



# Residential Steering Committee Update

September 14, 2010



# Agenda

- Overview of Residential Steering Committee (RSC)
- Initiatives Overview
- Market Model Overview
  - Model development process
  - Outcomes of Contractor Focus Groups
  - Model proposed by Steering Committee
  - Remaining issues to address
- Timeline for RSC



# Residential Steering Committee Scope Review

RSC Scope: Provide oversight, guidance and direction to RMC to ensure the residential conservation services program is meeting customer and stakeholder expectations, is operating in an efficient manner and is overall effective in delivering desired deeper EE participant Savings.

Committee members: John Livermore, Penni Conner, Derek Buchler, Tina Halfpenny, Paul Gromer, Danielle Rathbun, Dick Oswald, Paul Horowitz, Kevin Galligan, Lyn Huckabee, Emmett Lyne, Penn Loh, Charlie Harak, Sue Kaplan

## Areas of Focus

- Market model
- Customer experience
- Deep energy savings



# RCS Steering Committee Initiatives

- Market Model framework: Developed and assessed (mid July – Mid August)
  - Contractor focus groups conducted (8/25/10 – 8/27/10)
  - Model directionally approved by Residential Steering Committee (9/2/10)
- Common Pricing: Assessed and established timeline
  - RFI (9/20/10)
- Common Software: Assessment in process
- Customer experience & Deeper savings
  - Measure/Incentive packaging, Project Charter approved
  - Customer enrollment, Outreach, Messaging
  - Customer Follow Up



# Market Model framework – Priority Issue

## Contractor Group Meetings

**3 sessions: Western MA 8/25, Greater Boston 8/27, Cape Cod 8/31**

**Broad participation from:**

- Installation contractors**
- Home performance contractors**
- Lead vendors**
- Program administrators**

**Many issues discussed, including:**

- Who performs the assessments?**
- Who brings customers into the program?**
- How to ensure customer confidentiality and budget management?**
- What are the contract relationships?**
- How is work distributed to contractors?**

**A wide variety of input was provided but groups were not designed to achieve agreement among all parties**



## Contractor Group Meetings- outcomes

- Steering Committee preliminary agreements, based on ideas discussed at Focus Groups
  - Lead Vendors enter comparable agreements with all contractors performing comparable functions
  - Lead vendors will not perform installation work, which will be assigned, according to a merit-based system, to independent installation contractors working within a common pricing schedule
  - Installation contractors may 'tag' customers and bring them into the program
  - Home performance contractors may bring customers into the program and perform both assessments and installations
  - Energy assessment contractors can establish contractual agreements with lead vendors
  - Customer choice of installation contractor will remain an option
- Steering Committee recommendation reflects input from all but may not be any one party's ideal



# Market Model (9/2/10)

Functions	Delivery Options		
	A	C	D
	Most customers call MassSave, and Program Vendor allocates projects to contractors	Most customers call contractors, or contractors find projects through their own means	
Call Center Intake, Contractor Coordination, Data Management, Other	Program Vendor	Program Vendor	
Energy Assessment (Audits)	Program Vendor	Program Vendor	Home Performance Contractors (HPC)
Measure Installation	Independent Installation Contractors	Independent Installation Contractors	
Quality Assurance	Statewide Quality Assurance Vendor		

# Market Model

## Remaining Issues to be addressed:

Define rules/specifics on:

- Distribution of work to installation contractors
- Lead Vendor – Contractor contractual and administrative functions & relationships
- Energy assessment contractor participation
- Program-eligible measures vs. non-program measures
- Preserving customer choice of installation contractor
- Community groups bringing customers to the program



