

GJGNY One-to-Four Family Homes Operating Plan Meeting

April 28, 2010

MEETING NOTES

Attendees:

Albany Office -

Bill Johnson, Dick Kornbluth, Drew Matonak, HVCC; Tony Joseph, NYS DOL; Bill Mills, NYS DPS; Keith Corneau, ESDC; Frank Murray, NYSERDA; Tariq Niazi, CPB; Jackson Morris, PACE; Walter Mosely, NYS Senate Majority Conference; Sha´ Sha Wheat, Hope 4 Us Housing

NYSERDA attendees: Karen Villeneuve, Jim Reis, Hal Brodie, John Ahearn, Ruth Horton, Dave Munro, Joanna Brumley, Linda Miller, Susan Moyer, Kevin Carey, Pat Fitzgerald

NYC Office –

Salinas, New York Energy Conservation; Jay Ackley, Community Environmental Center; Dave Johnson, LIUNA; Myles Lennon, LIUNA

NYSERDA attendees: Michael Colgrove, Dean Zias, Rhona Saffer, Mark Wyman and Sharon Griffith

Buffalo Office – None

Phone:

Maribel Cruz, NYPA; Rick Cherry, Community Environmental Center (CEC); Les Bluestone, Blue Sea Construction; Judy Butler, Butler Building Performance; Tom Holmes, Zerodraft; Tria Case, CUNY

(The following meeting notes capture comments, questions and discussions held at the meeting in response to the presentations given by NYSERDA staff. A copy of the presentation and any handouts provided can be found at www.NYSERDA.org.)

Members of the Green Jobs Green New York advisory Council met via video-conference at NYSERDA's Albany, New York City and Buffalo offices on 4/28/10. Telephone access was made available to members who could not make it to a video conference site. Also present at the meeting were several NYSERDA staff members and additional staff members from Advisory Council member organizations. The Meeting was videotaped and will be posted to www.NYSERDA.org.

Frank Murray, President and CEO, NYSERDA, Chaired the Meeting.

WELCOME & INTRODUCTIONS

Frank Murray opened the sixth meeting of the GJ/GNY Advisory Council. There were no revisions requested to the April 14th Advisory Council meeting notes. The next meeting will be held on Wednesday, May 26th, from 1:00 p.m. to 4:00 p.m. in which an overview of the evaluation plan for the program will be presented. Between now and then the Advisory Council will be forwarded emails on status updates

regarding the various operation plans that were reviewed over the last couple of months, any significant changes that resulted from Advisory Council input, as well as approvals of the various operation plans by the NYSERDA officers.

Future Meetings of the Advisory Council - The Advisory Council's sense on what they would consider a reasonable meeting schedule after the May 26th meeting was sought. NYSERDA proposed that the Advisory Council meet quarterly over the next year to receive updates and program progress unless the Advisory Council felt the need to meet more frequently due to significant change issues. NYSERDA recognized the imposition on the Advisory Council Members' time to participate in these meetings, and while appreciating their input and not wanting to cut it off, opened the discussion to suggestions on how much additional time the Advisory Council wanted to put into this process. The Advisory Council was asked to comment on meeting quarterly, monthly, or continue on the two week track.

One Member seconded meeting quarterly and using email for important comments in between the quarterly meetings, suggesting that the current schedule was a bit laborious and while appreciating the opportunity, offered that input could be handled electronically without actually having to have meetings. A second response echoed the sentiments of the first, but suggested that if there is something that occurs that would require bringing the Advisory Council together in the interim, that the process should be open to accommodating those contingencies.

In support of the quarterly approach, NYSERDA agreed to provide the members with immediate notices on issues that are current, topical and actions that NYSERDA will seek Advisory Council input on an ad hoc basis. In addition, monthly updates on the status of the Operating Plans as well as progress of implementing the statute will be provided. A third response echoed that quarterly meetings would be best. It was also suggested that it would make sense at times to schedule meetings relative to programmatic milestones. If the program was set to ramp up considerably at a certain date and the quarterly schedule did not allow time to plan for those milestones than an ad hoc meeting should be scheduled in between the quarterly meetings.

Frank questioned whether the working groups meeting would be addressing some of these issues and was advised that there were very few working groups meeting at this time. Most working groups were pulled together to provide input for the development of the Operating Plans. Once the Operating Plans were developed the working groups would most likely come together only from time to time to look at the status, provide updates on what is happening in the market place, and get any needed feedback. But for the most part the working group efforts are wrapping up.

A comment was offered that the Advisory Council trusts Frank and NYSERDA staff to see whenever there is an issue that needs face to face discussions, and the Advisory Council members will let NYSERDA know when they observe something they think might be significant and let NYSERDA decide if it requires a phone meeting. Communications should remain open and if we need to meet we can certainly structure a meeting.

