



NYSERDA

**Department
of Public Service**

Energy Efficiency and Heat Pump Focused COVID-19 Input Session

SUMMARY OF INPUT RECEIVED

Issued April 23, 2020

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

Introduction:

The public health crisis being experienced due to the COVID-19 pandemic is impacting New Yorkers, both personally and professionally, in countless ways. While we remain diligent on ensuring our first priority is the health and safety of New Yorkers, we recognize the situation has and will continue to significantly impact the vast network of private businesses and their employees who support New York's clean energy agenda. Therefore, the Department of Public Service (Department) and the New York State Energy Research and Development Authority (NYSERDA) requested input from industry stakeholders as to the impacts being experienced, programmatic modifications and ideas that should be considered to sustain this critical workforce, as well as effective means of communication. Input was received through an Energy Efficiency and Heat Pump focused COVID-19 Input Session held via WebEx and teleconference on March 27, 2019 as well as written comments submitted in Case 18-M-0084 – In the Matter of a Comprehensive Energy Efficiency Initiative.

Based on the input and priorities identified by stakeholders, it is evident that most parties agree that addressing the impacts of COVID-19 on the Energy Efficiency (EE) and Heat Pump (HP) programs across the State is a multifaceted endeavor with considerations that span (1) program modifications that provide greater flexibility and assist with cashflow, (2) COVID-19 safe work practices including consumer engagement and remote energy efficiency programs, (3) training and workforce development, (4) building a pipeline of projects and adjusting incentives to drive uptake, and (5) financing. Most session participants agreed that there was not a single approach to addressing the effects of COVID-19 on the EE/HP industry, there are multiple paths that need to be addressed in parallel.

A summary of all input received is provided below.

Stakeholder Input on COVID-19 Workforce Impacts:

- Job losses and furloughs in the EE/HP industry are accelerating (+40% of workforce in many cases). Industry is at risk of losing skilled and trained workforce that the state has invested in over many years.
- Companies are facing challenges like keeping staff on payroll, being unable to conduct field and contract work, being forced to apply for loans to keep companies afloat. Many companies will start in a financial hole after the crisis is averted.
- Companies that are more community-oriented and customer-facing that rely on installation and other on-site or in-field work are being hit harder.
- Those that invested in the growth of their company pre COVID-19, in anticipation of the April 1 start date of the NYS Clean Heat Program, now fear that they will go out of business without incentives restarting soon.
- Data on expenditures in currently shut-down programs can be translated to employment to understand the workforce impacts of the crisis.

Stakeholder Recommendations:

1. Program Modifications that Provide Greater Flexibility and Assist with Cashflow

- a) Extend work completion date requirements for incentive payments at least on a day-for-day basis for the duration of the PAUSE. Program flexibility including flexibility on milestones and deadlines will be key to help organizations restart when the time comes.
- b) Direct Program Administrators to work in a “good faith” effort with contractors to accept reasonably available photo documentations in lieu of site visits to keep project workflow moving.
- c) Allow utilities to shift the payment structure for their implementation contractors from the 100% performance-based compensation to at least a partial fixed payment model.
- d) Expedite processing of incentive payments to contractors and vendors for completed work to assist businesses with near-term cash flow and liquidity.
- e) Offer a prequalification process and allow for electronic signatures.
- f) Allow utilities to waive pre/post inspections in order to move projects along since utilities cannot go on site.
- g) Allow additional health and safety measures to qualify for EE loan and low-income programs.

2. COVID-19 Safe Work Practices, Consumer Engagement and Remote Energy Efficiency Programs

- a) There is a greater need now more than ever to move towards more digital and virtual procedures in energy efficiency.
- b) Implement innovation pilots for program designs that are resilient to COVID-19 disruption to protect against any future waves.
- c) Help contractors develop effective virtual/remote audit methods and make energy audit payments for those “virtual” audits.
- d) Develop mitigation plans including personal protective equipment for installers, checklists, disinfectant/cleaning products, social distancing procedures, etc. to get the workforce back into the field.
- e) Develop a “COVID-19 Safe Practices Certification” to help alleviate customer’s fear of allowing crew and staff to enter their home.
- f) Match certified facility COVID-19 cleaning contractors with installers to work with building owners directly.
- g) Continue LED streetlighting and other outdoors programs that can be implemented with small crews following social distancing guidelines. (Assuming ESD guidance compliance).
- h) Leverage digital messaging platforms using customer data to identify customer-specific opportunities to lower bills.

