



**BUILDING
PERFORMANCE**
ASSOCIATION

MASSACHUSETTS AFFILIATE MEETING

4.23.2024



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WELCOME AND AGENDA

Mark Tajima

Agenda

Time	Agenda Item	Presenter
1:00 – 1:05	Welcome, Introductions, and Agenda Review	Mark Tajima, B.Alpha Construction Steve Cowell, Cowell Consulting
1:05 – 1:25	PA Update & 2025-28 Plan, Q&A	Kate Peters, Eversource Chris Porter, National Grid
1:25 – 1:40	MassCEC Workforce Programs overview	Steve Cowell, Cowell Consulting Elizabeth Youngblood, MassCEC
1:40 – 1:55	Review of contractor survey, discussion	Bill Graham, HomeWorks Energy
1:55 – 2:00	Wrap up	Maria Lewis, BPA





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PA UPDATE

Kate Peters, Eversource
Chris Porter, National Grid

Questions or Comments



Ask your
question via
chat



Raise your hand
on the Zoom
reactions tab
if you have a
question



Send an email
if you prefer:
[mlewis@building-
performance.org](mailto:mlewis@building-performance.org)





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OVERVIEW OF MASSCEC WORKFORCE PROGRAMS

Elizabeth Youngblood
Senior Program Manager, Workforce Development

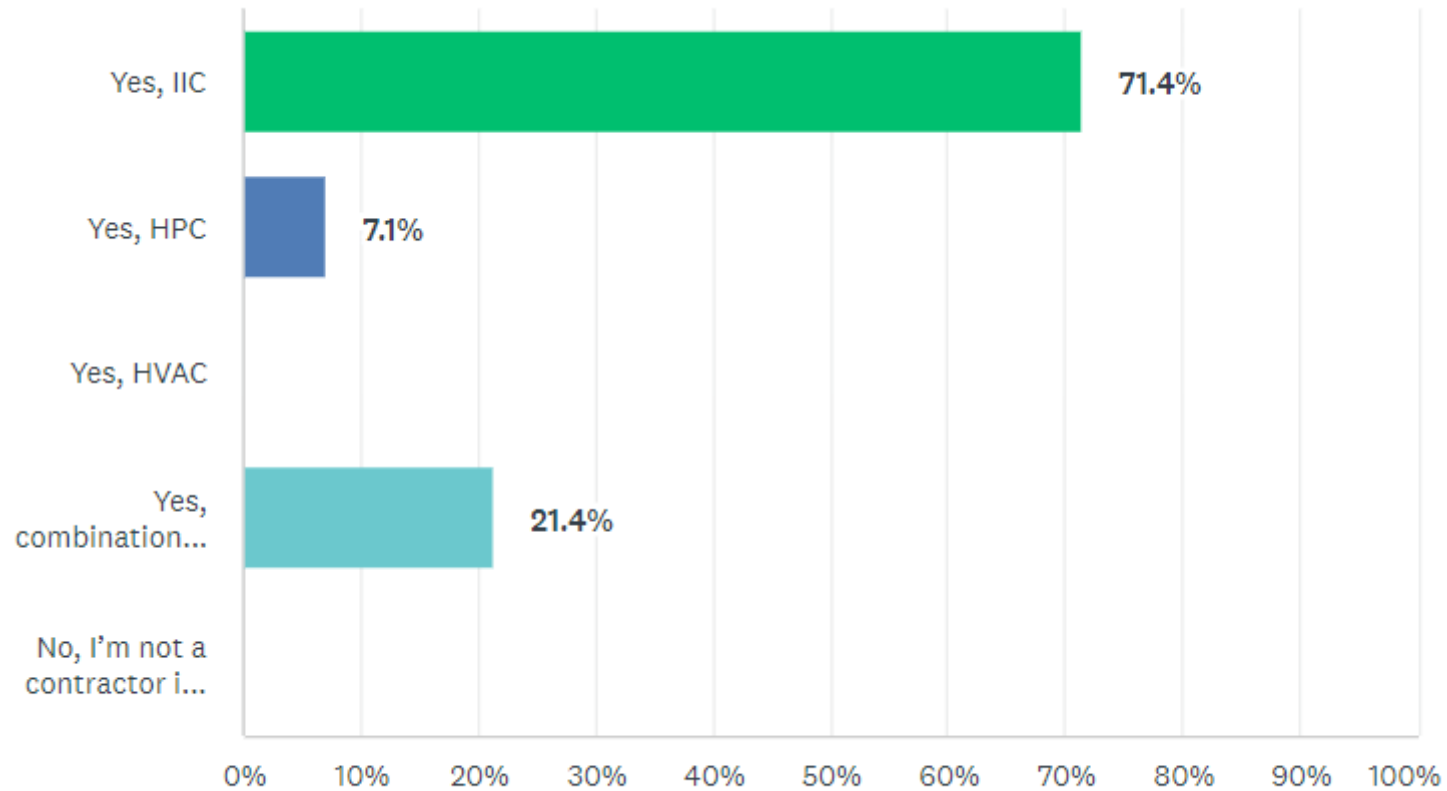


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MASSACHUSETTS CONTRACTOR PULSE SURVEY