ACTION ITEM: Before the May 26th meeting, NYSERDA will provide a proposed schedule going forward. NYSERDA will set up a regular quarterly schedule, provide monthly updates on the operating plans status, and will be available to meet as necessary on an ad hoc basis either at the request of NYSERDA, state agencies, or if a significant number of Advisory Council members believe that a

particular issue would warrant a meeting. NYSERDA will provide a written document to reflect these decisions which will be shared before the May 26th meeting. At the May 26th meeting the Advisory Council can endorse the approach going forward.

In terms of the next Advisory Council quarterly meeting after May, an Advisory Council Member urged consideration of meeting in September to address the annual report that is due in October. It was suggested that the group should probably allow a 60 day timeframe to provide meaningful input from the Advisory Council. If the draft of the document is sent out about the end of August, a September meeting would allow everyone plenty of time to review the report. Since this will be the first annual report it will be critical in establishing views on how the program is progressing.

DOE Award to New York State - An additional non-agenda item offered some very good news for NYSERDA and New York State. Frank informed the group that last week NYSERDA was advised by DOE that NYSERDA have been awarded a \$40 million grant as part of the \$400 million solicitation that DOE had put out to finance the retrofitting of residential and nonresidential structures. NYSERDA had joined with NYC and the town of Bedford to submit a \$75 million dollar application. NYSERDA received \$40 million which was the largest award granted in the country. It is envisioned that the funds will be used to seed three different financing approaches all designed to achieve the same objective as GJ/GNY, investment in residential and nonresidential retrofitting. NYSERDA is looking at using some of the money to support GJ/GNY, some to support a pilot demonstration of on-bill-recovery with National Grid, and is also looking to support PACE financing, which is an exciting new approach. NYSERDA is now in the process of beginning discussions with DOE, NYC, the Town of Bedford, and others on how to modify the application to downsize the proposals work scope from \$75 million to \$40 million. Another NYS applicant, a Long Island consortium, did not receive an award. Therefore, NYSERDA has been engaged in discussions with towns on Long Island to see how we might be able to accommodate their needs.

This award is another pot of money that NYSERDA will hopeful to be able to utilize to achieve the objectives of GJGNY and other residential energy efficiency programs in NYS. It is also testimony and recognition that NYS is a national leader in efforts to invest in energy efficiency. Frank stated that NYSERDA will continue to pursue federal dollars through every opportunity that the federal government presents in an effort to attract additional investment in New York State. The focus will be on efficiency generally, but specifically in the residential sector.

It was pointed out that Long Island would be very happy to hear that NYSERDA, having won the award, would be reaching out to them to see if something could be done to incorporate their ideas. NYSERDA has already had a meeting with Congressman Steve Israel and organized a conference call last Friday with Long Island. Meetings are also scheduled with Congressmen Chuck Schumer on this matter. Frank offered that NYSERDA's commitment is there, but some of the rules are not going to make it easy. However, we have a common objective and will try to find ways of incorporating the Long Island towns into the program.

ONE TO FOUR FAMILY HOMES OPERATING PLAN PRESENTATION

Jim Reis, Program Manager, Residential Energy Efficiency Services, NYSERDA, presented the One to Four Family Draft Operating Plan. A copy of the Plan, the power point slides and a video tape of the presentation can be found at www.NYSERDA.org.

A draft of the One-to-Four Family Homes Draft Operating Plan was provided to the Advisory Council Members in advance of the meeting. NYSERDA will consider all feedback provided during the meeting as well as feedback provided via email by May 5, 2010. Comments following the meeting should be sent to: comments1-4family@nyserda.org.

QUESTION: Target audience: The eligibility rule is up to 80% of State or Area median income – this differs significantly based on the area, so how is this reconciled?

ANSWER: We look at the higher of the two.

QUESTION: The legislation states that audits will be available to anyone eligible for financing under the program. What does that mean, eligible for financing? Is there a way to screen people to determine this up-front and avoid the free audit problem?

ANSWER:

- Screening up front would cause delays in the program. We want to avoid this. Not screening may result in paying for more audits than we need to, but we believe that screening for financing upfront is not the best approach.
- Also, we want to make sure anyone interacting with consumers upfront is providing very clear criteria on loan qualifications. If there is criteria, such as payment history on a utility bill, the consumer should know if they meet that criteria or not to minimize the instances of denial.
- What we can do is have an informal screening, rather than an actual qualification process. The actual qualifications could potentially hold up the process of delivering audits.

QUESTION: Could NYSERDA provide a list of issues that might disqualify a person from financing so that a contractor or CBO could provide that information to a potential customer and the customer could make that decision? We might want to draft some prescreening templates to provide to the CBOs and include this list in the template.

ANSWER:

- That would be provided as part of the financing group plan, when we provide the financing structure, the loan terms and conditions, and the loan underwriting approval criteria.
- The Statutory language is that, we shall make audits available to applicants who would be eligible to apply for financial assistance, not necessarily qualify. The procedure that has been discussed here would work well.
- We might also want to get a preliminary assessment of the home to make sure the home is a good candidate, and make sure the resident is eligible to apply.

