

Working Group Series for Participating Contractors and Industry Partners

Session #1 | May 13, 2021 8:30am- 10:00am

Agenda

- Meeting procedures
- Welcome and safety message
- NYS Clean Heat Working Group Series overview
- Discussion of key issues to date
- Resources, support, and next steps

Introduction

- Progress of the NYS Clean Heat Program (“Program”) over the last year: since April 2020, the Program has exceeded the NE:NY target by 17%, with 280,000 MMBtu of energy savings
 - Many thanks to all of the participating contractors and industry partners who have helped to make this happen. We wouldn’t be where we are today without your hard work and efforts.
 - However, the Joint Management Committee (JMC) acknowledges that implementation has not been seamless. There have been differences in the current iteration of the Program as compared to previous NYSEDA or utility programs that have made the transition bumpy at times. We would like to work more collaboratively with you to drive toward that middle ground between meeting the public policy goals of the new statewide priorities under NE:NY and implementing a successful program that works for everyone.
- The structure of this first meeting will be a bit different from subsequent meetings. Today, the JMC will report out on a few key issues that have already been raised. All following meetings will be stakeholder-driven, as will be described in the first part of today’s meeting.
- Presenters and representatives on the call today:
 - JMC Co-Chairs: William Xia (Con Edison), Wendy MacPherson (NYSEDA)
 - 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: Typical Meeting Format

- 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 getting clear on the issues, pain points, affected parties, and proposed solutions
- The JMC is looking to foster transparency, coordination and communication, prioritization, and solution development through discussion-based collaboration

- This forum is specifically for program-related issues – such as issues with a category or requirement, program eligibility concerns, etc.
 - For project-specific issues, please continue to speak directly with your account manager, utility program manager, and the JMC, as you have been doing
 - Later on in today’s meeting, more information will be shared about additional contractor resources for project-specific communication that will be rolled out soon
- Meeting structure: Future meetings are envisioned to always start with updates on previous topics (driven by the JMC), before pivoting to 5-minute presentations from stakeholders who have asked to speak in advance about a particular issue
 - At the end of today’s meeting, next steps to initiate this process will be explained in more detail, including how to submit topics

Stakeholder Input Template

- It is envisioned that participants will use this set of three template slides when they have specific topics in mind to present at future meetings.
- Slide 1 will frame an overview:
 - Who is raising the issue/who is represented
 - What the issue is and its context
 - Proposed change or solution requested
 - Everything should lead to a specific change or proposal you would like to see from the JMC
 - The sample text in the slide comes from a real issue about ENERGYSTAR Tier 3 certification, raised by John Ciovacco from NY-GEO, who is present at today’s meeting.
 - John noted that this issue is something that has been talked about before
 - The ENERGYSTAR Tier 3 certification requirement is certainly limiting – there are a number of other products that meet these requirements but don’t have the certification, as well as a number of products that don’t meet the certification but that do not have sufficient alternatives available
- Slide 2 will address logistics:
 - Suggested priority level (High, Medium, or Low)
 - Many of these issues may all be High priority from the industry’s perspective
 - For the purposes of collaboration and being able to prioritize issues, the JMC would like the industry to assign a suggested priority level to help the JMC understand where to focus efforts
 - Requested timing for change/solution
 - When/how soon does this issue need to be addressed?
 - A new version of the Program Manual will come out on July 1, 2021
 - Who else this issue affects
 - We would like to understand how many people are impacted by the issue at hand
 - John Ciovacco made a note about issues that may be flying under the radar:
 - From the Program standpoint, it may seem like not many issues pop up. However, part of that may be that if something is not currently eligible for the Program it is not coming to the attention of the JMC.
 - There may be opportunities for electrification that are not included

- There are contractors who are reluctant to engage in the rebate process because they are confused, or they don't want to take on the burdensome process
- The JMC noted that the implementation partners are present on the call and they are taking note of this. Information from this working group will also be shared with leadership at the utilities.
 - Future slides will go into detail on the specific issue of the contractor participation process. If concerns are not addressed at this time, further details can be discussed.
- Slide 3 will give more context for the issue:
 - There is a lot of technical analysis and background that goes into these issues. It will be helpful to frame the issue in this context.
 - It is requested to keep this detail at a high level, to be mindful of time and other topics that will need to be addressed in each meeting.
 - Think of it as the “CliffsNotes” version of supporting information that can be provided for future discussion
 - One slide of relevant technical information is requested

Discussion of Key Issues to Date

- The JMC team will speak to six categories of key issues. Questions and feedback are welcome throughout the discussion.
- The JMC commits to a July 1 update of the Program Manual that will incorporate many of these changes, as well as new content.
- For future meetings, stakeholders will present on key issues of their choosing in this part of the meeting.

