

To: Interested Contractors for the Mass Save® Home Energy Services Program

From: Residential Steering Committee

Subject: Market Model Oversight

The Residential Steering Committee (RSC), which was launched in July 2010, is responsible for providing oversight, guidance and direction to the Residential Management Committee (RMC) in order to ensure that the Home Energy Services program is (1) meeting customer and stakeholder expectations, (2) operating in an efficient manner, and (3) delivering deeper energy efficiency participant savings. The RSC, consisting of Program Administrators (PAs), EEAC consultants, and stakeholders, has focused on three specific initiatives: customer experience, market model for delivering Home Energy Services and deeper energy savings.

The RSC has taken its charge seriously. The RSC met frequently, at least twice a month since last July, in order to monitor progress on these initiatives, process stakeholder feedback, and identify areas for improvement. With respect to the market model for delivering Home Energy Services, the RSC analyzed contractor feedback and, as presented at the EEAC meeting held on May 10, 2011, recommended adjustments to the market model, including the establishment of enhanced processes for securing contractor feedback at least quarterly. The RSC values feedback from the contractor community in evaluating these initiatives. The RSC has specifically considered contractors' feedback from the May 10 EEAC meeting at an RSC meeting held on May 11, 2011, at which PAs reviewed their process for determining pricing. While PAs are approaching pricing individually, the RSC was reassured that each PA is reaching out, or has already reached out, to contractors to identify factors that have caused costs of serving customers to increase and to identify pricing that would fairly respond to these factors while ensuring high quality projects that meet the Mass Save program standards and result in a positive customer experience.

As noted above, the RSC has approved the formation of a new Contractor Best Practices Forum, which will consist of PAs, Lead Vendors (LV), Independent Installation Contractors (IIC), and Home Performance Contractors (HPC). Consistent with the EEAC's "do and learn" approach, the quarterly forum will be a regular venue for representatives from these organizations to provide input on program implementation.

Thank you for your assistance in providing Massachusetts customers with energy efficiency services. The RSC supports and looks forward to the launch of the new Mass Save® Home Energy Services program and the benefits this enhanced program will bring to Massachusetts customers and contractors.

Sincerely,

Residential Steering Committee