STATEMENT:

- We have talked about the prescreening process and have suggested that we might want to draft templates. It sounds like this would be included in the templates when it becomes available. Ultimately whether we do A or B there is a prescreening template that will be available to CBO's, but we are not there yet, it is coming.

RESPONSE:

- The prescreening that is being referring to includes an assessment of the home to make sure that the home is a good candidate, to make sure that the person who lives there is actually authorized to contract for services on the home. There are a number of things that would be included in this pre screening process and having the homeowner know how to qualify for financing could be part of that.

QUESTION: How do we benchmark out people whose energy bills are already as low as possible and are interested in a free audit but have no intention of doing anything? Has there been any effort of qualifying that way as well?

ANSWER:

- This is a question of the value of a free audit. The contractor needs to be asking this to potential customers - how serious are you about doing something? A quick look at the building would indicate whether there is potential for doing some cost effective improvements on the house.
- A bit of this responsibility will fall on the contractor as well as the CBOs as part of the prescreening.

STATEMENT: It will require the CBO or the contractor to rely on the good faith of some form that the property owner is filling out. Otherwise, we have someone traveling to the house for nothing. This is an issue, \$10 or \$12 million dollars does not go a long way. We cannot structure a program where there are double visits to the house even before we get to the audit. There needs to be metrics in advance, if available, in the form of a questionnaire going out to the property owner in advance of anybody visiting the home, even the CBO, and holding direct interviews. This will help save dollars. We do not want to waste time with people interested in only getting the free audits with no propensity to get some work done.

RESPONSE:

- That is something that the CBOs should think about when they are putting together their proposals for our solicitation; how they could effectively do prescreening. One idea is that they mail out surveys in advance, or use other means of prescreening. We will be looking to the CBOs to provide us with information on how they intend to reduce the incidences of unproductive face to face visits.
- What we are talking about in general is that prescreening will happen in one of two ways. If it is coming in through a CBO, the CBO will do prescreening. If it is someone who is calling a

contractor directly, the contractor will do the prescreening. Contractors are doing a lot of prescreening right now. There should not be an incidence where the CBO does prescreening and hands them off to the contractors and the contractor has to do that again. Once the CBO has prescreened, the contractor should be able to go right to the home.

QUESTION: Does NYSERDA already have information available on the 'data' for a "normal" house?

ANSWER: NYSERDA will pursue putting together some criteria that will help with the prescreening process.

STATEMENT: There should be fairly specific criteria. Maybe, more than 10 years old, if that makes sense. The criteria should be specified rather than to just leaving it to the CBOs or the contractors. There should be a consistent criterion that applies to everybody.

RESPONSE: Having CBOs enter the mix creates a need to develop consistent prescreening. In the past the contractors have been doing prescreening on their own. They knew their business and they have certain ways of working with their customers. They did the prescreening their way. Now that we have CBOs that do not provide these services in the home doing the prescreening, there is a need to establish consistent prescreening criteria that CBOs can use.

QUESTION: Both for the CBOs and the contractors, prescreening depends on the goal of the person on the phone. If CBOs are rated based on the number of appointments they set up, their criteria will be lax. If the contractor and customer know there will not be a lot of energy saved, but would like some new windows, they might go forth so the new windows can be installed. Contractors can be motivated to go out on calls that do not adhere to critical criteria. Since there are a limited amount of resources for free audits, perhaps we should set standards as to what applicants qualify for free audits.

ANSWER: The statute says that we have to provide audits and services for homes and business of certain sizes. NYSERDA does not believe we will be able to exclude homes based on the kind of criteria that we are talking about here. We may be able to talk to people about the need for energy services and energy audits, however it is unlikely we will be able to exclude people.

QUESTION: If the legislation says 'eligible to apply for financing,' that is everybody, basically. An individual contractor can say that I am not interested in doing your audit and then the homeowner can call someone else. There is no requirement that a contractor must respond to a specific request and say yes. But if legislation has been correctly interpreted to mean that someone is eligible to apply for financing that includes everybody, whether they get it or not, they are eligible to apply. Are they eligible to apply if there is no ability to reduce their energy usage? Don't the projects have to carry themselves?

ANSWER: We will have to look at those kinds of things more carefully and take this into consideration as we are evaluating the process.

COMMENT: At this particular juncture, where people are approaching the program is the gate. This criterion is really important for the execution of the program and also to help NYSERDA to measure results. To have criteria when you are reporting, monitoring, and testing effectiveness is really key. . \$112 million will not cover all properties in NYS. Unless we set criteria upfront, we might have CBOs expending their allocated resources in a particular segment of the residential, small business, or not for profit market with no end in sight. Then the program will be out of money. This is a very important parameter that has to be defined within the RFP. Guidance is going to be required so that the budget does not get exhausted prematurely on some things that are not permitting the program to achieve its goal-energy savings.