- i) Monitor and focus on “low hanging fruit” like projects that are already underway or waiting for approval in order to jumpstart the industry.
- j) Set up a statewide online marketplace that allows consumers to shop for energy efficiency products from home.
- k) Customers are converting non-workspaces into home offices. Work from home requires better lighting than those spaces might have needed. Use this as an opportunity for increased retail point-of-sale lighting program activity.
- l) This is an opportunity for the state to double down on resolving technology issues to streamline program and market activity, including shortening the waiting period to be set up as a ShareMyData vendor.

3. Training and Workforce Development

- a) Provide state funding for training organizations to reformulate training to meet existing circumstances and provide funding to employees to help cover the salaries of workers undergoing online training during the work stoppage.
- b) This is an opportune time to invest in online worker education and offer training and certification programs to any employee who is looking to get certified on different programs; LEED, WELL, CEM, BPI, etc.
- c) Look for opportunities for the EE industry workforce to support New York’s COVID-19 response including clean-up efforts.

4. Building Pipeline and Adjusting Incentives to Drive Uptake

- a) Temporarily increase per-measure and per-project incentive levels. Perhaps, temporarily eliminate customer copays to spur interest and jumpstart the industry.
- b) Continue EE marketing and outreach activities in accordance and respect of the health and economic crisis and highlight health and air quality improvements resulting from EE installations.
- c) Conduct aggressive marketing and customer outreach in order to maintain momentum and promote confidence throughout the market.
- d) Focus initial phase on low-risk buildings that are currently shut down and empty such as schools, churches, and restaurants to conduct energy audits and perform deep retrofits.
- e) Continue midstream programs with increased incentives to ensure replacement of failed equipment with high-efficiency ones for businesses that are deemed essential and remain open.
- f) Expand demand response program pre-enrollment in anticipation of increased residential summer load.
- g) Revisit incentives for preventive maintenance activities such as coil cleaning on commercial refrigeration, which could present a major energy savings opportunity for the hard-hit restaurant industry.

- h) Temporarily lift the prohibition on “double dipping” of incentives for the same EE measures offered by the utilities and NYSERDA up to and not to exceed the 100% of the total project cost.
- i) Develop queues to prioritize neediest customers for when we get out of situation.
- j) Expand definition of low-income for program eligibility to include people who have been recently laid off or impacted by the crisis.
- k) For the projects in the pipeline, take this time to conduct more detailed modeling of cost savings and greenhouse gas reductions.

5. Financing

- a) Provide zero or low (or even negative) interest financing.
- b) Offer on-bill financing/repayment mechanisms that can provide immediate monthly net bill savings for customers.
- c) Loosen qualifications and financing restrictions (e.g. SIR and loan payback criteria) to market rate business customers to spur interest.
- d) Implement a 3-6 month moratorium on GJGNY loan payments.
- e) Offer upfront or frontloaded incentive payout for projects that are signed but not begun, and for projects begun but not completed.
- f) Where necessary for EE companies to survive, provide and/or facilitate emergency lending and/or cash grants to the extent possible.

Attachment

- 1) Energy Efficiency and Heat Pump Focused Input Session Notice, dated March 25, 2020
- 2) Presentation used at March 27, 2020 Energy Efficiency and Heat Pump COVID-Related Input Session



Department of Public Service

Public Service Commission

John B. Rhodes
Chair and
Chief Executive Officer

Diane X. Burman
James S. Alesi
Tracey A. Edwards
John B. Howard
Commissioners

Thomas Congdon
Deputy Chair and
Executive Deputy

Robert Rosenthal
General Counsel

Michelle L. Phillips
Secretary

Three Empire State Plaza, Albany, NY 12223-1350
www.dps.ny.gov

March 25, 2020

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

Dear Energy Efficiency and Heat Pump Providers and Interested Market Participants:

The public health crisis being experienced due to the COVID-19 pandemic is impacting New Yorkers, both personally and professionally, in countless ways. While we remain diligent on ensuring our first priority is the health and safety of New Yorkers, we recognize the situation has and will continue to significantly impact the vast network of private businesses and their employees who support New York's clean energy agenda. The Department of Public Service (Department) is seeking input from the industry as to the impacts being experienced, programmatic modifications and ideas that should be considered to sustain this critical workforce, as well as effective means of communications.

The Department anticipates scheduling a series of Input Sessions focused on the various components of the clean energy industries. The first input session will be held via WebEx and teleconference focused on the workforce supporting Energy Efficiency and Heat Pump programs and initiatives. Details are as follows:

Energy Efficiency and Heat Pump Focused Input Session

Friday, March 27, 2020

11:00 am – 1:00 pm

Event address for attendees: <https://nyserda-events.webex.com/nyserda-events/onstage/g.php?MTID=eeb0f8b4b80ce839f586ecdcc47e3d8bb>

Event number: 661 343 201 Event password: Energy2020

Audio conference: 1-415-655-0001

Access code: 661 343 201

Given the importance of this topic across the state, the Department is actively coordinating with each of the major electric and gas utilities, the New York State Energy Research and Development Authority (NYSERDA), the Long Island Power Authority (LIPA) and the New York Power Authority (NYPA). Each of these entities will be participating in this Input Session and subsequent follow up.

