



May 1, 2023

Massachusetts Department of Environmental Protection
100 Cambridge Street, Suite 900
Boston, MA 02114

OFFICERS

James M. Tierney
CHAIR

Kara Buckley
VICE CHAIR

Kimberly Sherman
Stamler
VICE CHAIR

Edward H. Ladd
TREASURER

Jeanne Pinado
ASSISTANT TREASURER

Elizabeth Grob
CLERK

EXECUTIVE COMMITTEE

Michael Cantalupa*
Joseph Carroll
Donald Chiofaro
Andrew J. Dankwerth
Lawrence S. DiCara, Esq.*

John E. Drew*
Ronald M. Druker
Kirsten Hoffman
Thomas J. Hynes, Jr.
Mark R. Johnson
William F.X. Kane
James G. Keefe
Rachel Kelly
Kevin M. Lemire
Christopher W. Maher
Douglas M. McGarrah,
Esq.*
Michael E. Mooney, Esq.*
Young K. Park
Yanni Tsipis
Dana E. Warren
John Wolff

Kate Dineen
PRESIDENT & CEO

Rick Dimino
PRESIDENT EMERITUS

* Former Chair

Re: A Better City's Comments on the Massachusetts Clean Heat Standard Discussion Document and Heating Fuel Supplier Discussion Draft Regulations

Dear Commissioner Heiple:

On behalf of A Better City's nearly 130-member business organizations, thank you for the opportunity to provide comments on the Clean Heat Standard (CHS) Discussion Document and Heating Fuel Supplier Discussion Draft Regulations. A Better City appreciates the Healey Administration's commitment to ensure that Massachusetts meets or exceeds its ambitious climate goals.

Our comments on the development of a proposed CHS regulation and related heating fuel supplier reporting requirements include: 1) clarifying the definition of heating fuel suppliers; 2) suggesting how the standard could be expressed; 3) accommodating clean heat deployed prior to the CHS taking effect; 4) including weatherization as clean energy for credit generation; 5) considering Combined Heat and Power (CHP) as a transitional clean energy for credit generation; 6) opposing the CHS being supported by a declining cap on emissions at this time; and 7) ensuring that implementation of the CHS will not exacerbate customer energy burdens.

1) Clarifying the Definition of Heating Fuel Suppliers

The Clean Heat Standard discussion document describes heating fuel suppliers as suppliers of energy to building heating systems, including utilities, wholesale liquid fuel and propane suppliers, and retailers as necessary to ensure all fuel delivered to Massachusetts is covered under the standard. There is no mention in this definition of building owners.

The Heating Fuel Supplier Draft Regulations, however, describes heating fuel suppliers as any person that on or after January 1, 2023, is (or was) an owner of heating fuel at the time such fuel is (or was) delivered for consumption as heating fuel in Massachusetts. Heating fuel suppliers include natural gas utilities, suppliers of propane and liquid distillate heating fuel, and any building owner or other entity that is an owner of heating fuel at the time such fuel is delivered for consumption as heating fuel in Massachusetts.



As many A Better City members are building owners, it is important to understand if they are included as heating fuel suppliers and if so, under what circumstances.

Recommendation: A Better City recommends clarifying the definition of heating fuel suppliers, particularly as it pertains to building owners.

2) Suggesting How the Standard Could be Expressed

The discussion document asks whether the CHS should be expressed in terms of GHG emissions reductions, clean heating energy supplied, or something else such as square feet of conditioned space converted to clean heat. As the Clean Energy and Climate Plan sets clear GHG emissions reduction limits for the buildings sector stated as a 28% reduction from a 1990 baseline by 2025 and 47% by 2030, measured in million metric tons of CO₂ equivalent, we suggest using these measures to express the standard. Moreover, the Commonwealth's statutory climate commitments established in the 2021 climate bill set clear and legally binding economy-wide and sector-specific targets for greenhouse gas emissions reductions in five-year increments from 2025 through 2050. Expressing the Clean Heat Standard through GHG emissions would help to promote alignment and coordination with established climate and clean energy policies in Massachusetts, as well as alignment with greenhouse gas-based municipal policies like the Building Emissions Reduction and Disclosure Ordinance (BERDO 2.0) in Boston.

Recommendation: A Better City recommends using greenhouse gas (GHG) emissions to express the CHS measured in millions of metric tons of CO₂ equivalent as consistent with the Commonwealth's Clean Energy & Climate Plan and 2021 Climate Bill.

3) Accommodating Clean Heat Deployed Prior to the CHS Taking Effect

As with different policies that recognize work done prior to the policy taking effect, we suggest establishing a flexible baseline that could include work done up to a certain number of years prior to the CHS taking effect. Boston's Building Emissions Reduction and Disclosure Ordinance (BERDO 2.0), for example, allows an earlier baseline if data exists that can be third party verified. Similarly, the baseline could include the type of clean heat deployed prior to the CHS taking effect. For example, clean fuels deployed prior to the CHS taking effect may be something that could be accommodated but already operating heat pumps may not. The number of years clean heat has been deployed prior to the CHS taking effect and the type of clean work previously done are decisions that need to be made to establish a flexible baseline.

Recommendation: A Better City recommends establishing a flexible baseline to recognize clean heat deployed prior to the CHS taking effect.

4) Including Weatherization as Clean Energy for Credit Generation

We strongly support weatherization being included as clean energy for credit generation. It is essential for buildings to be weatherized before electrification so that the increase in electricity demand does not become unmanageable for the grid and paying customers. We also understand that the Clean Heat Commission spent a considerable amount of time discussing the importance of weatherization.



Recommendation: A Better City strongly supports weatherization being included as clean energy for credit generation.

5) Considering Combined Heat and Power (CHP) as Clean Energy for Credit Generation

CHP may be considered as clean energy for credit generation depending on the administration's interpretation of credit generation. If CHP can deliver lower emissions, then it could be considered as clean energy for credit generation. If credit generation requires net reduction of lifetime emissions, it may not be considered. That final determination will be at the discretion of the Administration. We are requesting the Administration consider CHP as a transitional clean energy for credit generation.

Recommendation: A Better City recommends considering CHP as a transitional clean energy for credit generation.

6) Opposing the CHS Being Supported by a Declining Cap on Emissions

It is important to understand how existing programs like the Alternative Portfolio Standard (APS) and Renewable Portfolio Standard (RPS) will interact with the CHS, *before* introducing a declining cap on emissions like a cap and invest program for the heating sector. We therefore do not support introducing a declining cap on emissions at this point.

Recommendation: Until more clarity is provided regarding how the Clean Heat Standard will interact with existing programs like the Alternative Portfolio Standard (APS) and Renewable Portfolio Standard (RPS), A Better City does not support instituting a declining cap on emissions/cap and invest program for the heating sector.

7) Ensuring that Implementation of the CHS will not Exacerbate Customer Energy Burdens

We recommend more attention be given to the implementation of the CHS and how it may result in increased energy costs for customers. As clean heat providers must create or own clean heat credits to comply with the CHS, we are concerned that the additional cost of compliance may be passed down to ratepayers, further exacerbating energy burdens on those least able to pay.

Recommendation: A Better City recommends clarifying compliance with the Clean Heat Standard such that it doesn't result increased energy burden in low- and moderate-income households.

We thank you for your leadership and remain committed to working with you throughout the development of the Clean Heat Standard and ensuring an effective and equitable transition to a decarbonized economy. Please reach out to Yve Torrie (ytorrie@abettercity.org) with any comments and questions.

Sincerely,

A handwritten signature in black ink that reads 'Y. L. Torrie'.

Yve Torrie
Director of Climate, Energy & Resilience