



April 2, 2020
Via Electronic mail

Hon. Michelle Phillips
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

Re: Case 18-M-0084

Dear Secretary Phillips,

Please accept these comments, which we are submitting as requested during the March 27, 2020 Energy Efficiency and Heat Pump Focused Input Session. These comments are a joint submission by the Association for Energy Affordability, Inc. (an active party in Case 18-M-0084), E4TheFuture, the Building Performance Association, and Performance Systems Development, Inc.

Respectfully submitted,

Valerie Strauss
Director, Policy & Regulatory Affairs
Association for Energy Affordability, Inc.

NEW YORK STATE PUBLIC SERVICE COMMISSION

Case 18-M-0084 In the Matter of a Comprehensive Energy Efficiency Initiative

Comments of:

Association for Energy Affordability

Building Performance Association

E4TheFuture

Performance Systems Development

INTRODUCTION

The undersigned representatives of the residential building efficiency industry appreciate the opportunity to provide comments in response to Case 18-M-0084 - In the Matter of a Comprehensive Energy Efficiency Initiative and the Energy Efficiency and Heat Pump Focused Input Session held on Friday, March 27, 2020.

As representatives of residential, including multifamily, energy efficiency service providers and as non-profit organizations committed to a green economy, we bring the practitioner's perspective to this discussion. The Association for Energy Affordability (AEA) is a non-profit organization dedicated to achieving energy efficiency in new and existing buildings in order to foster and maintain affordable and healthy housing and communities, especially those of low and moderate income families. AEA representatives engage in a broad range of educational, technical and construction management activities and services to promote this mission and develop the efficiency industry. Our senior staff includes recognized and respected experts on clean energy solutions and energy efficiency in multifamily buildings. The Building Performance Association ("BPA") is dedicated to advancing the home and building performance industry by ultimately delivering improved energy efficiency, health, safety, and environmental performance of buildings. The Association was created to support home performance contractors, weatherization agencies and training centers, product manufacturers and distributors, program sponsors and implementers, building scientists, and non-profits focused on residential and commercial energy efficiency, including many others who together form the large and diverse network of stakeholders of the building performance industry. State and federal advocacy, education, programs, networking, publications, and community are the means by which the Association aims to support these groups. E4TheFuture is a non-profit organization that promotes residential clean energy and sustainable resource solutions to advance climate protection and economic fairness by influencing federal, state and local policies, and by helping to build a resilient and vibrant energy efficiency and clean energy sector. E4 was previously named Conservation Services Group (CSG) and ran the NYSERDA residential programs as well as efficiency programs in 25 other states for many years.

RESPONDING TO THE ADVERSE JOB IMPACTS OF THE HEALTH CRISIS

The residential building energy efficiency industry recognizes we are in an unprecedented public health crisis due to the COVID-19 pandemic. Addressing the health and safety of New York residences and businesses in a coordinated, unified and focused manner is paramount for the New York State government. We are pleased and appreciative that the Department of Public Service, the New York State Energy Research and Development Authority (NYSERDA) and the joint utilities have recognized the dire straits of the energy efficiency industry and have asked for information on job losses and suggestions for how they may support the industry at this time. We believe it would be wise for the State to support the energy efficiency industry and our clean energy future to enable the survival of the industry and a ramping up of business once the health crisis has passed.

The energy efficiency industry supports at least 126,739 jobs in New York, many of which involve skilled labor and “in-field” services requiring entry into residences and businesses. Faced with the COVID-19 stay-at-home orders and the shutdown of state and utility program energy efficiency programs, job losses in the energy efficiency industry are significant. Many energy efficiency businesses are paid based on performance or per unit installs and cannot generate income when not allowed in residential buildings. As many of the stakeholder participants indicated during the March 27th Forum, businesses are laying off and furloughing employees, some as high as 50% to 75% of staff. Additionally, they are unable to employ their usual contractors, who in turn must lay off their own staffs. Energy efficiency jobs are by nature local jobs and therefore every community in New York is impacted.