April, 2024

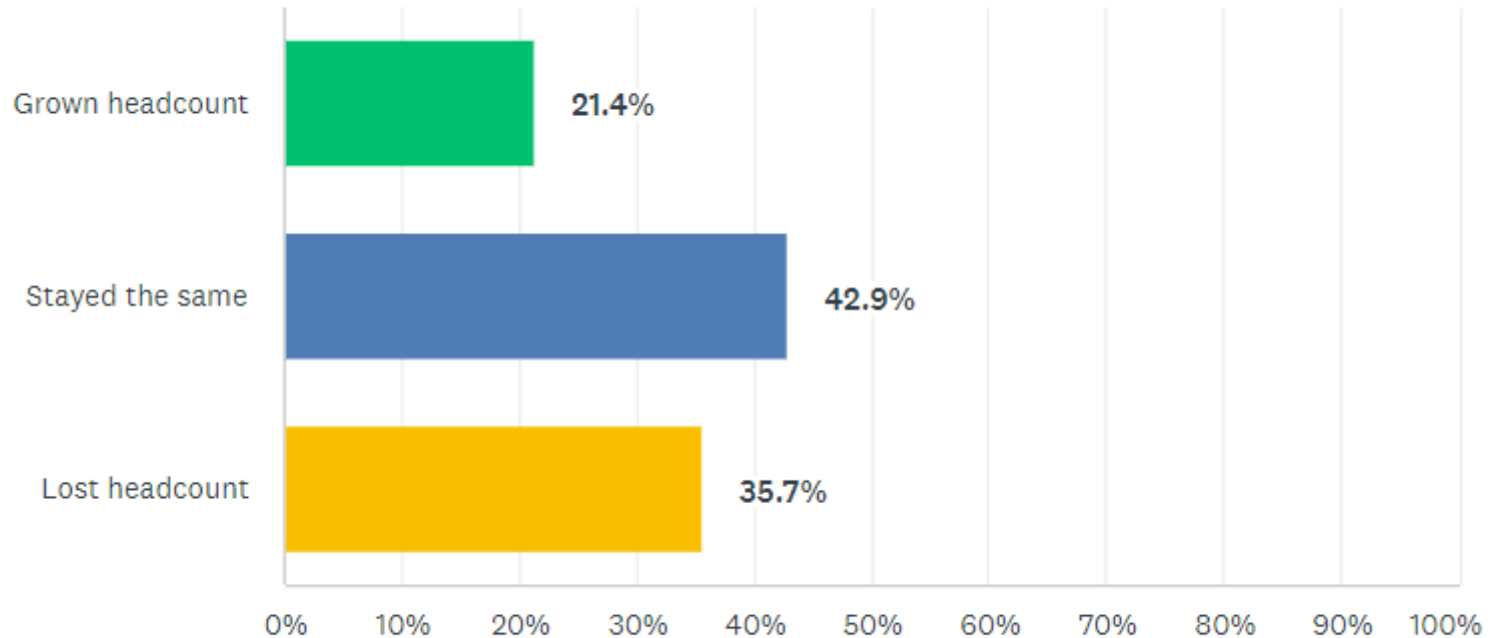
Are you currently a contractor in the Mass Save Residential Market Rate program?



n=21



Over the past six months, how has your company changed in size for work within the Mass Save program?

