

# Working Group Series for Participating Contractors and Industry Partners

## Session #3 | July 15, 2021 8:30am-10:00am

### Agenda

- Meeting Procedures
- Welcome
- Stakeholder-initiated topics for discussion
- Joint Management Committee (JMC) update and discussion
  - July 1<sup>st</sup> revisions
  - Status updates on process improvements
  - Con Edison and Orange & Rockland specific updates
- Resources, support, and next steps

### Action Items/Commitments

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

- The JMC will look into the contractor scorecard being used by the NYSERDA Comfort Home program as an example of potential suggestions for stimulating more activity by contractors, keeping in mind the impact that different rating systems may have on small vs. large contractors.
- In response to the new incentives available in Con Edison and Orange & Rockland service territories, the JMC will be providing additional guidance on what constitutes decommissioning and what eligibility criteria will be used for the integrated controls incentive
- The JMC will post an errata page on the NYS Clean Heat Resources webpage to correct the error in Footnote 10 on pg. 17. The footnote should read, “In addition to the amount shown here, O&R offers a \$1,500 incentive per project” (not per condenser unit).
- As related to Category 4A: HP + Envelope, the JMC will determine and share a percent floor/minimum threshold for building envelope improvement.

### Welcome

- 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 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
- The desired format is to have stakeholder-led presentations of pre-submitted topics. The JMC has created template slides for stakeholders to use in presenting these issues.
  - For today’s meeting, the JMC has not received any stakeholder-submitted topics
    - Several project-related and other specific inquiries were addressed separately via email (see slides for summary)
  - Stakeholders are reminded that feedback, questions, and proposed topics can be submitted through the Program’s two centralized email inboxes:
    - Program-related inquiries (including proposed topics for discussion): [NYSCleanHeat@ceadvisors.com](mailto:NYSCleanHeat@ceadvisors.com)
    - Project-specific inquiries: [NYSCleanHeat@icf.com](mailto:NYSCleanHeat@icf.com)
  - If one contractor is thinking something about the program, it is likely that someone else is thinking it too. Many other stakeholders may share the same issue.
- Please submit topics by using the stakeholder [templates](#), as found on the NYS Clean Heat Resources [webpage](#)
  - The template slides are also displayed within the presentation slides for this meeting

## July 1<sup>st</sup> Revisions

### Custom Projects

- The JMC presented a graphic that displays additional steps for a Custom project within the context of the general project process
  - A distinction between Prescriptive vs. Custom projects has been added to the Program Manual
  - Custom projects will be pre-inspected at a 100% rate and may be subject to a final technical review to ensure that all savings are captured
- Additional details are outlined in the Program Manual starting on pg. 12
  - Section 3.6 (Engineering Savings Analysis Requirements for Custom Categories 4, 4A &6) and Section 4 (Participating in the Program) give further information
- For scenarios in which Custom project eligibility is not clearly defined in the Program Manual, the following criteria will be used:
  - Fossil fuel (heating, natural gas, steam generated by fossil fuel, etc.) energy consumption must be reduced by the new electric technology or application
  - The new electric technology or application:
    - Must not increase the overall annual site energy consumption

- Shall be market ready and can meet or exceed applicable minimum efficiency specifications
- Custom Project Savings Calculator
  - Additional information on calculating savings and incentives was requested by many contractors. In response, the JMC has developed a Statewide Clean Heat Program Savings Calculator tool.
  - The tool shared on July 1<sup>st</sup> is “Version 1” and is configured for:
    - NEEP-listed cold climate single package air source heat pumps (ASHPs)
    - NEEP-listed cold climate air source mini-splits
    - Large Unitary Air-to-Air heat pumps
    - Air Source Variable Refrigerant Flow (VRF) heat pumps
    - Large closed ground loop (ground source) heat pumps (GSHPs) with centralized ground loop pumping
  - The calculator and user guide are available on the NYS Clean Heat Resources [webpage](#) under the Air Source Heat Pump (ASHP) and Ground Source Heat Pump (GSHP) accordions
  - Feedback on the tool is welcome. A “Version 2” is already in the works to add additional functionality.
- New “HP + Envelope” Category 4A
  - This new category encompasses Category 4 projects that are coupled with significant building envelope upgrades. The envelope upgrade must produce a quantifiable impact on the heat pump sizing to be eligible for a packaged approach. When combined, the existing baseline will be used for calculating energy savings.
    - Eligible envelope measures include window replacements, window film, wall insulation, continuous insulation, window walls, curtain walls, exterior façade, air leakage ceiling, air barrier continuity, roof insulation
  - Incentives on \$/MMBtu of annual energy savings from both the envelope measures and the heat pump measures will be paid out at the 4A rate
  - Additional details are outlined in the Program Manual starting on pg. 17
    - Section 3.2.5 (Envelope Measures for Category 4A: Heat Pump + Envelope) and Section 3.6 (Engineering Savings Analysis Requirements for Custom Categories 4, 4A & 6) provide further information
  - The NYS Clean Heat Resources [webpage](#) provides details on how to submit Custom projects for each utility
    - Con Edison and National Grid have incentive applications and instructions currently available
    - Central Hudson, NYSEG/RG&E, and Orange & Rockland incentive applications are forthcoming

