



February 11, 2021

Karen E. Spilka, President
Massachusetts Senate
State House, Room 332
Boston, MA 02133

Ronald Mariano, Speaker
Massachusetts House of Representatives
State House, Room 343
Boston, MA 02133

Dear President Spilka and Speaker Mariano,

I am writing to support several amendments made by the Baker-Polito Administration to the recently enacted bill S.9, *An Act creating a next-generation roadmap for Massachusetts climate policy*. To ensure a cost effective and balanced transition to a net-zero economy by 2050, we urge you to approve these amendments when reconsidering this legislation.

Municipal Opt-In Stretch Energy Code

The Chamber supports Governor Baker's amendment to Section 31. The amendment differs from the enacted language because it omits the requirement to develop a "net-zero" definition for buildings within the state's updated stretch energy code. While well-intended, this requirement was vague and would result in higher building costs and discourage the development of certain residential and commercial buildings as well as energy grid infrastructure.

Instead, the amendment requires the Department of Energy Resources (DOER) to develop a specialized stretch energy code that includes a higher performing municipal opt-in standard designed to comply with the state's statutorily required greenhouse gas (GHG) emissions limits. By omitting the requirement to incorporate a net-zero building definition, this change makes clear that the target is building structures and not energy procurement. The change further strengthens the bill because it aligns with the 2050 Decarbonization Roadmap's technical analysis and the stretch energy code proposal within the Clean Energy and Climate Plan for 2030.

While we support the changes proposed by the Governor, several challenges will need to be addressed during the regulatory process to ensure the state develops and implements a financially feasible stretch code in a predictable manner with broad input from stakeholders. These challenges include:

- ***Scope and Implementation:*** Governor Baker's proposal strikes the Legislature's provision within Section 101 directing DOER to consider a tiered implementation plan based on building uses and types. However, it must be technologically and financially feasible to implement the stretch code. This particularly is true for complex buildings, such as hospitals or laboratories. A tiered implementation plan based on building uses and typologies balances decarbonization with the reality that buildings serve different purposes and some will require more flexibility in achieving emissions reductions.
- ***Timing:*** The timing for the state to develop and municipalities to adopt the stretch energy code is not clear. Sections 98A and 101, as amended, only set deadlines for the state to adopt the municipal opt-in and statewide specialized stretch energy codes. While the extended timeframes are necessary, without milestones or specific start dates there is a wide window for when implementation could begin. To relieve some of these concerns, the new code should include a twelve-month concurrency period to provide greater predictability for developers and builders.
- ***Stakeholder Process:*** Governor Baker's amendment letter references a DOER-led regulatory process with significant stakeholder involvement prior to developing an updated stretch code. It is imperative that DOER proactively includes real estate developers, public utilities, and the business

community in its extensive development and review process to ensure measures in the stretch code are financially and technologically feasible.

Sector Sublimits

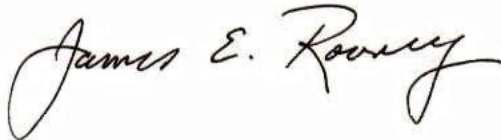
The Chamber supports the amendment to Section 9, which makes the bill's sector-based GHG emission sublimits non-binding in years when the Commonwealth complies with the statewide GHG limit. While measuring these metrics is important, sector-based sublimits diminish the state's flexibility to decarbonize and may unintentionally hinder progress toward the overarching statewide GHG reduction goal. For example, reducing building sector emissions will require substantial electrification, but doing so may result in a short-term increase in emissions from the generation sector. Sector sub-limits do not provide for this type of flexibility.

Environmental Justice

The Chamber supports the proposed amendments to Section 58 and Section 60. As enacted, these sections set forth new requirements to the state's review process for proposals in proximity to environmental justice communities based on the "significance" of likely environmental damage caused by the proposal. The amendments strike the undefined standards of "significance" and the Legislature can further strengthen these sections by defining the standard of environmental damage that triggers the new review process requirements.

Thank you for your ongoing commitment and leadership on climate change. Please do not hesitate to reach out with any questions. We look forward to continuing to work with the Legislature and administration on climate change issues, including the development of the new stretch energy code.

Sincerely,

A handwritten signature in black ink that reads "James E. Rooney". The signature is written in a cursive, flowing style.

James E. Rooney
President & CEO