Due to the expected interest in this topic and potential large number of participants, an agenda including a list of targeted questions is attached, which we will use to structure input. We will ask all speakers to identify themselves and limit their suggestions and comments to approximately 2 minutes per response. We will utilize the following order to call upon speakers:

1. Vendors/contractors currently serving energy efficiency and heat pump programs;
2. Other interested stakeholders/members of the public;
3. Utilities/NYSERDA/LIPA/NYPA

Written comments are also invited and can be submitted through the Department's Document Matter Management (DMM) system in Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative. Written comments are requested by Wednesday, April 1, 2020.

For additional reference, the following resources may be of use:

- Governor Cuomo's Executive Order 202.8: <https://www.governor.ny.gov/news/no-2028-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency>
- Empire State Development has issued guidance on implementing the Executive Order and businesses designated as essential functions: <https://esd.ny.gov/guidance-executive-order-2026>
- New York State information on COVID-19: <https://coronavirus.health.ny.gov/home>
- CDC guidelines in order to prevent COVID-19 from spreading: <https://www.cdc.gov/coronavirus/2019-ncov/community/index.html>.
- New York State on PAUSE: <https://coronavirus.health.ny.gov/new-york-state-pause>

These unprecedented challenges require unprecedented thinking as to how to best support this critical industry in the near term and in the days ahead. The Department remains open for business with Staff effectively functioning in a telecommuting manner. Please do not hesitate to reach out to Department Staff with whom you are accustomed to working, as needed. Additionally, I have designated Ferit Ucar, Senior Advisor, Office of Markets and Innovation to serve as an ombudsman on this topic. Please reach out via email to Ferit.Ucar@dps.ny.gov with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "John B. Rhodes". The signature is written in a cursive, slightly stylized font.

John B. Rhodes
Chair
New York State Public Service Commission

Energy Efficiency and Heat Pump Input Session
March 27, 2020 11:00 am – 1:00 pm
AGENDA

I. Introduction:

John Rhodes, Chair, New York State Public Service Commission

II. Current Status of New York's Energy Efficiency & Heat Pump Programs:

Peggie Neville, Deputy Director, Office of Markets & Innovation, NYS DPS

III. Workforce Impacts*:

- a. How many employees are directly and indirectly involved in supporting program activities? How many employees are directly and indirectly involved in supporting program activities that have been suspended?
- b. What acute challenges are New York clean energy companies facing as a result of the COVID-19 crisis? How does this differ by sector and type?
- c. Please provide other data points that could be useful or that should be gathered on the impacts.

IV. Program and Other Support*:

- A. Program modifications and other actions to continue making progress during New York PAUSE:
 1. What types of services are occurring or could occur in a modified way during this period of no on-premises work? What can the State do to help program administrators modify work appropriately to facilitate social distancing?
 2. What new and alternative programs or activities can the State encourage during New York PAUSE? (e.g. virtual audits, thermal imaging, etc.)
 - i. Are there specific considerations for programs that serve Low- to Moderate-Income New Yorkers?
 3. What types of contractor trainings/on-boarding could occur during the New York PAUSE timeframe?
 4. Marketing/Outreach – Should marketing/outreach continue during this phase to try to build pipeline of activity for future projects or are these resources best conserved? Is there evidence that marketing/outreach conducted now would materialize in projects given the uncertain economic conditions of residential/business owners?

- B. Steps to provide support to businesses and workers facing economic impacts:
1. What programmatic changes have been or could be instituted to support clean energy industry activity during this period? (ex. Modifications to project deadlines or, performance milestones, revisions to staged incentive payments etc.) What programmatic changes can be instituted most quickly? Which would be most impactful?
 2. What specific types of short term and longer-term actions would be most helpful to maintain business viability?

* Process for Input:

An opportunity will be provided to participants to provide suggestion and comments on each of the sections noted with an “*” above. Speakers will be asked to identify themselves and the company they represent and limit their comments to ~ 2 minutes. Speakers will be asked to speak in the following order:

- 1) Vendors/contractors supporting New York’s programs;
- 2) Other interested stakeholders/members of the public;
- 3) Utilities, NYSEERDA, LIPA, NYPA

Written comments are also invited and can be submitted through the Department’s Document Matter Management (DMM) system in Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative. Written comments are requested by Wednesday, April 1, 2020.