COMMENT: There is also a complication; you can establish cost effectiveness criteria for GJGNY work but there is no cost effectiveness criterion for a base case Home Performance project. Since free audits are universal, the customer that has a brand new house and wants new windows because his windows do not work right may have no energy savings and won't go to GJGNY, but could go to HP, pay cash, and get his 10% back. Under the current rules he would still be eligible for the free audit.

RESPONSE: Correct, the current Home Performance program does not have cost effective criterion, but we want one program. We need to tweak the Home Performance program so they are one and the same. We don't want to see windows-only jobs that are not cost-effective. That is why we have identified this under challenges.

QUESTION: Did the contractor you talked to bring forward in their list suggestions of program changes suggestions as they relate to audits?

ANSWER: Not necessary as they relate to audits. Some contractors have come to houses and said that this is not a job for me. Some contractors see where there is a job, but CBOs are less apt to pick out where there is a real job. Contractors may have an easier time of screening than the CBOs will have; therefore we need a good set of guidance. We will work on this and come up with criteria to guide CBOs.

COMMENT: CBO are not writing the program scope.

RESPONSE: They are not, but they are going to be aggregating customers. We will come up with criteria.

COMMENT: I am comfortable that there will be criteria that will guide CBOs, so those decisions are really being made programmatically. The Criteria is not being set by CBOs. CBOs will only be checking the boxes to determine if the project fits the criteria. The concern was CBOs getting off track, and that should not happen because we will have controls written into the RFP on what they can and cannot do, how they can aggregate, etc.

RESPONSE: We want the CBOs to be effective, so we will give them tools that they can use to do the job.

QUESTION: I am concerned with pushing the eligibility enforcement on the contractor or CBO. Eligibility is an interpretation on the behalf of an entity. Customers will have expectations. I am thinking that a strong piece of the outreach and marketing will be to necessitate that the public be made aware of the requirements. Example: Contractor comes and advises that: You are not eligible because your energy bill is at certain level. There will be pressure from the public side that says I get certain things from this program. DOL is getting calls on where are the jobs around the Green Jobs. There is a large public perception of this program. When you push the enforcement down to the contractor level, it is not the program doing approvals it's the contractor. Then the customer will be pushing back to the contractor.

ANSWER: That is the kind of thing that Hal was referring to earlier: We may not be able to say that you cannot get a free audit because your heating system is such and such. The legislation says one thing, what we may be able to do is advise homeowners based on your energy bills and the size and age of your house, you do not look like a good candidate for this program. The screening criteria is not going to be able to eliminate people based on everything we think is logical, because we have to comply with the legal issues based on how the legislation is written.

QUESTION: If the homeowner still says that they want the free audit and they meet the income criteria, then we have an obligation to do the audit.

ANSWER: We may.

STATEMENT: Since the enforcement lies with the contractors and CBOs there is only so much enforcement you can really do. Selections will reside more with education and the hope that wise decisions will be made.

ANSWER: Frank Murray, NYSERDA summarized the conversation as follows: What I heard Bill saying in the simplest terms is that we have only X amount of money and we all know it is nowhere near the amount of money needed to accomplish the vision we have. We will accomplish the vision by actually putting money into homes and effectuating energy efficiency. The concern that I heard Bill expressing is that we could unintentionally spend all this money on free energy audits that result in little if any actual investment in energy efficiency in the residential sector. Our experience at NYSERDA suggests that this is a real concern. Because, when we ran programs where the audits were free the number of people following up with actual investment was small. It was only when we started insisting the customer invest in the audits that the numbers actually went up. The legislature has defined a different set of rules and we have to figure out, within those boundaries, how we are going to make this work. It is a real challenge.

STATEMENT: The legislation does not say that every residential property in New York shall receive a free audit. Since it does not say that, we are back to - there will be criteria. Just as we may say that there are to be 46,000 audits performed, maybe the control point is looking at what percentages of those 46,000 audits can be statistically justifiable free audits. We have to have an ability to help navigate and guide CBOs through that free world because that free world can consume all kinds of time and therefore all kinds of dollars. It is an extremely important issue that a parameter needs to be established. If the public has a perception that every residential property in NY is entitled to a free audit from GJGNY, we will have a problem. That is not what the legislation says, nor is that what the budget provides for.

RESPONSE: Part of this issue will be controlled through marketing. We will be targeting certain communities and the message about these audits will be directed at these communities. At the same time,

we have Home Performance contractors all over the state, and if they have customers who fall into the income level where a free audit is appropriate it will be available to their customers. But we are going to be targeting the messaging based on where we have the CBOs.

STATEMENT: A marketing suggestion would be to put an asterisk on the language, saying that there will be a limited number of free audits afforded in this program. We do not want the public thinking that there are an unlimited number of free audits.

STATEMENT: We have not determined how to price the audits or compensate the CBOs for their intake of the audits, perhaps there could be an incentive based on benchmarking a project's potential. That would then focus the attention of the people who are selecting which audits to handle or not handle. An audit that turns into a project might be worth more than an audit that does not.