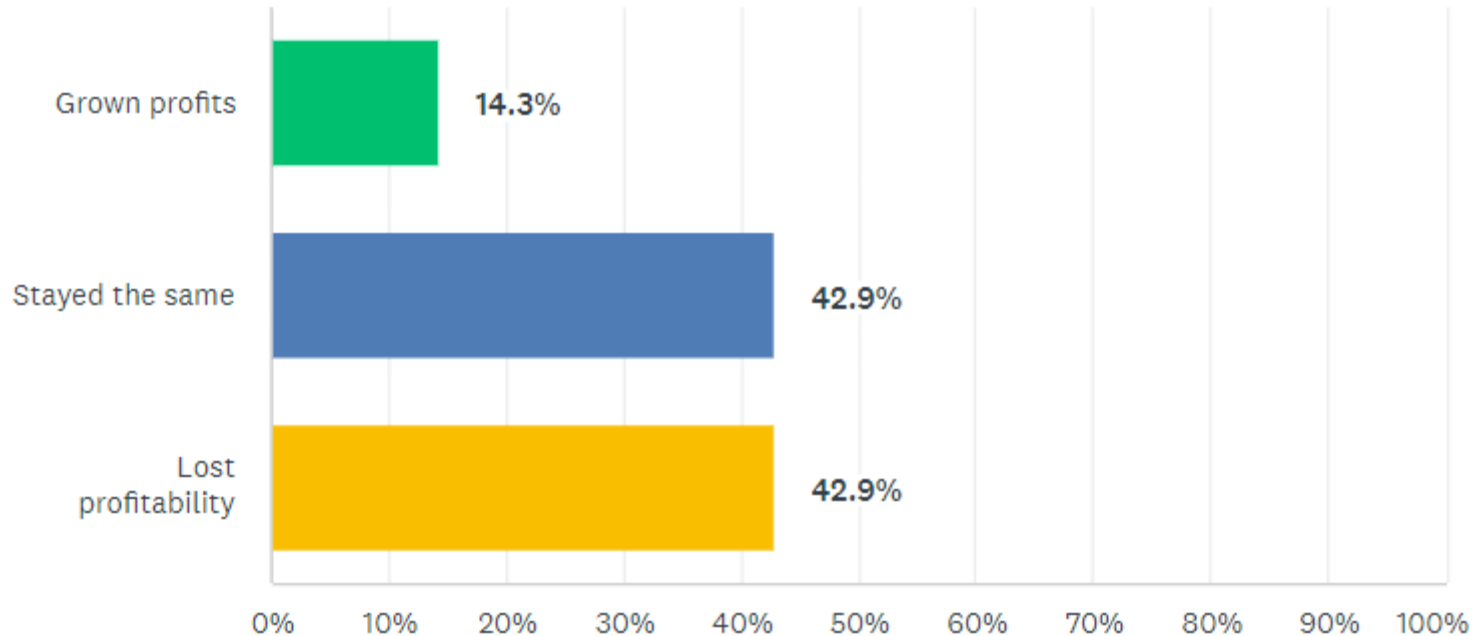


Why has your company changed size?

- Lost headcount
 - So many contractors out there. It's a battle to keep employees.
 - We have been an IIC since 2004 and quite respected due to our high quality of work (Tier I contractor). However, since the new standards to rate contractors (other than quality of work) we are rated as a Tier III contractor, which has decreased the amount of work we do for the program.
 - Changes in the Mass Save HVAC program and increase utility rates created a big dip in demand for heat pumps.
- Stayed the same
 - We have been working to fill our calendar, but the last two months have been tough and more expensive to find customers.
 - lack of audits = lack of weatherization work
 - We are not able to grow due to lack of interest in working and overall cost to expand.
- Grown headcount
 - LVI model for Income Eligible program.
 - Growth in the commercial & industrial & Multi family program NOT the residential program



Over the past six months, how has your company's profitability changed?

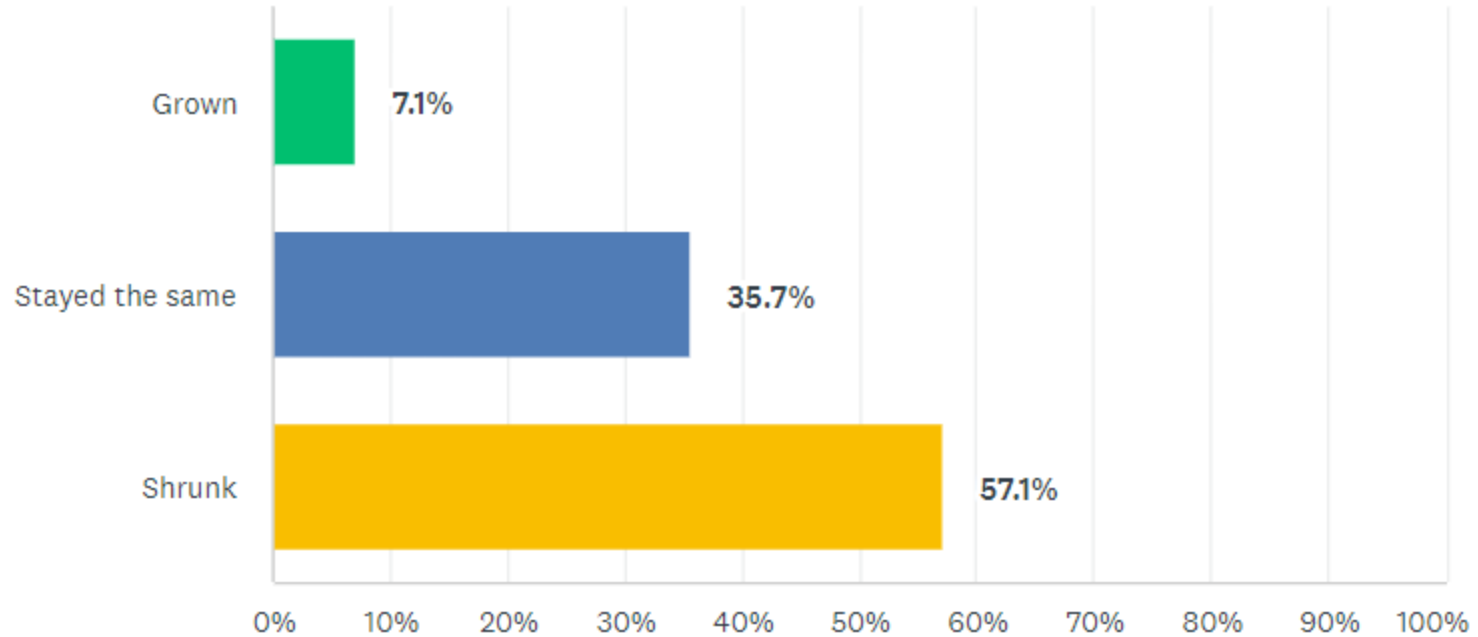


Why has your company profitability changed?