1. Participating Contractors – Enhancements to the Application Process

- Mike L'Ecuyer from ICF spoke about progress made on converting all of the utilities to a uniform online rebate application tool
 - National Grid will be converted from a paper application to this online tool by mid-June
 - Look for announcements about trainings on the tool in National Grid's service territory

**Note: Verbal questions and written Q&A questions may be summarized or paraphrased slightly as appropriate*

Verbal Question – James Quinn, Willdan/Genesis Engineering

- There is a problem with the air-source heat pump application that is similar to the ground-source heat pump example given:
 - Equipment sizing does not match up in all cases. This is under review with the Con Edison team. Do we have to wait until July 1 to get a decision?
- **Response:** Mike L'Ecuyer (ICF): It is likely that you do not have to wait until then. Stay in touch with your Program managers at Con Edison.
 - Will Xia (Con Edison): We can have a more specific conversation about this so you do not have to wait until July 1.
 - James Quinn: The Willdan team asked our engineering to do a writeup on this specifically for the Con Edison team, which is being shared today.

- Con Edison will follow up internally with the Willdan teams. If the conversation scheduled for today does not bring about a resolution, James is encouraged to follow up with Will and Con Edison.
 - As this issue gets resolved on the Con Edison side, it may be something that others are seeing across the state. It may affect every office building that doesn't have a chiller, which is many of them.

Q&A Question – Steve Cooper, Lake Country Geothermal

- Note that rebate process for NYSEG/RG&E is slow and inefficient. With the new rebate application tool, does this mean National Grid's process, which has been efficient, will be degraded?
- **Response:** Mike L'Ecuyer (ICF): We do not anticipate that National Grid's process flow will be affected by the new intake tool. ICF inherited literally hundreds of pending projects from the previous implementation contractor, and delays are more related to working through this backlog. National Grid has a different implementation contractor (RISE Engineering), and they have never had a backlog.
- Additions will be made to the online intake tool (OIT), so that contractors can be notified with greater granularity about status changes and issues.
- The presentation slide shows a chart of what the anticipated application status options will be in the OIT:
 - Processing Application: an application has been received and entered into the system.
 - Account Verification: not often, but sometimes there can be discrepancies in an application – whether a customer is eligible, or issues with name and address not matching the record on file
 - Usually these can be resolved behind the scenes and the application can keep moving forward
 - Eligibility Under Review: the ICF system indicates a potential issue with application inputs or calculations
 - Attention/Action Required: this flag appears when the issues identified cannot be resolved behind the scenes – more information is needed from the applicant/contractor
 - An email will automatically be sent out describing the issue that needs correction, explanation, or documentation
 - These could be questions about load calculation/methodology, issues with photos that are not legible, etc.
 - The contractor can directly respond through email or the OIT and upload additional documentation, or can call the hotline and discuss over the phone
 - Application Update Received: acknowledges that the applicant has sent in more information and application processing can continue
 - This puts the application back into the review process
 - It is possible that there could still be issues that require more attention
 - Final Review: the application has passed processing review and is getting final utility payment approval
 - ICF is required to present the application information to the utility client, and they make the final approval. Then, payment is issued according to that utility's payment process.
 - Once final review is reached, payments should be issued within a 20-day period
 - Application Rejected: issues flagged in the above steps cannot be resolved
 - In either case (accept/reject), an email communication will be sent out

Q&A Question – Paul Gomprecht, Absolute Comfort & Temperature Control

- When will the OIT be updated?
- **Response:** Mike L’Ecuyer (ICF): ICF is going through the status update mapping exercise now. We anticipate being finished by early June. The next big milestone is the rollout of the National Grid version in mid-June; the updates will be ready by that time for sure.

Q&A Question – Dana Fischer, Mitsubishi

- Are checks printed for approved projects in weekly batches?
- **Response:** Yes – the timeline is to process approvals on a weekly basis. There is process flow between ICF and each utility.

Q&A Question – Joseph Chen, BlocPower

- Will the new online tool include all utilities, including Central Hudson?
- **Response:** Yes – each of the utilities has a version, including Central Hudson.
 - Eventually, participants may see a front panel that represents a central portal that then asks you to select a utility. For now, each utility has its own page.
 - Each time ICF updates the OIT, they have been making an effort to update similarly across each utility