ANSWER:

- That is part of the current strategy for paying the CBOs a performance based incentive on the number of audits that are converted into projects.
- We are developing a prescreening tool for CBOs to use when they gather information during the first contact with the homeowner. This tool will provide the ability to look for those projects that would most likely result in retrofits. The audit will further determine that likelihood. We are working to develop something the CBOs can use to identify those projects that will be likely candidates. The CBO cannot say that a homeowner cannot get an audit, but that the project would likely move forward to retrofit. The CBO payment for performance would be linked to retrofit. We do not want to encourage a whole bunch of audits that do not lead to retrofit.

STATEMENT: We could also control the process on when audits are scheduled. We could treat the process like an emergency room triage. We might be in a position to say that if the prescreening tool indicates that there is a possible 30% energy reduction in the home, the audit can be scheduled within a month. If the probability is only for a 10% reduction, or less, it might be 60 to 90 days before an audit would be scheduled.

QUESTION: For those regions such as LIPA on Long Island will there be some clarification in the RFP explaining how the GJGNY works on in their territory? This is confusing right now.

ANSWER: Home Performance with ENERGY STAR is implemented on Long Island by LIPA. It is implemented a bit differently than in SBC territory. LIPA does some installations at the time of audit, and can only do electric measurers. They cannot provide incentives for gas measures although we will see what happens when Key Span gas has some programs there. So, we have to work with them, but they do have a Home Performance contracting network on Long Island, people who are BPI accredited. Also, the Town of Babylon is using the Home Performance model to administer their loan program. But you are right, in the RFP we will have to make sure that it is understood that there are different things going on in different regions and we are going to have to collaborate with LIPA, and others, to administer programs in their areas.

QUESTION: What about dealing with municipals?

ANSWER: There may be some municipals that are running Home Performance programs; Honeywell is the implementation contractor for their programs. Where they have Home Performance programs we are going to have to talk to them about how Green Jobs will integrate with what they are currently doing. Others may have some product incentives that might be installed through a Home Performance program. We will have to make sure that the contractors and CBOs serving those territories know what additional rebates might be available to their customers who are getting the GJGNY Home Performance projects done. It is going to take meetings and coordination and understanding of what everyone has and putting together training documents to get out information to the contractors and CBOs so everybody is on the same page as to what is going to be available.

QUESTION: What about municipals with no programs and no SBC funding, will the full GJGNY program be available there and will you work those details out.

ANSWER: We will not be able to provide the AHP incentive if they do not pay into the SBC, those people that fall under 80 percent of the state median income, won't have that incentive unless their utility would like to provide something. There will be those kinds of differences in those territories.

QUESTION: How will the audit fees be controlled? Since NYSERDA is paying for the audit fees, what kind of criteria or control will be set on that? NYSERDA paying for the audit fee but the customer is getting the work. There is a little bit of a disconnect there. How is the audit fee established? The amount can range from \$200 to \$800 and since NYSERDA is paying for it what is going to prevent the contractor from charging \$800 every time.

ANSWER: We would require some kind of a signature on the part of the homeowner that the audit actually took place. We are going to set a fee. NYSERDA will determine what the acceptable fee will be and that is what the contractor will get paid, but it will not necessarily be the same throughout the State.

QUESTION: Are you not accepting some of the other international audit programs other than BPI?

ANSWER: We are not.

QUESTION: Aren't there other national accredited programs available, we may not be looking to accept them, but I am just thinking about reciprocity. There might be other contractors that operate in NYS who are not BPI certified but are certified by another national accredited certification organization.

ANSWER: Generally we would ask that they become BPI accredited, but if they can demonstrate that their certification procedure is as good or better than what BPI does, I am sure we could make an exception. But I am not sure that any exist now. The other accreditation that I believe you are speaking of does not exist yet. They are drafting it into the Home Star legislation in anticipation. It is not final yet.

QUESTION: Are there any particular geographic areas of the state where Home Performance works particularly well and are there geographic areas where there are particular gaps?

ANSWER: Most of the success is in Central and Western New York. This has been a challenge in the New York City area. Home Performance was launched in NYC more recently. In the mid-Hudson and NYC areas, most of the contractors came in fairly recently. The number of jobs done in those regions will pick up over time. At some point the shape of production will correlate with where the contractors are available. Central and Western New York is where most of the work has been done up until now.

QUESTION: Does the same hold true of NYC, the Capital, and Southern tier.

ANSWER: The Capital Region has been a real challenge for us. We have had contractors trying to crack this market for some time. For whatever reason, the buyers have not been as willing to invest as those in central and western New York. This has been a marketing challenge for us and we have been working with the contractors in this region to try and figure out how we can change our marketing message and approaches to increase production in this region. The Southern Tier was launched after the Capital Region but that has also been a challenging region. It is economically distressed and that might be a contributing factor. We do know that the number of Assisted Home Performance projects have not grown at the same rate as the Home Performance projects overall. So we think that the poor economy over the last couple of years has impacted this 60 to 80 percent population. We are hopeful through this program that we will be able to get more of those households into the program.