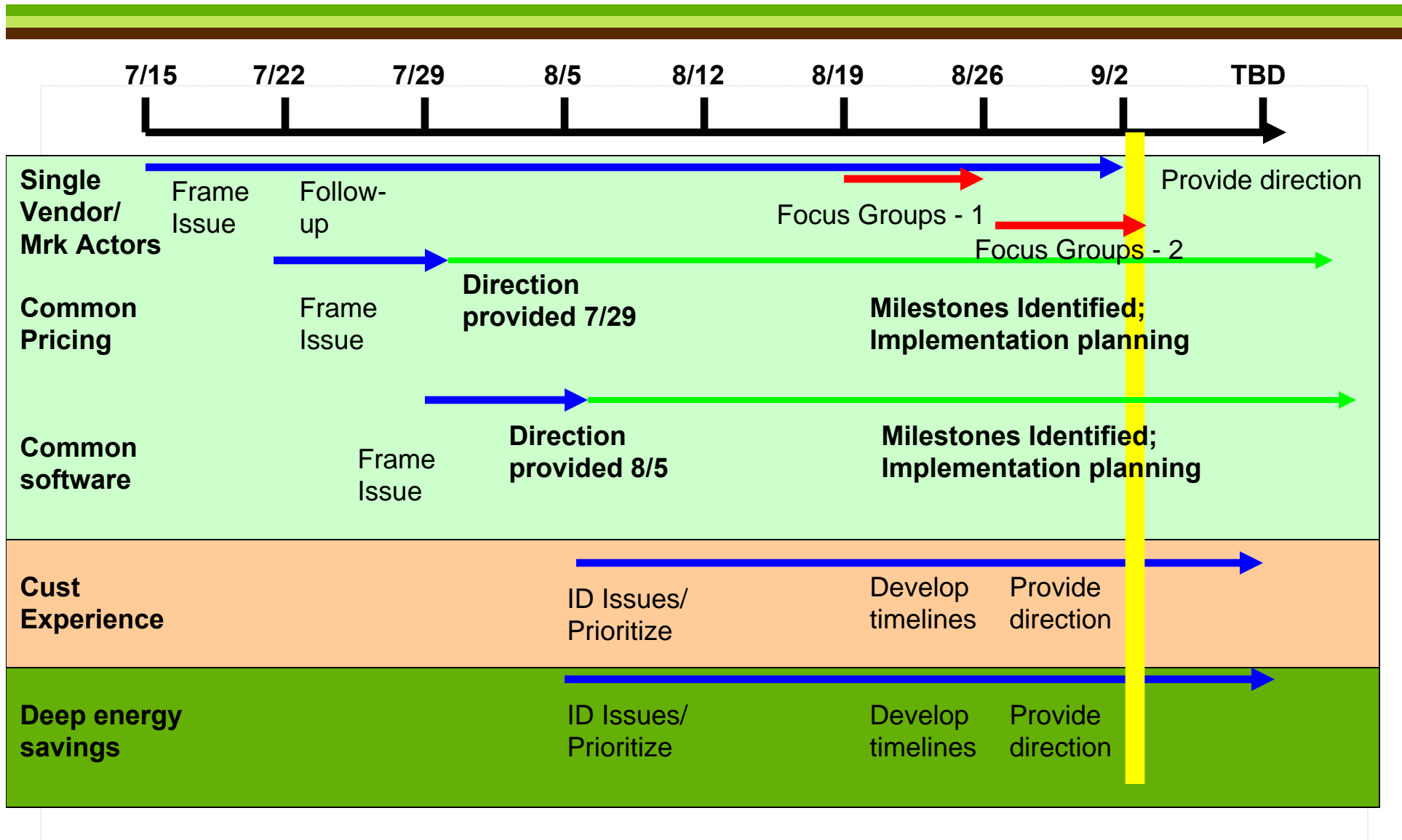
# Common Pricing

- RCS Steering Committee: establish statewide pricing for installed weatherization measures
- RMC Working Group: define product list (9/10/10)
- RMC Working Group: develop contractor list; participating and BPI contractors
- Issue RFI (9/20/10)
- Clarification process (10/4 – 10/14)
- Establishment of pricing