- Grown profits
 - growth in the commercial and industrial and multifamily programs
- Stayed the same
 - We have grown, but costs are growing even faster.
 - 4Q 2023 and 1Q 2024 should traditionally be strong quarters. We saw decent demand in 4Q but have recently seen softer interest from consumers.
- Lost profits
 - Losing employees to title companies
 - increase in wages and supply costs and benefit costs. Some of the new bid prices not in line with increase in supply costs
 - lack of audits = lack of weatherization work
 - Decrease in volume of work on both the WX and HVAC side. Company has brought in other non-Mass Save HVAC focus to balance out company and reduced head count across the board due to changes mentioned above.



Tell us about your work volume. Over the past six months, has your backlog

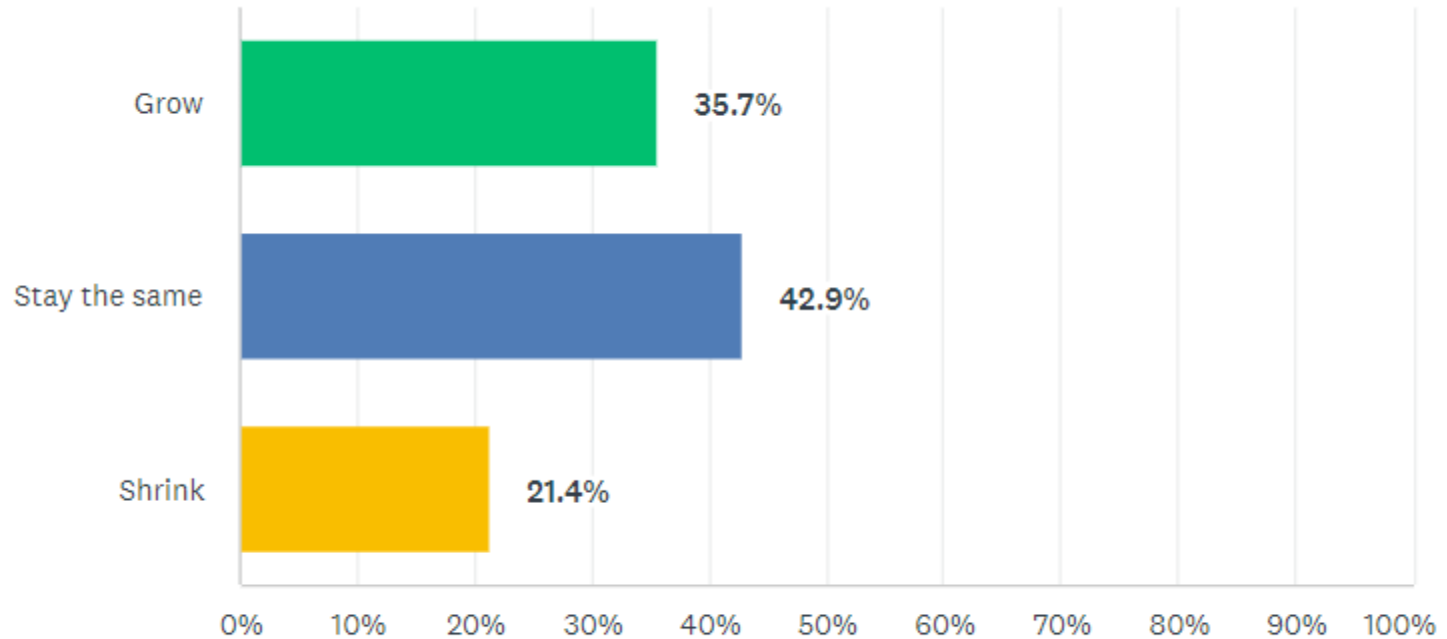


Why has your work volume changed?

- lack of audits = lack of weatherization work
- no backlog - not receiving jobs as frequent since new standards have been implemented
- Program is heading to a more HPC direction and the IIC are getting choked out. Too much/many HPC concentrated ideas.
- Restrictive energy code
- Single family WX demand has decreased significantly over the past 3 years with this year being most significant.
- HVAC heat pump demand suffered following changes to the whole home program.
- We've had fewer HEAs and so been eating into our Wx backlog



Over the next 12 months, do you think that your business will grow or shrink?



Over the next 12 months, do you think that your business will grow or shrink?