QUESTION: You are piggybacking on the Home Performance with ENERGY STAR program which makes a lot of sense due to good experience. Is the emphasis going to be different in GJGNY – The Green Jobs program is not just an additional infusion of money, but was meant to create jobs in certain regions? I am sure the Home Star's target was a little different and this project will be different.

ANSWER: In addition to increasing the production there is definitely a GJGNY focus of creating jobs for the communities that are particularly distressed and need the job growth. That is where we are going to be targeting CBOs to work with those communities. We believe that the CBOs have the unique ability to pull people into the program that might not normally participate.

QUESTION: So this part of the funding will be used a bit differently than your SBC or EEPS funding which is part of Energy Star.

ANSWER: Yes, the GJ GNY outreach funding will have a more discrete purpose. It will be more targeted in trying to help create jobs and reach into distressed communities than our more general broad based marketing that we do with our SBC dollars.

QUESTION: Do we have data on home ownership and if split incentives factor into the differences in production regionally?

ANSWER:

- We do currently have home ownership percentage data by county. We will have to compare that. Susan and Kevin have that data and are using it to help target areas where we will be seeking CBOs. We will compare that data to the production numbers to see if there is a correlation.

COMMENT: I do not want to suggest something that is not necessary. Does that make sense to look at the data? It strikes me that that could potentially factor into why jobs are not actually getting done in some areas. I know in NYC that is certainly a factor.

RESPONSE: In NYS there are an awful lot of homes overall. So I am not sure that the rental population is impacting the kind of numbers we are seeing here. These are small numbers. There are lots and lots of homes we could be working on in NYC.

QUESTION: Are there differences in these regions based on whether or not there are full time contractors in the program or whether this is just a small part of their business?

RESPONSE: We do have some very big contractors in Central and Western NY and that could be playing a role. But, we also have some large contractors here in the Capital Region who have been having trouble getting that level of business. There are at least one, maybe two, contractors that work in Syracuse and the Capital Region. They state that they do not have nearly the trouble, using the same marketing techniques, of getting customer in Syracuse as they do in the Capital Region. They are just very different markets. The people respond differently.

QUESTION: You mentioned in your statistics the number of BPI contractors and technicians, is there an effort underway to identify the Minority or Women owned Business Enterprise (MWBE) contractors in that database?

ANSWER: We have not been collecting this data, but we are going to start.

QUESTION: While you list the number of contractors in NYC. Have you looked at actually how many of those contractors, who say they would do work in NYC, are actually procuring work in NYC. Is this work being done by only two or three contractors on that list?

ANSWER: Right now the work is being done by a small amount of contractors because most of the contractors are relatively new to the program and are still coming up to speed. We will expect participation rates to start picking up. Some contractors have been on board now four to six months and we expect their production rates to start picking up.

COMMENT: It is really a strong selling tool for a contractor to tell a homeowner that all their work is under a rigorous quality assurance regime and there may be someone coming to check the work to make sure it is done right. If you are a smart contractor, you will sell that. That is an education issue for the contractors.

QUESTION: If a homeowner requests an audit and they clearly will not meet the cost-effective criteria for the program, or they clearly do not have any needs and insist that the contractor do the comprehensive home assessment will you still require the contractor to go through the whole modeling process to produce a report to say to the homeowner that there is nothing to be done here in order to get paid?

ANSWER: Probably. The information we get from the contractor gets uploaded into the database so that we can track what is going on. We do have a large issue with projects getting an audit and the contractor not uploading the results of the audit. The homeowner may subsequently do work, but we do not know about it. Therefore we do not get credit for work that gets done since we never knew about the audit. So as part of the Participation Agreement the contractor signs to work in home performance, they agree to follow the rules. We want to make sure that we get every energy saving measure counted in our program so that we can show how valuable our program is and how much energy our program is saving.

COMMENT: This goes back to the earlier conversation of not wanting this to be an audit-only program. What was just pointed out was that there is an opportunity to streamline the audit process when you know there are not going to be savings, and potentially paying a different rate to the contractor because NYSERDA is not requiring the contractor to do as much work. This opportunity presents itself because we have a lot of information about the nature of the housing industry. The audits can be scheduled based on the hospital triage model and after getting an initial assessment it will dictate what happens next. The initial assessment of the home would dictate payment tiers for audit work relative to the amount of time spent on the audit and/or the modeling. Such that, instead of paying \$800 for all audits you are only paying \$100 for a less intensive audit. The program will still be doing a lot of audit work but the issue is now the cost. It may not be so much, not wanting Green Jobs to be an audit only program, but the consideration that an audit only program with all the present requirements would be very expensive. GJGNY could provide a very inexpensive audit-only program.