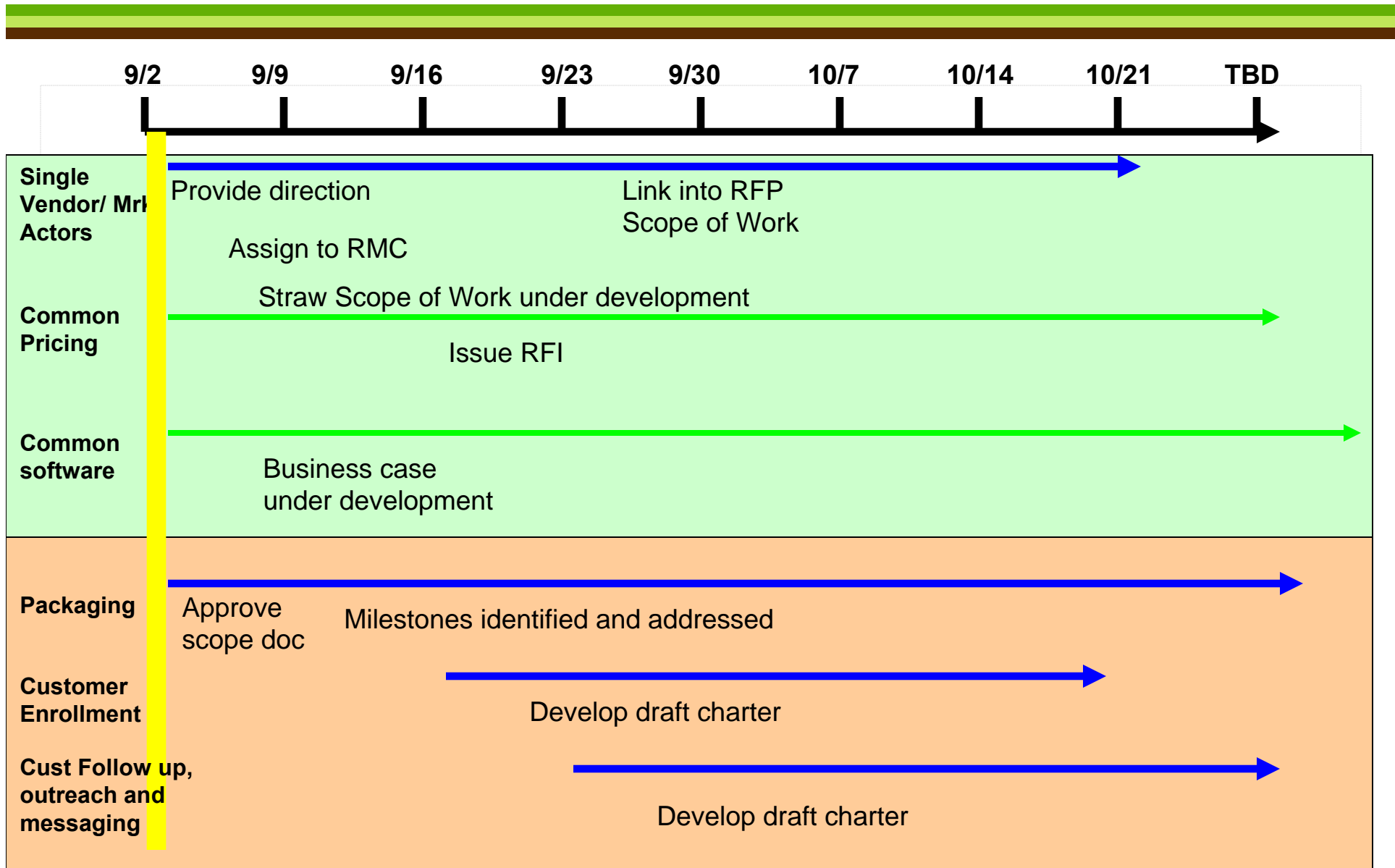


# RCS Steering Committee Initiatives and Timeline





# RCS Steering Committee Initiatives and Timeline post 9/2



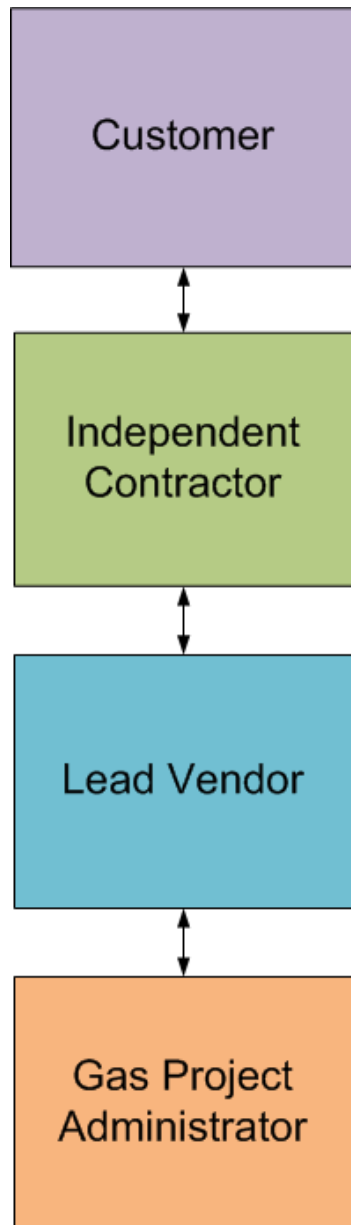
# Appendix



# Prioritization Matrix for Customer Experience and Deeper Savings Issues

<b>Value to programs</b>	<b>High</b>	Creates limited or no direct value to customer, greatly enhances efficiency and/or effectiveness of programs	Creates high value to the customer, and greatly enhances efficiency and effectiveness of programs
	<b>Low</b>	Creates limited or no value to customer and limited or no improvement to programs.	Creates high value to the customer, provides limited value to efficiency or effectiveness (may add costs)
		<b>Value to customer</b>	<b>High</b>

