so they do not have to do much work to get reimbursed by the program
  - Usually when programs fail it is because we have trouble engaging the market actors. We need to make it easy for contractors to offer the rebate and get reimbursed.
- Suggested solution: create an app
  - Information on the app allows for determining eligibility of a project and whether an incentive can be offered up front to the consumer.
    - The contractor wants peace of mind that if they reduce their invoice they will get reimbursed
  - Have the contractor submit the request for reimbursement and try to reimburse quickly, potentially within the app through a payment structure like Venmo. It can be a closed loop system.
  - We are very interested in seeing this program work. There may be other ways to execute a similar idea.
- Con Edison noted that there is quite a lot of potential in an approach like this. There is consensus that the incentive structure for HPWH can be reviewed and improved upon. The midstream model proposed is very interesting.

- This is something the JMC is willing to explore, but would like to set expectations around timing. Keeping in mind the July 1 Program Manual update, this will be the main focus in the short term, which admittedly is focused on the space heating side.
- The JMC will keep the conversation going with Francois in the long term.
- ICF noted that they have done some limited direct communication with plumbing contractors, recognizing that there is more of this to do across the state in at least 1-2 territories.
  - In the “Find a Contractor” tool, a tag has been created specifically for HPWH so customers can search directly
  - ICF has internally discussed the option of working with a mobile app also. It is further down on the wish list but is something they have considered and are looking at.
  - ICF has used an app in other efficiency programs around the country. It is something they are capable of doing and implementing.
  - In terms of timeline, 3-6 months in the context of other updates that are already in the works might be ambitious – maybe this is something for next year
- ICF also noted that many of the HPWH units are sold through big box stores with a lot of customer participation. ICF has worked with mobile tools in big box stores for instant discounts and has experimented in Central Hudson service territory with a distributor model.
  - ICF is interested in further discussing and thinking about this in the months ahead
- Francois Lebrasseur informed the group that the EPA is hosting an informal group of HPWH manufacturers each month. This may be a group the JMC wants to engage. Francois can provide contact information if you want to speak with them.
- Next steps:
  - After the July 1 Program Manual updates, the JMC can re-engage on this topic
  - Francois will follow up with ICF with a link to the EPA group

**Verbal Question: En-Tech Associates**

- What has the conversation been like about air to water heat pump incentives? It is an expensive technology but it has terrific benefits. Current rebates on it are practically non-existent compared to ASHP.
- If homeowners are installing equipment such as hybrid hot water tanks, there should be clear instructions on how it should work
- The JMC invites En-Tech to submit this topic for presentation in the next meeting, with proposed changes or solutions
- The JMC thanks everyone who brought proposals today, and thanks the attendees for active discussion. We will look to keep this format for future meetings and discuss proposals like this each time.

**JMC Update: Status Update on Process Improvements**

- The JMC presented some updates on topics that have been talked about before
- ICF spoke about a few technical enhancements that have been in the works
- The single statewide application design is complete
  - This includes Categories 1-3 and HPWH

- ICF is actively loading and completing installation of the National Grid online intake tool (“OIT”). This tool is going through internal testing this week and should be ready to launch next week. They are working with a few contractors to test it out in advance.
  - This OIT is primarily for residential projects in National Grid territory. National Grid is also working on a portal for C&I equipment and will add that when it is ready to go.
  - 2 training webinars for this tool were hosted this week and a number of contractors were able to attend. ICF will be sharing the slide decks for those as well. The tool will look very similar to those already in place for other service territories.
- Further OIT features are being put in place to make communication between ICF and the contractors clearer
  - Automated emails for Attention/Action Required items are being sent out by the system. This feature was launched on 5/24.
    - For example, if photographs are needed for a nameplate, etc., corresponding boxes can be checked and the system will send out an email
    - Contractors will be able to provide those updates or provide notes
    - If a contractor wants to talk to a live person they can still reach out to the customer care team
  - Revised mapping of project statuses was reviewed in the last meeting. This feature is being tested now, and ICF aims to launch by the week of 6/21.
    - These revised project statuses will give more transparency to contractors on where their project is in the process
  - A single statewide hotline and email inbox for project-related inquiries will launch on Monday 6/14
    - Phone number: **844-212-7823** | Email: [NYSCleanHeat@icf.com](mailto:NYSCleanHeat@icf.com)
    - Please note: the phone number is not live yet today
    - The email address is live – many of ICF’s customer care folks that have already been providing customer care across the state will be supporting this
  - A dashboard for tracking project aging is still in the works
    - There are many details to put in place and ICF is still aiming for a late June launch
  - The overall project process is being evaluated to minimize required forms and streamline the contractor process
    - A draft Customer Acknowledgement form is making it through the JMC and is down to the last final version. This should be ready to land in everyone’s hands in late June.
    - Nuances will continue to exist because each utility has different terms and conditions
    - The form is designed to accept an e-signature, so customers can e-sign and send back even if contractors and customers are not working face to face
  - Progress continues to be made on the Contractor Participation Application Portal
    - The intent here is to have one single statewide online application portal with links to relevant forms and a portal for uploading additional documents

