

Commercial & Industrial Stakeholder Hour

Thursday, December 8th, 2022

12:00 PM – 1:00 PM

Zoom Meeting

Meeting Notes

Commercial and Industrial panelists:

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The Commercial and Industrial (C&I) Stakeholder Hour is part of the C&I Working Group, an initiative for increased engagement, communication and coordination among the Massachusetts Program Administrators (“PAs”), Department of Energy Resources (“DOER”) and stakeholders on the C&I programs. This session focused on contractors and vendors.

Contractors work with the Program Administrators (PAs) in the Commercial and Industrial (C&I) programs to support the implementation of energy efficiency measures. They also support the PAs in carrying out some of the other project functions.

Figure 1. below lays out the typical engagement process on Commercial and Industrial Customer Projects. The steps in blue are typically where a vendor or a contractor would work in partnership with the PAs. Depending on the project, not all steps may be required.

An energy assessment is usually the first step in determining on-site energy efficiency measures that may qualify for Mass Save incentives. Once measures have been determined, an application is filled out and submitted to the PAs. If needed, a third-party vendor may do engineering calculations or carry out a technical assistance study to establish a clear understanding of the energy savings associated with the proposed measures. The process of determining savings becomes more involved as the complexity of an energy efficiency measure increases. The savings calculations are then reviewed by the PAs for accuracy. Then, the PAs compare the energy savings to the project costs to determine the overall cost effectiveness of the measure(s) and the project on the whole. If the project is cost-effective and the customer wishes to proceed with implementation, the PAs determine the associated incentive. This

incentive amount, contingent upon completing the project with the same parameters used in the energy calculations, is then shared with the customer. After installation, the energy measure is verified for alignment with the initial scope of work to ensure the parameters associated with the designated energy savings were met. This verification step may be done by the PAs or by a third-party contractor. Upon completion of the verification, the incentive is provided to the customer.

Commercial & Industrial Customer Project Engagement



Figure 1: Project steps for the Mass Save Commercial and Industrial Programs

Question: Where can I find a list of qualified contractors?

Answer: The Mass Save programs are vendor neutral, meaning that any contractor can participate. If you have a contractor that you are comfortable with, they can complete the scope of the energy efficiency project with you and access the incentives through our programs. If you do not have a contractor already, small businesses can reach out to their PA to participate in the Turnkey Program where a Turnkey vendor will conduct a free on-site energy audit, propose the project(s), and explain the relevant economics. If you choose to proceed with the project, the same vendor can provide the sourcing, installation, warranty service, disposal of old materials, and process the application documentation with the PA. Customers can be connected to a turnkey vendor based on the needs of their facility and its location in the state via the Mass Save website or phone call.

Another way you can participate in the Mass Save program is through a pathway called 'Mid-stream'. In this case, for qualified projects, a contractor or the customer can go directly to the

distributor and ask for the midstream incentive. The distributor can apply an instant discount to your purchase of energy efficient products at the point of sale. There is no wait time for an incentive check or for approval. The distributor verifies that you are a customer of a PA / Mass Save Sponsor and provides you with the discount immediately.

For large C&I customers who do not qualify for the Turnkey Program or smaller customers who would like to pursue a custom project, the process is similar. It is an open market program, and any contractor can participate. The PAs can work with any contractor to help them document what is required to determine the energy savings. After reviewing the energy savings calculated and determine cost effectiveness, the PAs will issue an incentive offer to be signed by the customer before the project commences. This offer details the cost of the project, the anticipated incentive the customer would receive, and the length of the project. Upon agreeing to the terms of the offer for the incentive the project would proceed as mentioned in the process above.

If a customer would like to pursue a custom project but does not have a contractor in mind, the PAs typically refer as many as 3 vendors so the customer can determine the one best suited to meet their project needs.

Question: Why is it hard to get vendors to respond?

Answer: Vendors do have requirements related to customer response times. There is a quality control process conducted when projects are completed, and the PAs track this feedback to give to vendors when needed. If there are individual one-off situations that should be discussed, the PAs are happy to advance those conversations offline. For Eversource projects, these can go through Mark Toussaint (see contact information above). Sometimes there may be a brief period of silence from the vendor on a project because the vendor is trying to verify the availability of materials, as there are a lot of supply chain delivery issues in the marketplace right now. Another reason the vendor may have a delayed response is that they are waiting for the PA to determine the project's energy savings. Generally there are standard requirements for response times and the PAs do follow up with vendors if they are not meeting these requirements.

Question topic: 2023 VRF Rebates

Answer: VRF is variable refrigerant flow which is a type of heating and cooling system. The rebates for this equipment will remain the same from 2022 to 2023 which is \$3,500/ton. Here is the link that shows all of the electrification offers related to electric heating systems offered by the Sponsors of Mass Save: <https://www.masssave.com/en/business/rebates-and-incentives/heating-and-cooling/heat-pumps/variable-refrigerant-flow-systems>

Question: As a contractor, what is the best way to get involved on the commercial side of the programs?