- Grow

- We are expanding our business off cape cod and adding spray foam insulation and aereoseal duct sealing
- We anticipate growing but not because of Mass Save but rather other business lines we've specifically added to better shield us from program changes.
- We are new to the residential program and our currently only receiving projects as an IIC from one vendor CET. The on boarding process for CLEAResult and RISE Engineering is very cumbersome. CR says they are only on boarding new contractors twice a year and we are stuck in a waiting pattern with them

- Maintain

- Hard work and spending money on marketing and customer acquisition!
- We will keep pushing to grow, but it is getting harder and harder to make this program work.

- Shrink

- not receiving Mass Save jobs as frequently
- Restrictive energy code

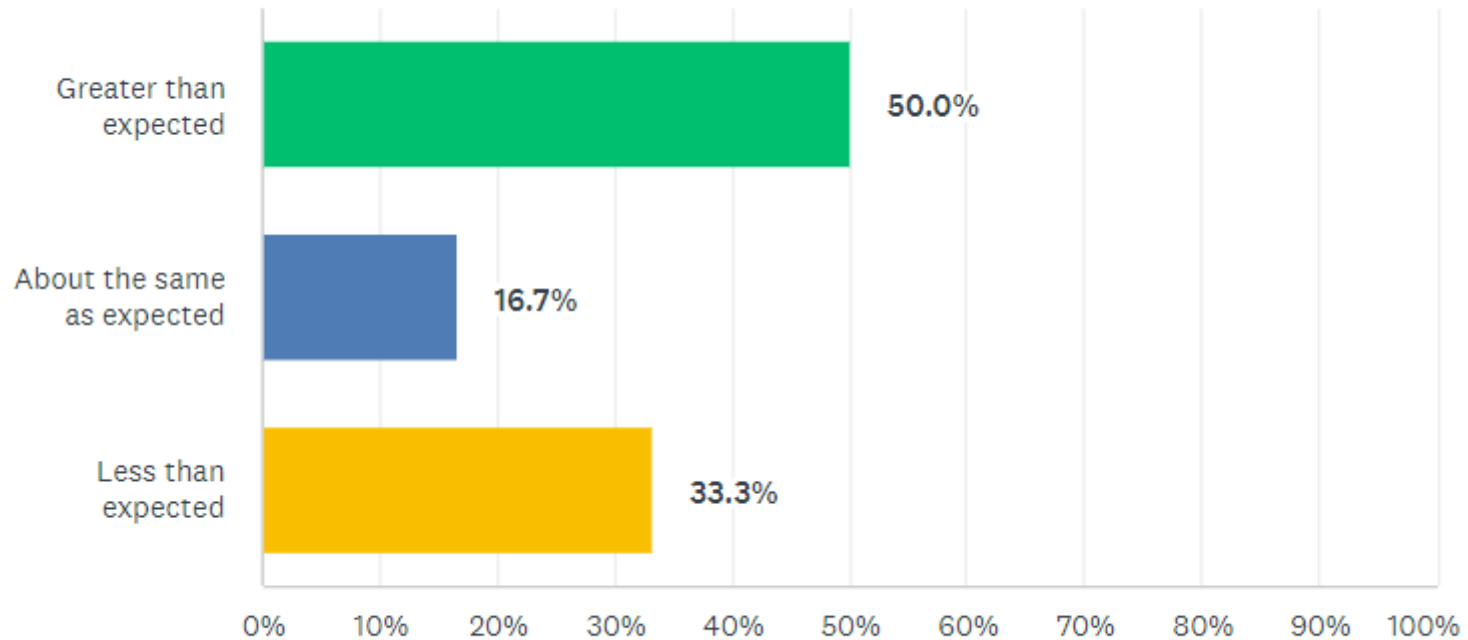


Current customer demand for weatherization appears softer than in the past. Are you seeing this, and if so, what are primary reason(s) your customers are not moving forward on Wx recommendations?

- Either major barrier or the scope is not large enough.
- Some customers are confused about the process to be followed after their audit ... needs to be better communicated to the customer during audit. Customer time is important ... if they have to spend time learning how the program works they may choose not to move forward with the work
- Biden
- Economy
- We are seeing less demand from customers. Not sure why - wondering if the program is doing less mass marketing, so it's less top-of-mind for homeowners?
- Yes, seems to be slower than usual. Previously had work done, expensive pre-weatherization barriers, etc.
- The economy