Q&A Question – Rona Banai, Dandelion Energy

- What is the obligation/goal for the amount of time it takes to review each application?
- **Response:** ICF is at different places in terms of digging through flaws in the required statuses. They are trying to commit to having eyes on each application within 2-3 business days of receipt to identify any initial issues.
 - If a project is rejected, it will be possible to have it reviewed again at a later date with new information. There is always an appeal process. ICF understands that the stakes are high on these projects and will do everything they can to get approval if it is warranted.
- There will be a single statewide project-oriented hotline and email address launching in mid-June
 - All participating contractors across all service territories can call one number or send inquiries at a project level to these centralized resources
 - This is different from the program-oriented resources described earlier, which will be available to give feedback about the program overall
- By late June, it is targeted to have up and running a dashboard for measuring performance against the goal of a 20-day turnaround from the approved application
 - We are taking a sharp look at turning things around as quickly as possible
- Focus is also on minimizing required forms to streamline the contractor process
 - Stakeholders are invited to comment on and help us with the effort of streamlining
 - We are taking a hard look at whether we’re asking for information in any kind of duplicative fashion, with reasonableness
 - For example, the Customer Acknowledgement form that was discussed previously
 - It was initially thought of as a customer completion form, for customers to say what they thought. But based on commentary received, it is being changed to more of a customer participation form that will be submitted earlier in the process.
 - The customer acknowledges the incentive they are receiving and can identify a third-party payee if they so choose

- The contractor is not required to give an instant discount if the customer does not demand one. The customer can pay the contractor in full and wait for the payment (the majority of Central Hudson’s service territory does it this way).
- This form is necessary, though, because the customer does need to sign something for data sharing/PII purposes

2. Participating Contractors – Improvements on Onboarding and Management

- There will be a new consolidated contractor participation application portal launched in July
 - One statewide online application for folks to upload their required documentation to participate in the Program
 - The goal is to help harmonize the onboarding process, including follow-up and onboarding in a timely fashion and entering people into the database
 - Individuals will still have to click through the individual utility participation terms and conditions until the utility legal teams can get together and consolidate them
 - There will be a click-through to sign up to have access to NYSERDA programs like Green Banks/financing and cooperative advertising
- By mid-August there will be a unified contractor management system that puts this all together
 - It will manage the Find-A-Contractor tool on the NYSERDA site, which will be harmonized with the utility website contractor lists
 - This system will also contribute toward a unified process for handling Program contractor statuses

Verbal Question – Nathan Graham, NJ Graham Inc.

- From the perspective of a small family business contractor, we want to take advantage of the competitive edge this Program could give us, but there is reluctance to participate due to the complexity of the Program and hesitancy of having to present a rebate
 - The ICF group is doing a good job – a lot of good conversation has been had with their team, and a process is being built and a rebate is coming through
 - All that is being presented today sounds good – updates, reasons for why rebates would be rejected
 - The biggest concern is timeline. 8 weeks for a simple application is long. As much as we want to go out there and sell the Program, as a small contractor, this timeline can cause a significant percentage of margin to be floating out there waiting for approval.
 - It gives a bit of cause for concern in that the rebates will either continually take this amount of time to pay out, or that every time we get a process in place to submit them, things change – it takes time to put a new process in place again.
 - We personally are not seeing a 20-day payout period
 - ICF has been good to work with and the representatives have been helpful, but every time we feel like we have the process down, something changes and we have to go back and do it over again
 - The question is whether the process will be more streamlined, and/or whether there can be “favoritism” to contractors that are trying to use the Program as a step forward
- **Response:** Mike L’Ecuyer (ICF): The things discussed today can be considered as tweaks to the existing process flow that you are already using
 - The only new thing is the customer acknowledgement form, which was really always required but now is just becoming official

- It will be a fillable PDF with an e-signature option, as requested by contractors, and customers can choose to shift the rebate to a third-party payee
- You mentioned cash flow issues – this is real to us
- The entire process of doing all of this for heating rather than cooling is a new departure in the industry, even at the sizing core methodology. There is a lot to learn there and a lot of stuff to get right.
- Keep on us in terms of probing any issues or deficiencies you are seeing. We always make an effort to make a heartfelt response and discuss with the JMC.
- The customer acknowledgement form has not been rolled out yet, but there are not a lot of fields to fill out in the form
- Nathan Graham: As a contractor, I don't mind giving the rebate to my customer up front as long as I have an understanding of how that's going to roll out. Even if you say it is going to be 8 weeks – I can plan around that.
 - We look forward to the updates that are coming out. Just hoping they don't totally revamp the process.

Verbal Question – Tom Vitale, En-Tech Associates, Inc.

- We are trying to achieve lots of opportunities. For example, look at other programs – the power company is maybe getting one in 100 systems installed. ENERGYSTAR has great success, but is maybe getting one in 1000. People aren't coming in because there are rigid guidelines. We limit our ability to track the success and failure of many opportunities that would demonstrate kWh usage and peak load reductions. The current Program does not incorporate a method for stakeholders to put new types of projects in because of the rigid guidelines.
- **Response:** Will Xia (Con Edison): The JMC is striving to make eligibility requirements that work better for the industry. In the interest of time, if there is a concrete proposal or concrete language you want to see included in the Program, we invite you back next time to present or address this topic more.