Answer: There are multiple pathways:

- 1) Midstream – any contractor can participate with an instant discount received at the distributor for qualified products for eligible customers.
- 2) Prescriptive – any contractor can participate by connecting with the customer, developing the project, getting an incentive letter from the PA, and then installing the project.
- 3) Contractors working with small business customers served by a Program Administrator can get project documentation support for a Mass Save incentive from a processing vendor through a pathway called Customer Directed Option. Here is a link to the full list of rebates and incentives offered by the Sponsors of Mass Save:

<https://www.masssave.com/business/rebates-and-incentives>

- 4) Any contractor can also participate in custom projects where the contractor would submit a custom application for a project with a customer. This is for projects that are not covered by the prescriptive or mid-stream pathway. Here is a link for the custom project process:

<https://www.masssave.com/en/business/programs-and-services/custom-incentives-and-technical-support/custom-incentives>

- 5) There is a competitive bidding process for becoming a Turnkey vendor. There is one competitive bid out on the market right now (December 2022) for Eversource. To learn more about this bidding process, reach out to Mark Toussaint (contact information above). Eversource can also provide the contact information for other PAs to inform you about the timing of their bidding process for Turnkey vendors.

- 6) Contractors can also be a subcontractor to a PA contracted vendor. PA contracted vendors may take on multiple energy conservation measures within one project. If they do not have all the skills in-house to perform some measures, they subcontract with another vendor specialized in the relevant type of work.

On February 14th, 2023, there is roll out for Massachusetts statewide contractors and business partners. This will be a virtual event open to all. Please save the date as invitations for this will be coming out soon. There is also monthly email that goes to open market and contracted vendors from Eversource that updates contractors on program advancements.

Question: Will this webinar be relevant for manufacturers of commercial kitchen equipment?

Answer: Yes, the intention for this Stakeholder Hour is to communicate with anyone who is providing energy efficiency services to customers regardless of the measure type. In the past few years, a good deal of effort has been put into making the receipt of incentives for kitchen

equipment easier by providing these through the midstream pathway. The midstream incentives available can be found here: <https://www.masssave.com/en/business/rebates-and-incentives/specialty-equipment/food-service-equipment>

Question: Why is tier 1 Commercial Kitchen Equipment being eliminated Jan 1, even though they meet the ENERGY STAR and / or the CEW requirements?

Answer: This has to do with the Program Administrators' response to a study on Industry Standard Practice for kitchen equipment. The PA Evaluation team works with industry partners to understand what products have achieved market penetration or absorption. When products of a certain efficiency have saturated the market and no longer require the support of the Program Administrators to be common practice, Industry Standard Practice studies inform the PAs that the savings claimed for this equipment would be minimal and no longer cost effective.

Question: What technical assistance services are available to help evaluate the application of heating electrification?

Answer:. There is a [heat-pump installer network \(HPIN\)](#) that is active for the Mass Save residential program and is currently under development for the commercial/industrial program. These are design-build installers who can perform installations on site quickly and easily for simple projects. The heat-pump installers would assess the conditions at your site, determine equipment sizes, make a proposal, and provide direct installation for the appropriate equipment: heat-pump, VRF system, etc. Approximately 50% of the overall heat pump installer vendors in the network are interested and active in the commercial space, so there will be a lot of implementation help available from the HPIN once it is formalized for the C&I sector.

For electrification projects that are large scale and complex, the process begins with understanding the site electric capacity to determine if there needs to be more building or grid infrastructure to support electrification. This is assessed through a scoping study. Should electrification be pursued, a deeper technical assistance study would be done to quantify the energy savings that would in turn inform the level of incentives.

Question topic: Resources available for businesses and municipalities:

Answer: The most efficient first stop would be the Mass Save website (<https://www.masssave.com/en/business>). There are a lot of resources available there on events, how to seek an energy assessment, case studies to see what other customers have done, and other information about incentive opportunities. Another great resource is to contact your PA directly by calling them at their customer service lines or via our website (<https://www.masssave.com/en/contact>).

Question: How does a firm get onto the engineering partner list?

Answer: To be included in the engineering partner list involves another competitive bid program. We can work with a customer's chosen engineering partner even if they are not on the engineering partner list. If you are interested in providing technical assistance (TA) services, you could contact John Kibbee (contact information above) at Eversource or the appropriate counterpart at a different PA to get more information about the timing to ensure your name is on the list when the next bid goes out. (<https://www.masssave.com/contact>)

Question: How do you add new products or services to the program?

Answer: If you are curious about a specific product, reach out to the PAs so they can explain the process for determining the energy savings. The PAs also have the Massachusetts Technical Assessment Committee (MTAC). This is a team that assesses new commercially available products based on documentation from their manufacturers. These assessments determine where savings are derived from and if the products are energy efficient. We have a list of those products posted on the Mass Save Website (<https://www.masssave.com/en/partners/assessing-new-efficiency-technologies>). In response to the 3-year plan and the push for electrification, there have been emerging products that align with these goals. The current 3-year plan is from 2022-2024, so the programs have been focused on supporting a more diverse set of electrification technologies, including electric lawn equipment (<https://www.masssave.com/en/residential/rebates-and-incentives/lawnequipment>).