For HVAC contractors: Is the rate of heat pump adoption by your customers

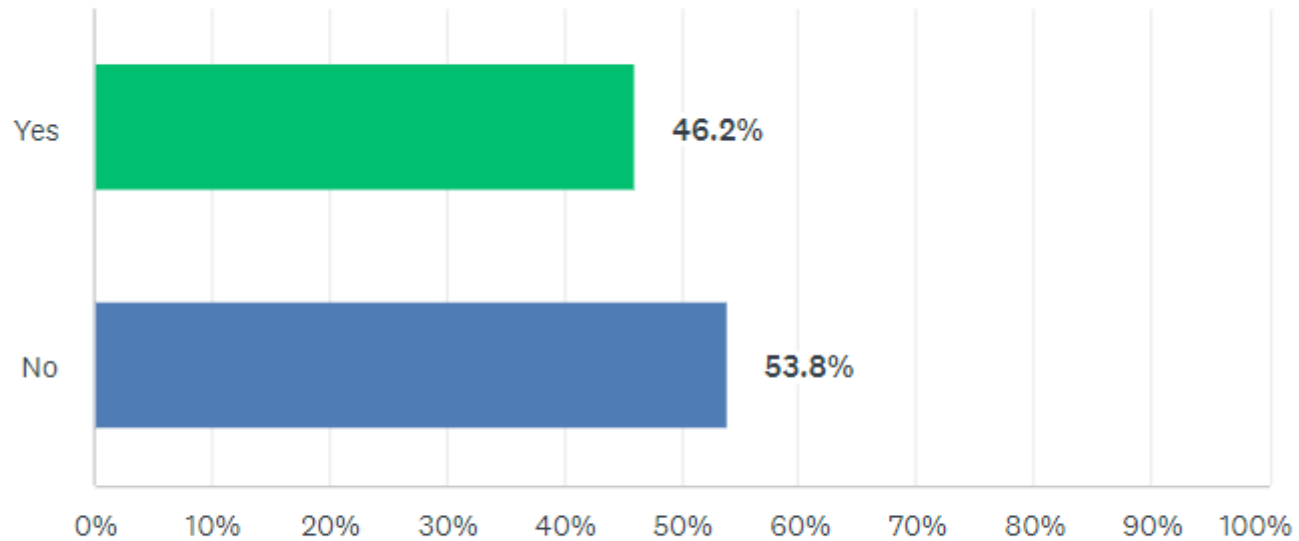


What roadblocks or hesitations are your customers experiencing when considering the switch to heat pumps?

- Concerns that the heat pumps can't keep up with the cold temperatures of New England.
- Electric bills and word of mouth is hitting heat pumps hard in addition to not being able to keep a connected back up.
- Cost
- The cost of electricity - it's not really cheaper if they already have gas.
- Concern about the cost of electricity.



Have you incorporated IRA tax incentives in your messaging to customers?