### Field Assessments and Compliance

- Field assessments provide the utilities with an opportunity to verify that the heat pump system was installed according to all program requirements and to assess the quality of workmanship
  - The term “field assessment” is newly updated from “QA/QC”

- The JMC has communicated with Assessment Vendors that a notice of the scheduled field assessment should be sent to the participating contractor
  - The customer does have the right to request that the participating contractor *not* be notified
- The ASHP, GSHP, and HPWH checklists have been updated and are available on the NYS Clean Heat Resources webpage
  - The JMC will host a dedicated webinar to walk through updates to the checklists and review best practices on July 27

**Verbal Question – Halco**

- It may be helpful to create a statewide scorecard for all of the projects and rebates, to help encourage more work to be done. A suggested format is the one currently being used by the NYSERDA Comfort Home program. The implementors created a nice scorecard and report monthly on all contractors that are participating in the program. It creates a good feeling and sense of friendly competition among the contractors, and has you think about using the program more.
  - The scorecard primarily shows numbers on jobs performed, and includes a few different categories of envelope improvement, etc.
- **Response:** The JMC appreciates this suggestion and may ask for this topic to be formally presented with the template slides in the next meeting. **The JMC will look into the Comfort Home example as well.**

**Verbal Question – Absolute Comfort and Temperature Control Inc.**

- Regarding the suggestion of a scorecard for contractors: anything like that has inherent issues, such as providing advantages to large companies over small companies. 2-3 projects might be a lot for a small company compared to the bottom line.
- **Response:** ICF: Field assessment scores are averaged against an individual contractor’s own record. If a contractor only has 3 assessments, the average score is based on those 3 assessments. If the contractor has more projects, that gives a wider pool.

**Verbal Question – LG Electronics**

- Previously, there had been some discussion of starting a few working groups, with one specifically around specifications for cold climate heat pumps. Is that correct, and if so, has that working group started or done anything yet?
- **Response:** National Grid: NEEP has a cold climate specifications working group that includes NYS Clean Heat representatives. The NYS Clean Heat program follows NEEP specifications.
- **Additional Question:** What is going on for Long Island customers? PSEG is a bit separate from this group.
- **Response:** National Grid: This program does coordinate with LIPA’s heat pump program. We have been able to share best practices with each other through different working groups and meetings we have together. LIPA is implementing the NYS Clean Heat statewide marketing efforts as well.

**Enhancements to the Application Process**

- ICF presented additional information on ongoing updates to the application process