RESPONSE: We understand the point. We will go back and review the audit requirements. We started the program doing 200 projects a year and are now up to 6,000 projects per year. We are looking at ways of streamlining the program. NYSERDA can look at cases where, as the result of doing an audit, it is obvious that there are not going to be any cost-effective energy savings and determine if some kind of clip board report vs. a full modeling could be submitted.

COMMENT: Contractors are not interested in doing just audits. They are interested in doing work. So it is not like they are going to turn this into their own audit program.

QUESTION: What types of characteristics are going to be required from the contractors?

ANSWER:

- The required BPI certifications of contractors are audit-shell, audit-HVAC, audit-HVAC- shell, etc., allowing the owner to focus on a contractor that works in areas that he is really looking for. If it is an insulation project the homeowner would not pick an audit-HVAC person, but select a shell person.
- We have also talked about standards that contractors might voluntarily sign up to meet. Such as: an agreement to hire a certain percentage of their new staff from the local community, or whether they are an MWBE. There are different things that we are talking through to decide what kinds of characteristics we might want to identify about a contractor so the homeowner can use that

information in ways that are important to them. If a certain characteristic is important to a consumer, that might influence their decision on whom they retain

QUESTION: How can we make sure that the smaller/newer contractors get work and aren't edged out by the more experienced contractor?

- We have to take this into consideration. What we are trying to do with this program is get new contractors into the program and we don't want to make it difficult for them to get work.
- We do have to think carefully about what kind of information we put on the website. We may not list how many jobs they have done or how long they have been in business, but rather if they have done jobs and received high quality assurance scores. That type of information would be irrelevant to how long they have been in business but be more pertinent in the selection process. We will make sure that whatever information we do list does not penalized anyone that is trying to get into the program.

QUESTION: Aggregations: Assigning five building owners does not mean five jobs. It means five opportunities to sell work. If you assigned five building owners to a contractor in an aggregation model and they sign only two of them, is that not aggregation in terms of work?

ANSWER:

- It will be at least five.

QUESTION: If the contractor goes through the group of five and signs one or two does that mean that they get another bunch until they have five? The efficiency for the contractors means doing the work in close proximity. Getting five contracts is efficient, but do you simply add contracts until you get five contracts in a neighborhood? Is that the model you are looking at? There is confusion that aggregation means contracts. Aggregation means prospects, not contracts.

ANSWER:

- We have to talk more about this in the working group to work out questions such as: How many households equal aggregation? What if not all of them go forward is it still an aggregation? Is it still subject to the group pricing? Those are challenging questions that we need to talk about a little bit more. Hopefully because of the pre-screening process there will be a higher closure rate on those projects than what contractors might get on their own. What then applies to that aggregation, does the pricing apply when they are only left with two instead of five in that neighbor. This is worth more discussion.

QUESTION: Are you limiting the aggregation to a contractor living within fifteen miles of the vicinity?

ANSWER: No. The contractor must say they are serving this particular territory and hopefully have some local offices. Then as part of an aggregation agreement we would require that they meet some specific standards such as local hiring standards. We think that in aggregation cases, since the contractor has the potential of receiving a bunch of work without having to do marketing that they should give back to the community in some way. We will require that they sign up to some additional standards. If someone is going to do local hiring they will probably have an office in that area and plan to continue to do work in that local area, but we will not require that they be within 15 minutes.

QUESTION: Define local hiring.

ANSWER: Local hiring may be stipulated to be within the target area of the CBO serving that region, plus whatever additional area is required to provide the contractor with a market of 75,000 people. I think that is one of the suggestions that we got last time. We are still finalizing the aggregation model.

QUESTION: Definitional question. Last week it was brought out that the presences of Community Based Organizations (CBOs) is identified on a county or region basis and then DHCR referred to the community action agencies. We now have the term constituency-based organizations. Are they the same?

ANSWER: They are not the same in all cases. Some weatherization organizations may qualify as a constituency-based organization per the legislation and some could propose, except we must make sure that we are not dealing with any conflicts of interest. An organization that typically delivers energy efficiency services and proposes that we pay them to do outreach services could presumably be directing customers to themselves. We cannot pay organizations to go out and bring in customers for themselves. We have to make sure that any potential conflict of interest be dealt with by a fair process, or preferably those kinds of organizations will not apply for the outreach contract. There are lots of definitions for CBOs but the solicitation that goes out will have the definition from the legislation in it and everybody has to demonstrate that they meet that definition. If an applicant is in a position where there is potential conflict of interest, they will have to inform us how they will resolve the conflict and satisfy us that their resolution is satisfactory.

QUESTION: Coalitions: CBO's, community action agencies, contractors or all of the above will be participating in coalitions. Those contractors participating in the coalitions may have an expectation that they somehow have a leg up. I would like to put this issue on the table and hold some off line conference calls to discuss these parameters. How do we prevent this?

ANSWER:

- As far as the outreach contracts are concerned, when we put out this RFP and describe the tasks that need to be done by the CBOs, they are encouraged to bring in coalitions. That is what is encouraged, a network of CBOs. However, we don't want to get proposals from parties who will

have a conflict of interest. This is not what we are looking for. There are plenty of other organizations to do outreach. We do not need to have organizations applying that have conflict of interests.