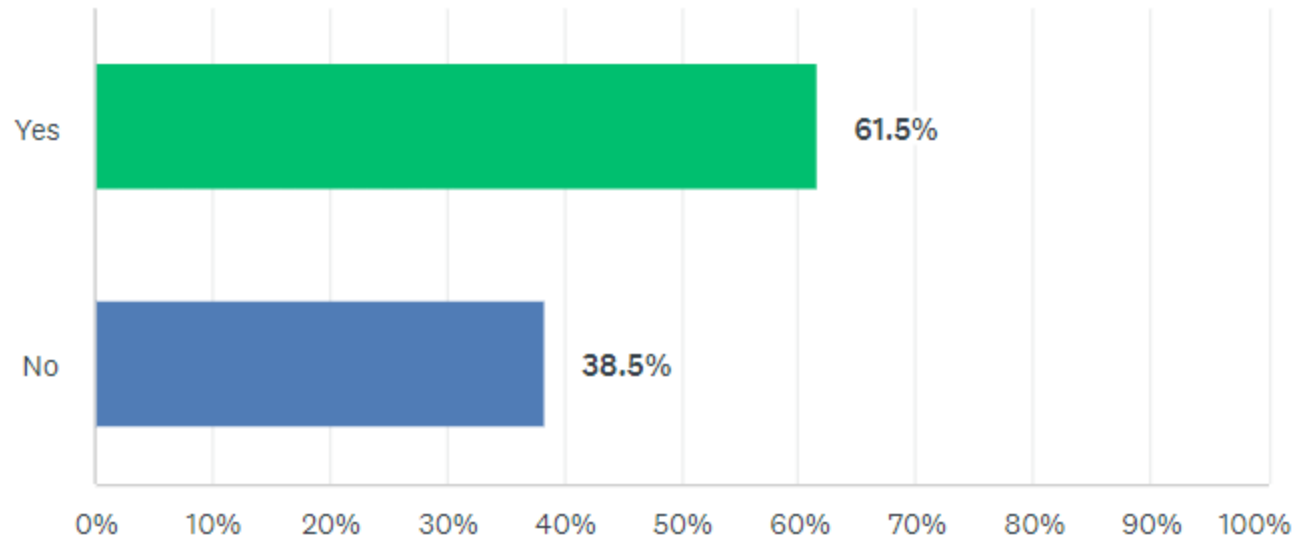


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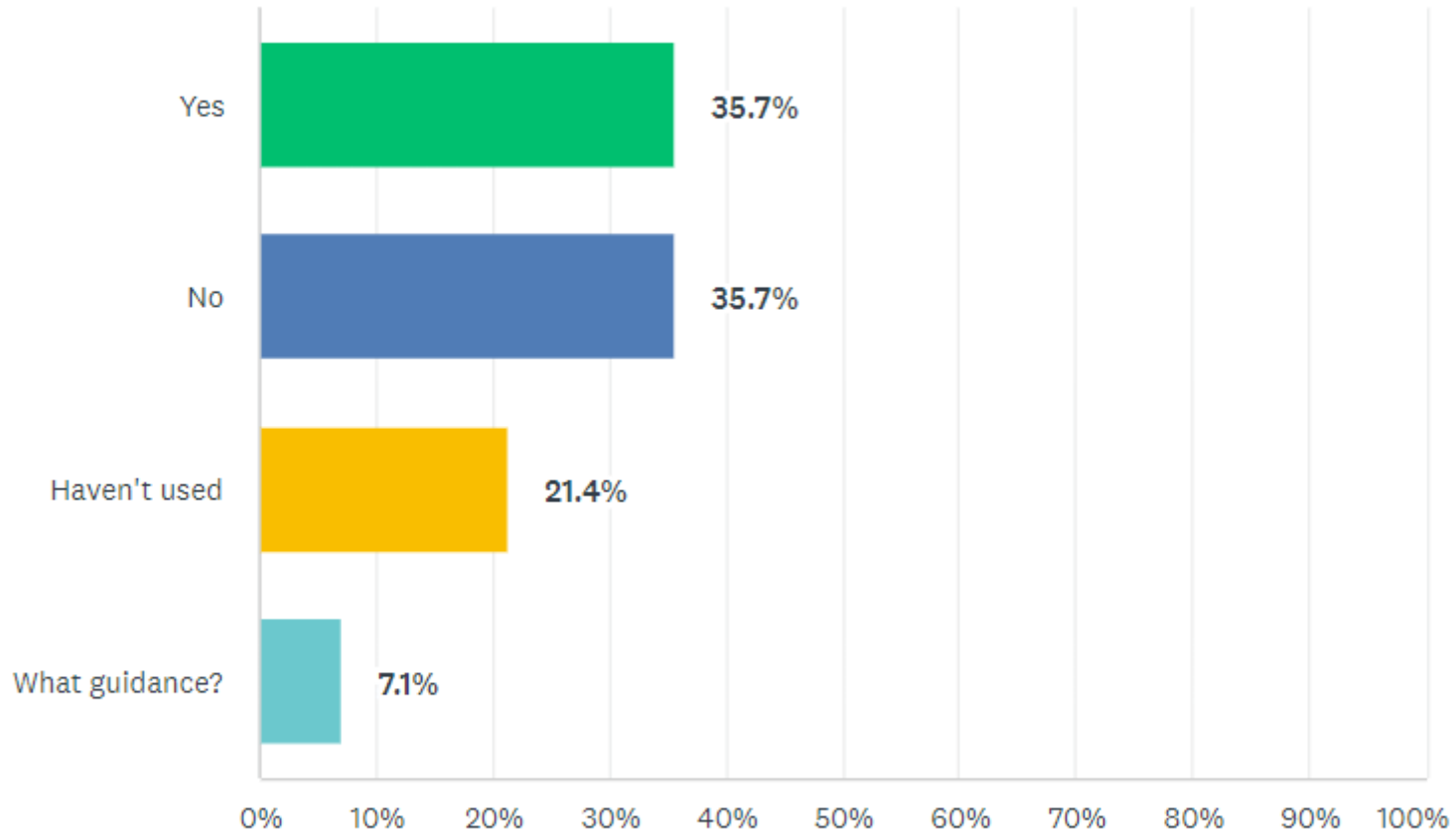
- We don't use it in our upfront marketing but we mention it when talking about weatherization. It may make a bit of difference, but not material.
- No significant impact
- Little
- Not much - we do discuss during sales conversations, which doesn't hurt, not sure it really helps that much
- it is quite positive. Most contractors are not even talking about this with their customers so the ones that do are reaping the benefits.



Do you expect to promote IRA rebates when they become available?



The Mass Save program administrators put out guidance around communicating to customers about IRA tax incentives. Has that been helpful?



If there were any informational documents that could be provided to contractors that they could use to send to their customers as marketing material and informational material that would be helpful



Preliminary comments on 2025-28 Draft Plan, turnkey model:

- Set pricing doesn't seem doable as every home is different and what it takes to install heat pumps in one house might be very different in another house.
- Honestly **it's whether the pricing makes sense**. The way the WX program has gone we've had to cut to barebones overhead and HVAC really can't function in the same way. It also depends if we're going to be forced to use certain suppliers the way we are on the audit side.
- I am concerned about **how the work would be allocated to contractors**. If the customers do not choose then who does? Will the allocation be driven by the contractors responses on pricing from previous RFQ? IIC contractors already have so many Limitations placed on them. HPC contractors would be in a much more advantageous position in my opinion.
- THIS IS A PERFECT EXAMPLE OF THE PROGRAM HEADING TO AN HPC FORMAT. IICs do not have the investors or money to compete.
- Very concerned about **mandating more pricing, more hoops to jump through, more delays and roadblocks. How would the program set pricing for something as complicated as an HVAC system**. If they can't make money, contractors won't participate.
- Way **too complex** to build a pricing structure that works for all customers and contractors. Need to be able to adjust rapidly to new products and price changes. Expensive to QC all this work. Expensive to manage approvals process, etc. Will add administrative burden to contractors. Will squeeze our margins further. Will result in lowest cost providers winning the market. What about service plans? What about warranties? What about quality? Will it require background checks/drug testing? This is a terrible idea.
- Don't ignore the **larger program and goals for the squeaky wheel. Don't forget to promote the broader program with marketing and outreach \$\$\$**