- The online intake tool (OIT) now shows key application status levels and sends out automatic emails if more information is needed, such as further clarification or additional documentation
  - This is available for Categories 1, 2, and 3
- A new approach has been taken for building heating load (BHL) and building cooling load (BCL) system ratios
  - Previously, the program was not able to process applications that involved certain capacity ratios. Now this capability has been added.
  - Limits on BHL and BCL have been lifted, allowing projects previously outside of the bounds of the program to be re-opened and approved
  - BCL: projects over 115% based on minimum cooling capacity were previously out of bounds. ICF has searched for these in their database and opened them up for approval. If BCLs are significantly higher than 115%, ICF will discuss with the contractor.
  - BHL: projects over 120% based on maximum heating capacity were previously out of bounds. A new formula is being implemented that caps the incentive around what it would be at 120%.
    - IT tickets are pending to implement the new calculation for Category 2 and 3 projects with capacities over 120% of BHL
- Progress has been made on implementing processes to track project aging from the time of application approval to the time that incentives go out
  - The goal is 20 days from approved application to payment check date
  - ICF is configuring reports this week and will present to the JMC next week. From there, ICF will work with the JMC and NYSERDA to determine the best place to post that data.
- Things are moving forward with minimizing required forms to streamline the contractor process
  - ICF has been working with each individual utility's legal section to review those documents
  - The Customer Acknowledgment form is mandated because the utilities are using ratepayer money for these incentives
    - Aggregated data from the form can be shared for evaluation, measurement verification, etc.
    - The form should be available and posted on the Resources webpage next week
- Contractor Management Portal
  - New contractors will be able to use this portal to fill out an enrollment application for the program
    - Contractors will also be able to fill out associated utility and NYSERDA agreements from here as well
    - The information from this portal will also link to the data that populates the Find a Contractor tool
  - Rollout is scheduled for the week of 7/30
- A new revision of ICF's "BTU Calculator" tool is being rolled out
  - The tool allows the user to determine system capacities given design temperatures, and to assign those systems to zonal loads so everything adds up correctly at the project level
  - Additional functionality is being added to include projects over 120% BHL
  - Snow depth guidance will also be updated

## Con Edison and Orange & Rockland

- Representatives from Con Edison and Orange & Rockland provided a few updates on incentive changes specific to their service territories
  - The utilities are striving to take actions that promote and align with state policy
  - From a regulatory perspective, the intent is to provide more incentives for gas-constrained areas where gas may not be an immediate option
- In Con Edison's service territory, the GSHP incentive for Category 3 is increasing to \$5,000 per 10,000 Btuh of heating capacity
- In both Con Edison and Orange & Rockland service territories, two additional incentive concepts are offered:
  - Additional 30% kicker incentive for heat pumps installed in gas-constrained areas (effective 7/1)
    - Details are available online as to which zip codes constitute gas-constrained areas
  - Optional adder incentives for 1-4 unit, full load ASHP installs (effective 8/1)
    - **Blue** numbers on the slide correspond to Con Edison, and **orange** numbers correspond to Orange & Rockland
    - 2A: With an integrated controls package:
      - \$3,500 per 10,000 Btuh of heating capacity for Con Edison
      - \$2,400 per 10,000 Btuh of heating capacity for Orange & Rockland
      - Mitsubishi Kumo and Flair Puck Pro models only are eligible for now. To get this incentive off the ground, the JMC is following the example of what has worked for the Mass Save program. As this rolls out further and we see how it works, more eligibility criteria will be added. The intention absolutely is to expand the list of eligible models.
    - 2B: With decommissioning of existing heating system:
      - \$5,000 per 10,000 Btuh of heating capacity for Con Edison
      - \$2,400 per 10,000 Btuh of heating capacity for Orange & Rockland
      - The JMC is in the process of specifically clarifying what defines decommissioning. Guidance on this will be released shortly. The general guideline is that as long as the existing system is deactivated and it has been verified that it is so, the project will qualify for these incentives.
  - Incentives are on the Btuh of heating capacity per the *new* system
- **Going forward, the JMC will be releasing additional guidelines on criteria for decommissioning as well as additional eligibility criteria for integrated controls incentives**

### **Written Question – Mitsubishi**

- Does the 30% kicker also apply to 2A and 2B incentive levels?
- **Response (verbal):** Yes – the 30% kicker applies to those categories as well.

## Orange & Rockland Updates

- Updates have been made to the Program Manual concerning heat pump bonus rebates
  - Category 1: \$300 bonus per outdoor unit for all ccASHP (limit of 10)
  - Category 2: \$1,500 bonus per **project** (not per outdoor unit)

- There is a misprint in the Program Manual version that was released on 7/1. Footnote 10 on pg. 17 should read, “In addition to the amount shown here, O&R offers a \$1,500 incentive per project” (not per condenser unit)
    - O&R will be notifying contractors of this misprint and of the correct incentive amount, and the JMC plans to post an errata page on the NYS Clean Heat Resources webpage
  - Category 3: \$2,500 bonus per geothermal system
    - This is the same bonus that has been available since the start of 2021 - no substantial changes have been made here
- These bonuses are now included in the Program Manual, whereas before they were not