Now is not the time to lose the trained labor force we need to meet the challenge of addressing climate change. Anticipating the need to rapidly accelerate towards the January Order’s 185 Tbtu energy savings target, we need to expand, not lose, the quality workforce necessary to achieve our clean energy goals. Moreover, now more than ever, it is critical for consumers to be able to manage their utility bills and to have safe, healthy, and comfortable homes. We believe there are actions NYSERDA and the utilities can take, with the support and direction of the Public Service Commission and other State agencies, to support energy efficiency businesses during this public health crisis. Three important options for maintaining our workforce are:

- 1) **analysis of impact, coupled with communication of information and resources;**
- 2) **immediate support for retention of staff, potentially via direct grants or via subsidized employee on-line training; and**
- 3) **increased incentives to accompany virtual marketing to create a pipeline of work for when workers are allowed to enter residential buildings once again.**

(1) UNDERSTANDING THE WORKFORCE IMPACT

While we know the job losses in the sector are substantial, the State could perform some analyses to develop a more accurate picture. The utilities and NYSERDA could calculate the dollars involved in the now-shut programs and translate this to likely employment numbers, which will provide information on the impact of the shutdown. The Department of Labor could track the unemployment claims made in the sector to the best of its ability. These numbers are unlikely to portray the full economic impact but would be a starting point. It would be helpful if individual businesses self-reported information, as the DPS and NYSERDA requested at the March 27, 2020 stakeholder meeting, however, many private companies that compete with one another may be reluctant to do so. Furthermore, we must recognize that most energy efficiency businesses have both their own labor force and extensive relationships with other small firms, so they represent a vital link in a larger supply chain.

(2) ACCELERATE ACCESS TO DISTANCE LEARNING AND ONLINE TRAINING

During the stay-at-home order in New York, administrative staff, energy auditors, installers and other field employees could engage in training to retain and build skills. There are a number of existing online training courses that could be used, as well as others that could be quickly modified to support such training. This is an opportune time to engage in online worker education, which can simultaneously support worker retention and create certified professionals. **The State and utilities should provide funds for training organizations to reformulate training to meet the existing circumstances, if necessary, and the State and utilities should provide funding to energy efficiency employers for the salaries of workers undergoing online training.**

More specifically, the Public Service Commission (PSC) should support NYSERDA directing Clean Energy Fund money for designing core curricula element and coordinated delivery of distance learning. Additionally, the PSC also could direct the utilities to use funds for this purpose with commensurate changes in their efficiency targets; without a workforce, the utilities will be unable to meet targets going forward. This effort should include worker and subcontractor/contractor workforce training and certification, including real-time distance learning (instructor led webinars) and on-line training modules targeting specific knowledge, skills and aptitudes relevant to key jobs in energy efficiency, such as Energy Auditor/Assessor, Field Crew Leader, and Cold Climate Air Source Heat Pump installer. Distance learning and online courses can also provide new and additional training on post COVID-19 safety issues ensuring “healthy home” protective actions and procedures for both the retrofit workforce and for customers.

(3) MARKETING & OUTREACH, PROGRAM RULE FLEXIBILITY AND INCREASED INCENTIVES

Marketing and outreach should continue, with a greater focus on customer education to prepare them to participate in energy efficiency programs – this will also help the struggling industry develop a pipeline for future projects to complete when the crisis is over. NYSERDA and the utilities should offer higher incentives for projects contracted during this time of public health crisis; this will act as an incentive for businesses to continue marketing and for building owners to enter into contracts during the pandemic. We do believe there is a market, especially if rewarded/enticed with higher incentives, in sectors of the economy with some reserves and optimism for the post-healthcare crisis recovery. We would support the PSC directing utilities to use funds for this purpose with commensurate changes in their efficiency targets. NYSERDA and the utilities also should **reform program rules to allow for partial payments to energy efficiency providers in advance of project completion**. Advances for projects signed but not begun and for projects begun but not completed would help small businesses weather the next couple of months.