- If the CBO is talking with contractors in the region and forming relationships, they must be careful to make sure that HP contractors will be treated fairly in this program. We do not want to lose contractors that feel they are suffering the consequences of unfair competition. We have so much work to do we need to keep our current network of contractors engaged and working and then add to the network through the CBO effort. CBOs must understand they cannot set up any unfair situations in their communities.
- The aggregation contractors, those who will sign up to the standards for aggregation, would be better partners. Those projects will be assigned on a wheel basis. It is a fair allocation system assigning first one person than the next, etc. Having someone in an coalition who has agreed to be an aggregation contractor will probably be an acceptable part of that coalition.

QUESTION: Define implementation. One million for implementation, is that for administrative services, marketing?

ANSWER: That funding would be for the implementation contractor such as Conservation Services Group. The implementation contractor reviews work scopes, provides technical assistance, etc.

QUESTION: Define financing

ANSWER: Financing is the portion of the RGGI funds that we are proposing would be used either as direct funds for loans; and/or loss reserves that we might establish to securitize those loans; and/or subsidizes to reduce the difference between the cost at which we are borrowing money at vs. the interest rate that we will be charging the customer. It could be all of those things combined.

QUESTION: There are a number of issues that have come up in the working group that we are still working through. I am not sure that we can get consensus or have input on all those issues in the course of the next week. Also, as most of the Advisory Council knows, there is this concomitant consensus document process that is still going on which addresses a lot of these issues that has serious implications for the plan. It would be great if we could finish those steps and then put a cap of the comment period. We need a few extra days to submit comments on the operating plan.

ANSWER: If advisory council members have comments after May 5th, we will still take them. We are familiar with the document you are referring to having received a copy last week and being advised that it is being updated. NYSERDA is hopeful that you will conclude the work on the document and that we can give it due consideration in our design process. However, we must be mindful of the legislature that wants us to move the process along and get the program on the street. If you have comments after May 5th send them. It will be a process to finalizing this plan so feel free to provide us with comments.

We will be putting the comment request on the website asking for the public to provide us with comments by May 5th; we want to get comments in as quickly as possible.

REVIEW OF MASTER SCHEDULE

Karen Villeneuve, Director, Residential Efficiency & Affordability Program, NYSERDA presented a master schedule for the GJGNY Program. A copy of the Master Schedule can be found at www.nyserda.org.

QUESTION: Clarify some of the inconsistencies between the categories when you get down to the multifamily, small business, small homes section. Under Multifamily MPP the box 'audit co-funding available' under July, does that assume that once audit co-funding is available those audits, if appropriate, would result in actual work being done? Or, is that just the audit step and this other part about requalifying MPP partners and relaunching MPP would happen later on?

ANSWER: Using MPP as an example. We have an operating plan that has just been finalized. We will be submitting it to the Officers for approval and it will probably be the next one approved. The Audit co-funding available date is based on the fact that we will be relaunching the MPP program in July of this year. Right now, MPP is going through a redesign phase, and we are going to launch GJGNY coincident with the new rollout of the program so making the audit co-funding available in July is simply because of the launch date of the redesigned program. Requalifying MPP partners is based on the redesign of the program. We have to now review partner credentials and make sure they understand the rules that they are signing up to under the new program. They then have to re-sign their agreements on how they are going to participate in the program. That is going to take place just before we launch the new program. Once partners are signed up they are good for a year. Then partners have to sign their annual Participation Agreement to ensure that they are still current on all of their technical requirements. That will take place annually. Partner network management and development is an ongoing process. Once the program launches, we have to make sure that we are bringing in new partners and that we are making sure that the partners are doing what they are supposed to be doing, living up to the terms of their agreements, etc.

QUESTION: Why does the MPP program drop off in 2011?

ANSWER: The MPP program ending in 2011 is an oversight. We will fix that.

QUESTION: Which of those line items indicates that MPP projects funded with GJGNY money are happening on the ground? Which line would then indicate actual work being done in that sector?

ANSWER: It is assumed that if we relaunch the program in July, the work will start going forward after that date. We can add a line to indicate that step. We put this schedule together without a lot of time to look from group to group to make sure that there is consistency in terminology and approach we will work on that and continue to update the schedule to make it a little easier, more intuitive.

QUESTION: Talk a little about what you see as the deliverables under technical certifications, in the workforce development group. What do you expect to happen in June and July, and what do you expect to have at the end of that time?

ANSWER: This is a solicitation and so what we would be looking for are proposals for the development of new technical certifications. At the last meeting Adele mentioned that there are solicitations that are being updated and the first ones should be out in a couple of days.

COMMENTS FROM THE PUBLIC

NONE

NEXT MEETING:

Wed, May 26th, 2010 1-4 p.m. Topic: Overview of evaluation Plan