All filings should refer to “Case 18-M-0084” and be submitted to the Secretary by e-filing, through the Department of Public Service’s Document and Matter Management System (DMM), or by email to the Secretary at secretary@dps.ny.gov. To register with DMM, go to <http://www.dps.ny.gov/e-file/registration.html>.



Energy Efficiency & Heat Pump Providers

COVID-19 Input Session

March 27, 2020

Process for Participation

- All participants will be muted by the Host;
- The Agenda is structured to provide opportunity for input on specific topics outlined in the letter. People will be asked to self-identify themselves in the following groups:
 - Vendors/contractors supporting programs;
 - Other Stakeholders/members of public;
 - Utilities/NYSERDA/LIPA/NYPA



Process for Participation

- If you would like to make a comment, please “Raise Your Hand” through the WebEx feature. The Host will unmute people and call upon them to speak in the order in which they are received;



- Please introduce yourself and limit comments to ~ 2 minutes per response.

Process for Participation

- The Q&A feature will be available during the WebEx for those who prefer to send in a written comment or in the event we run short on time. All comments entered through the Q&A feature will be captured and considered part of the record.
- Those participating solely through telephone are encouraged to send in written comments to the Department as instructed in the letter noticing this Input Session.

Agenda

- I. Introduction
- II. Status of New York's Program
- III. Input on Workforce Impacts
- IV. Input on Program and Other Supports
 - A. Program modifications to continue progress
 - B. Steps to support businesses and workers
- V. Next Steps/Wrap up



Introduction

- Efficiency and Building Electrification are critical components of the State's policy objectives;
- COVID-19 represents significant challenges
- Public health must be our #1 priority;
- Staff have been directed to identify actions that should be considered to maintain progress and position us well post COVID-19;
- Striving for effective communication and consistent guidance.

Status of New York's Programs

- All program administrators have suspended on-premises work conducted by direct employees or those under direct contract to the program administrator;
- Program administrators have and continue to assess each program or initiative to identify activities that can be modified to continue progress during this period;
- Program administrators and Staff are in communications with each other to encourage cross communications and identify any areas where guidance provided or being developed may differ.

Resources

- Governor Cuomo's Executive Order 202.8:
<https://www.governor.ny.gov/news/no-2028-continuing-temporary-suspension-and-modification-laws-relating-disaster-emergency>
- Empire State Development has issued guidance on implementing the Executive Order and businesses designated as essential functions:
<https://esd.ny.gov/guidance-executive-order-2026>
- New York State information on COVID-19:
<https://coronavirus.health.ny.gov/home>
- CDC guidelines in order to prevent COVID-19 from spreading:
<https://www.cdc.gov/coronavirus/2019-ncov/community/index.html>.
- New York State on PAUSE: <https://coronavirus.health.ny.gov/new-york-state-pause>



Opportunity for Input – Workforce Impacts

- a. How many employees are directly and indirectly involved in supporting program activities? How many employees are directly and indirectly involved in supporting program activities that have been suspended?
- b. What acute challenges are New York clean energy companies facing as a result of the COVID-19 crisis? How does this differ by sector and type?
- c. Please provide other data points that could be useful or that should be gathered on the impacts.

Opportunity for Input – Program Support

A. Program modifications and other actions to continue making progress during New York on PAUSE:

1. What types of services are occurring or could occur in a modified way during this period of no on-premises work? What can the State do to help program administrators modify work appropriately to facilitate social distancing?
2. What new and alternative programs or activities can the State encourage during New York PAUSE? (e.g. virtual audits, thermal imaging, etc.)
 - i. Are there specific considerations for programs that serve Low-to Moderate-Income New Yorkers?



Opportunity for Input – Program Support

3. What types of contractor trainings/on-boarding could occur during the New York PAUSE timeframe?

4. Marketing/Outreach – Should marketing/outreach continue during this phase to try to build pipeline of activity for future projects or are these resources best conserved? Is there evidence that marketing/outreach conducted now would materialize in projects given the uncertain economic conditions of residential/business owners?



Opportunity for Input – Other Support

B. Steps to provide support to businesses and workers facing economic impacts:

1. What programmatic changes have been or could be instituted to support clean energy industry activity during this period?
(ex. Modifications to project deadlines or, performance milestones, revisions to staged incentive payments etc.) What programmatic changes can be instituted most quickly? Which would be most impactful?
2. What specific types of short term and longer-term actions would be most helpful to maintain business viability?

Next Steps

- Written comments are requested by Wednesday, April 1, 2020 to be filed in Case 18-M-0084.
- Input received will be synthesized and Staff will determine appropriate next steps.
- Communications will be sent through Case 18-M-0084 as well as through Program Administrators' channels.

Thank You