#### **Verbal Question – NY-GEO**

- The decommissioning issue (adder incentive 2B explained above) is confusing. Can we walk through what the total incentive/rebate would be on a 4-ton air source full load project, and a 4-ton ground source full load project for Con Edison?
- **Response:** The incentives are measured per 10,000 Btuh, not per ton, so assuming 40,000 Btuh, for air source that would be  $40,000 \times (\$5,000/10,000 \text{ Btuh incentive rate}) = \$20,000$  incentive.
  - For ground source, it would be the same thing since the incentive rate is the same.  $\$5,000 \times 4 = \$20,000$  incentive.
- **Additional Question:** Integrated controls would not be added on if decommissioning was in place, correct?
  - **Response:** Correct. It is either 2A or 2B – they cannot be combined. The intent is that integrated controls are what combines the heat pump with the existing system, so inherently if decommissioning is taking place and the existing system is being removed, integrated controls cannot be used.

#### **Verbal Question – Aztech Geothermal Heating and Cooling**

- For Category 4A, what is the envelope improvement level that makes something eligible, for both an existing building and new construction?
- **Response:** (Con Edison): NEEP guidelines are encouraged and promoted. The Program is looking for improvements in the envelope that impact heat pump sizing, i.e., a reduction in dominant load (BHL, BCL). **A percent floor/minimum threshold for improvement for both existing projects and new construction is still being defined and will be shared very soon.**
- **Additional Comment:** One thing that can make a big difference is ventilation, i.e., exhaust ventilation to balanced ventilation through ERVs. This may be something to consider.
- **Response:** Right now, the parameters explicitly specify envelope, but that does not stop you from submitting projects like this. Ventilation improvements may be a good topic to submit for discussion using the template slides.

#### **Verbal Question – Daikin North America**

- Regarding the integrated controls incentive 2A discussed earlier: What is the proposed timing for expanding the list of eligible controllers? Are there plans to expand the list beyond Mitsubishi and Flair before the rebate becomes effective on 8/1?
- **Response:** Right now, the plan is to roll out on 8/1 with those two eligible technologies first. The Program wants to test out this concept and work out the kinks on the implementation side

before expanding further. The rationale of starting with those two models comes from insights gleaned from the Mass Save group.

- There are no concrete plans in place for specific timing – it is very open-ended. Daikin and others on the call should feel free to send potential new eligible technologies for consideration.
- **Additional Comment:** It is important to have an open dialogue to accelerate learning on this, including collaboration with Mass Save and PSEG. An additional concern comes from the fact that no other incentive categories speak to specific products.
- **Response:** The JMC will make a note to discuss further with PSEG contacts. To the second part of this comment, Con Edison and O&R are the frontrunners in testing this out. If this does become an incentive that we expand statewide, the JMC will be open and transparent about the process and will make sure the incentive is pegged to criteria and not specific products.

## Resources, Support, and Next Steps

- The NYS Clean Heat Resources webpage, as mentioned several times today, has numerous sections with reference material on a variety of topics
  - The checklists for field assessments as well as the other program materials updated on July 1<sup>st</sup> can be found on this webpage
  - All of these materials are open to feedback from program constituents

### **Verbal Question – NY-GEO**

- We are greatly appreciative of much of the responsiveness to stakeholder feedback that has shown up in the revised documents. Edits to the field assessments did not appear to be as responsive. Getting these right is important to NY-GEO. We had gone through an extensive direct discussion process previously to implement changes to the GSHP checklist. It is hard for me to see how the once-per-month format used here will get us to the necessary revisions. It seems the best way would be to get a working group going and that this formal process is forestalling that.
- **Response:** (Con Edison): The JMC is certainly open to working group sessions for something like that. These once-per-month meetings are a starting point – think of these meetings as where we prioritize issues.
  - From here, we request that you fill out the template slides, and we can spend a few minutes discussing in the Field Assessments webinar on 7/27. After we have done that, we can figure out what a separate working group would look like and who should be in it.

### Next Events

- Field Assessments and Compliance webinar: Tuesday, July 27, 2021 1:00-2:00pm
  - To review updated checklists and best practices
- Next Participating Contractors and Industry Partners Working Group Series: Thursday, August 12, 2021 8:30-10:00am
  - Proposals for discussion at the next Working Group meeting must be received by August 4<sup>th</sup>
- Additional email blasts will go out to send follow-up materials from this webinar and to announce the agenda for the next webinar



- Additional emails will also go out for the Field Assessments webinar on July 27<sup>th</sup> as well