3. Category 4: Custom Projects

- Will Xia, Co-Chair of the JMC, spoke about updates on resources, requirements, and the process for Category 4: Custom projects
 - The JMC plans to share more updates on this topic in future meetings as well
- Two main updates are slated for rollout by July 1:
 - Tool for helping calculate MMBtu savings and dollar incentives up-front
 - This will be a straightforward Excel sheet calculator to help with estimating up front, which can inform discussions with customers and contractors as well as on the back end
 - We plan to roll out this tool after testing with a few people and getting feedback, to make sure it is useful for the industry
 - Application process and participation requirements
 - We have not been clear about pieces of this process, and we do want to be clear
 - All of these steps will be laid out in the July 1 update to the Program Manual
 - In the meantime, when these slides are shared after the meeting, the Con Edison NYS Clean Heat C&I guide will also be shared as a reference in the interim. We are using the Con Edison guide as a template for the overall statewide guide.

Verbal Question – Joan Weston, Weston Bros. Inc.

- Want to piggyback on the contractor situation and funds – agree that it needs to be improved. We have claims from February that we are still waiting to be paid on. This is a big investment for us as a small business.
 - The Program is great and customers do want to take advantage of it, but when customers hear there are Con Edison rebates, they expect to pay almost nothing. There is some education that is necessary.
 - We are also getting a lot of calls from apartment buildings where there is no way to install this equipment. Emails are going to all Con Edison account holders – maybe there is a way to selectively send advertising to those who are eligible.
 - We also thought that we provided direct deposit information when we signed up, yet there seem to be checks being sent, which is another delay in receiving payment. Is that going to change?
- **Response:** Mike L’Ecuyer (ICF): We should be able to revisit the payment issue with you. The team will circle back with you.
- Joan Weston: I have this product in my own home and use the heating function. It is a great product. You are doing a great thing.

4. Eligibility Requirements

- Mark Maloney, a Program Manager from Orange & Rockland, spoke about updates that will be made to eligibility requirements
- These changes will be made official in the July 1 Program Manual update, but we are treating them as being in effect immediately
- Updates to incentive categories:
 - Category 1: ccASHP for partial load
 - Currently in the Program Manual it says that this only applies to mini-splits, but there are instances in which you could be replacing central systems
 - Change: This category now includes central systems
 - Category 3: GSHP for full load heating
 - Currently this category requires systems to be ENERGYSTAR certified
 - Change: For this category systems don’t have to be certified, but they do have to meet or exceed ENERGYSTAR specs. We hope to allow for more flexibility this way.
 - Category 9: \$250 bonus for installing simultaneous space and water heating
 - Currently, this only applies if a Category 2 heat pump is installed in conjunction with a Category 5 water heater
 - Change: There are other combinations that now apply. Either a 2 or 3 heat pump in combination with either a 5 or 8 water heater – any combination of these 4 installations will get the \$250 bonus
 - Con Edison Category 4 (custom) and Category 6 (water heater)
 - These categories used to have different rebate amounts
 - Change: The rebate amount is now the same for both: \$150/MMBtu
- Document updates:
 - Participating contractor application form
 - ASHP Designer category has been added in
 - Customer acknowledgement form
 - Before, the incentive was payable only to contractors and the customer attestation was administered post-install

- Change: The form now gives customers the ability to reassign the incentive to a third party, and the customer attestation is completed at the onset of the project

5. GSHP Quality Assurance

- The GSHP QA/QC inspection checklist updates incorporate feedback from the geothermal community
- A copy was shared with NY-GEO
- The revised checklist will be in effect starting on July 1

6. Other Topics

- Jenny Cross, a Program Manager from National Grid, spoke about other topics that cannot be comprehensively addressed by the JMC
- Marketing coordination with the HeatSmart Communities should be taken up directly with the applicable HeatSmart Community
- The issues of savings baseline, utility rate design, and refrigerant concerns should be addressed through the Performance Management and Improvement Process (PM&IP)
- Demand response collaboration should be brought directly to the applicable utility

Resources, Support, and Next Steps

- The next Working Group Series meeting will be Thursday, June 10. An email with more details will be sent out from Concentric Energy Advisors (as was done for this first meeting).
- Today's slides and notes will be emailed out to all attendees and posted on the Resources page of the NYS Clean Heat website
- Be on the lookout for two email blasts each month: a follow-up from last meeting and a follow-up prior to the next meeting
 - The follow-up from the previous meeting will include any next steps, a copy of the PowerPoint slides, and meeting notes
 - The follow-up prior to the next meeting will include agenda items and report-out on prior items
- Proposals and agenda topics for the next meeting can be submitted to the NYS Clean Heat central email address for program-related topics: **NYSCleanHeat@ceadvisors.com**
 - Please use this inbox for proposals as well as general program-specific questions
 - Project-specific inquiries should go to the ICF hotline discussed earlier (launching soon)

Many thanks to all of the attendees for their time, engagement, and attention.