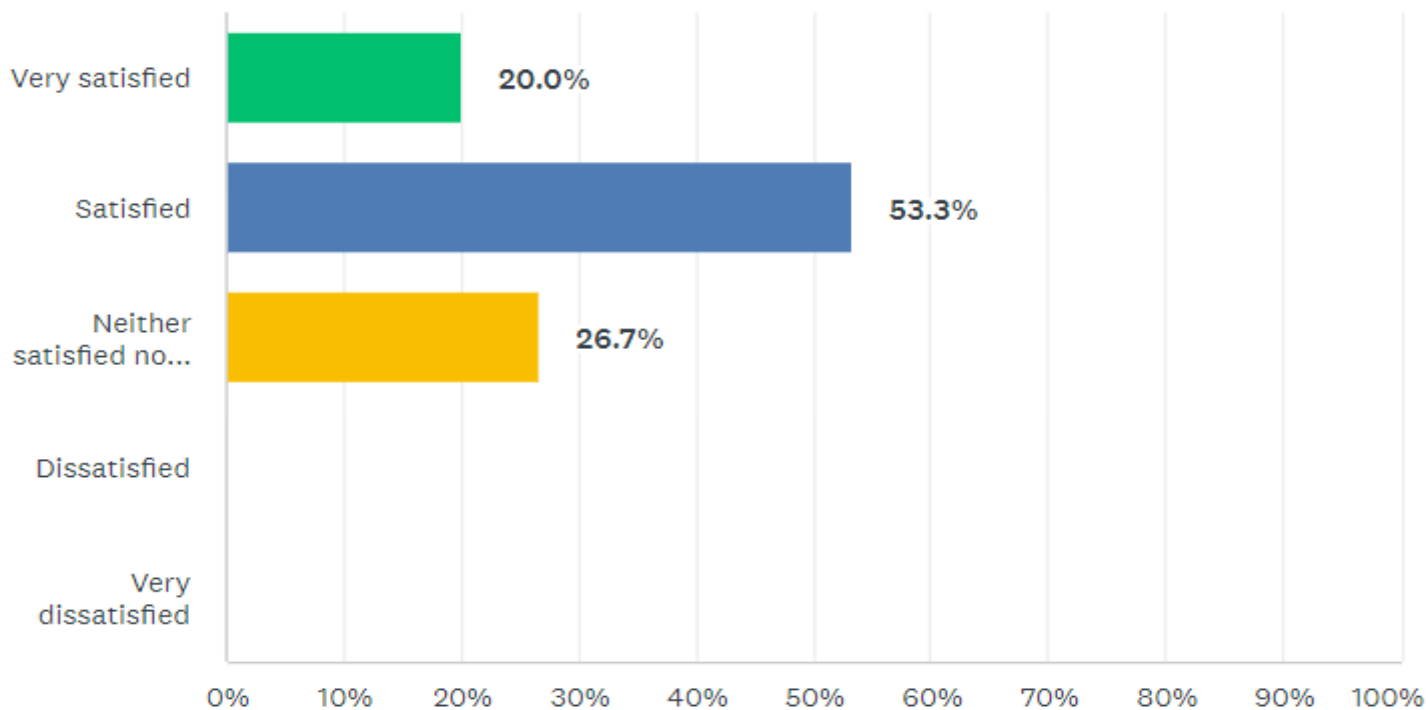


What would you like to see the Massachusetts chapter of the BPA address? How can the BPA better support you?

- I would like to see BPA provide more trainings (in person and online). I would like to see BPA provide more building science materials that could be used as marketing materials by contractors
- Remove radical political agenda, such as DEI
- High costs
- Tell us what exactly you are and what your purpose is. Are you an affiliate of the PA's or independent. No one knows what you are about.
- Be a voice / advocate for contractors, keep us abreast of industry developments, make sure we're not getting squeezed out of existence
- Need to help shape the Mass Save 3-year plan.
- Keep us informed about what's going on with the three year plan and how we can make our voices heard



How would you rate your overall level of job satisfaction as an implementer of home energy efficiency?



- The work is rewarding, but continues to become harder and harder in this market.
- Love the work and helping customers. Just make sure the program doesn't squeeze contractors out!





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REGIONAL MEETING WRAP UP, Q&A

Maria Lewis

**Thank you
for joining us today!**

**Questions/comments?
Email Maria Lewis or Mark Tajima
mlewis@building-performance.org
m.marktajima@gmail.com**