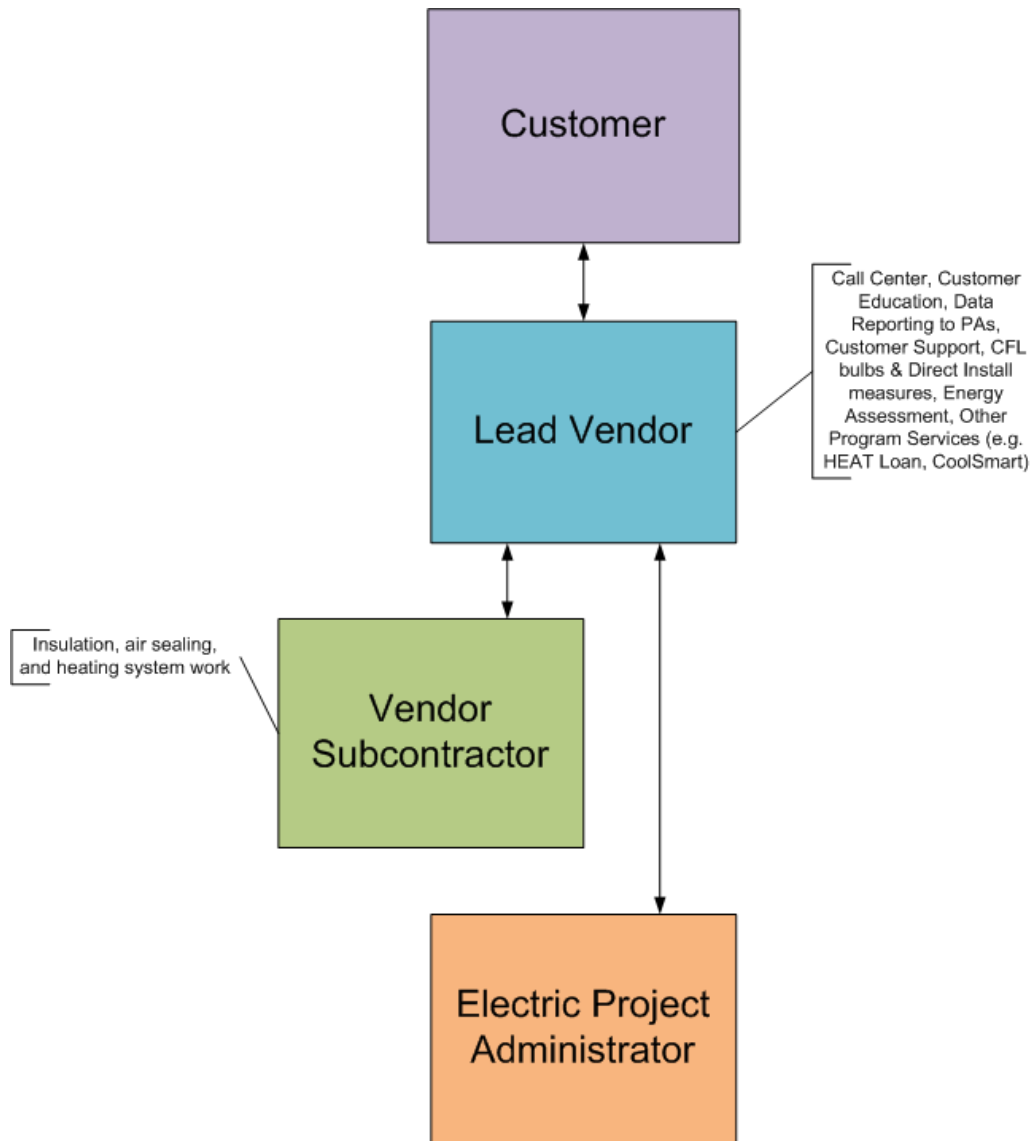
# Gas Weatherization (the Past)



- Lots of insulation jobs performed but no specifics on job scope
- No CFL bulbs or direct install measures
- Almost no air sealing
- Limited cost-effectiveness criteria
- No comprehensive home treatments – limited energy savings
- No robust QC

\*National Grid and NStar gas model: does not reflect statewide model

# MassSAVE/RCS (the Past)



- Streamlined delivery process
- CFL bulbs & direct install measures
- 100% QC of sub-contractor work by lead vendor

\*National Grid and NStar gas model: does not reflect statewide model