Other support for the industry should include low interest loan programs for consumers, additional support for marketing efforts, and acceptance of “virtual audits” during the pandemic. Contractors who work in programs where assessments, and more importantly where job pricing can be done remotely with customer assistance, should have access to significantly increased incentives for a limited time period tied to the duration of the shutdown. This incentive would encourage contractors to seek out customers and sell them heavily discounted projects during the shutdown. Consumer resistance to taking action during the shutdown will be increased, so an increase in incentive will be required to make this sales effort profitable for the contractors. Heat pumps and residential envelope work are both job types that should be evaluated for remote job pricing and a limited time offer of a significantly increased incentive. The ability to book income during this shutdown will have an extremely high value to the contractors. It will help to justify keeping trained sales staff on board, and it will help them restart without significant delay and with a backlog of work once the shutdown is lifted. This will encourage contractors to take out loans, with more confidence that work is still being sold.

A final suggestion is to provide support for Covid-19 safety practices to increase consumer confidence in the recovery period. This could include marketing and /or guidelines on safe practices for in-home work; the State also could help the industry restock its supply of PPE supplies of gloves and masks to be responsive to concerns of residential building residents and workers about outside contractors entering their premises for work in the their buildings. This should only occur after all medical needs are satisfied in NY and neighboring states--- i.e., do not compete with or contribute to shortages needed directly by hospitals and other health care providers including home and caregivers.

A COORDINATED FOCUSED RESPONSE

Additionally, we support the variety of suggestions in the recent letter from the Alliance for Clean Energy New York, including the phased approach described in the letter and copied below.

- Phase 1: Now until the work at home directive is lifted
- Phase 2: Whenever the work at home directive is lifted until the public health crisis fully abates
- Phase 3: Industry and economic recovery after the public health crisis abates

Suggestions for Phase 1

- Temporary cash payments for contractors to cover personnel and other fixed costs
- No interest construction loans for signed projects not yet installed
- No interest advances on state and utility incentives for signed projects not yet installed
- Energy audit payments for “virtual” energy audits that replace on-premise energy audits
- Specific changes for WAP subgrantees to extend timelines for production (fulfilling units completed requirements) and to provide payments along the way in order to retain workforce
- Increase incentives through existing EE budgets, which will facilitate inside/phone sales of shovel ready projects.
- Provide funds to employers to support paid online training by employees while onsite work is not possible, and to prepare onsite contractors for post COVID-19 work safety.
- Provide funds to training organizations to expand current distance learning courses and certifications and rapidly prototype online training given changes to curriculum necessary for COVID-19 related social distancing (which may require additional field/practical tests)
- Provide incentives for on-line purchases of residential and low-to-moderate income efficiency products

Suggestions for Phase 2

- Provide better financing terms from the New York Green Bank and other state clean energy lending entities, including lowering or waiving of fees and providing guidelines to enhance investment terms during force majeure events
- Enhance the NYSERDA Co-Investment Fund program, including accelerating awards (both those in the application review stage as well as new applications), increasing maximum co-investment levels, and accelerating payments
- Adjust low income program qualifications to include those recently laid off or furloughed due to COVID-19 even if not previously eligible based on household income
- Implement innovation pilots for program designs that are resilient to COVID-19 disruption to protect against any future waves (COVID-19 again or a similar threat), and to accelerate innovation generally
- Continue with enhanced incentive levels to ensure program participation.

Suggestions for Phase 3

- Work with the EE industry to develop longer term proposals to support this industry
- Direct state or federal stimulus funds to energy efficiency efforts
- Provide additional cost-effective investments in energy efficiency through utility program investments

Respectfully Submitted,

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Steve Skodak, Chief Executive Officer, Building Performance Association

Stephen Cowell, President, E4TheFuture

Greg Thomas, CSTO and Founder, Performance Systems Development