- Launch of this feature is targeted for July
- The Participating Contractor Management System will be up in mid-August
  - This tool will coordinate the Clean Heat “Find a Contractor” tool, the utility website contractor listings, and Participating Contractor statuses

**Verbal Question: NY-GEO**

- What is the status of electronic payment? There seem to be some programs where electronic payment for the contractors is easy and happening, and others where folks are waiting for a check in the mail.
- **Response:** ICF: Electronic payment does need to be set up contractor by contractor in the way the process has to work. Unfortunately, this is not something ICF can do in broad strokes. ICF has been increasing activity in loading contractors in in Central Hudson and Con Edison service territory and has started to do it in NYSEG/RG&E service territory as well.
  - Any contractor who is interested in receiving electronic payment should contact ICF. If there is not a specific account manager they have been working with, they can reach out to the central email inbox and hotline (844-212-7823 or [NYSCleanHeat@icf.com](mailto:NYSCleanHeat@icf.com))
  - For the time being, electronic payment is not available in Orange & Rockland service territory. For now, O&R is sending out the checks themselves. We are working to see how we can set up that process here.

**JMC Update: Planned Revisions for July 1<sup>st</sup>**

- The JMC gave an overview of planned revisions for the Program Manual to be released on July 1
- New “HP + envelope” incentive offering
  - This offering is in response to stakeholder requests for a combined offering that addresses building improvements
- Category 4: Custom Project updates
  - The JMC has been working with stakeholders to pressure test a new calculator tool that will forecast MMBtu savings as well as incentive savings
  - The JMC will also clarify the process for submitting Category 4 projects, with an initial focus on commercial projects
- Updated eligibility criteria for various technologies
  - For example, ENERGYSTAR Tier 3 clarification
- 3<sup>rd</sup> party incentive designations
  - Contractors will be able to pass on payments to 3<sup>rd</sup> parties including customers
- QA/QC checklist updates
  - As touched upon in earlier discussions in this meeting
- Heat pump sizing ratio guide
  - This will also be included as an appendix in the updated Program Manual guide

***Additional Written Questions Related to JMC Updates (not addressed verbally in the meeting):***

**Summary of Question:** The website <https://saveenergy.ny.gov/> brings me to a page with Con Edison’s logo, but I am in National Grid’s service territory. This is misleading. Is there something amiss here?

**Response:** The NYS Clean Heat website can be found at <https://saveenergy.ny.gov/NYScleanheat/>.

## Resources, Support, and Next Steps

- Two centralized email inboxes now exist
  - [NYSCleanHeat@ceadvisors.com](mailto:NYSCleanHeat@ceadvisors.com) is for program-related inquiries and feedback
  - [NYSCleanHeat@icf.com](mailto:NYSCleanHeat@icf.com) is for project-related inquiries and feedback
- The next scheduled Working Group Series meeting will be on Thursday July 15
  - A few new potential discussion topics were identified today. If you would like to propose any new topics, please submit them to [NYSCleanHeat@ceadvisors.com](mailto:NYSCleanHeat@ceadvisors.com).
- As the JMC works towards the 7/1 Program updates, the [NYS Clean Heat website](https://saveenergy.ny.gov/NYScleanheat/) will be the main repository of information
  - <https://saveenergy.ny.gov/NYScleanheat/resources/>

The JMC thanks all presenters and participants for their time, attention, and engagement in today's meeting.