



Thomas A. Golden, Jr., Chair
Joint Committee on Telecommunications,
Utilities and Energy
State House, Room 473-B
Boston, MA 02133

Michael J. Barrett, Chair
Joint Committee on Telecommunications,
Utilities and Energy
State House, Room 109-D
Boston, MA 02133

Dear Chairman Golden and Chairman Barrett,

On behalf of the Greater Boston Chamber of Commerce, thank you for your continuous efforts to address the issue of climate change. Climate change is a threat to the state's competitiveness, its residents, and its businesses community. We believe the Commonwealth can address climate change while encouraging economic growth through sound policymaking, collaboration between the public and private sectors, and promoting business innovation. As the conference committee works to reconcile the differences between H.4933 and S.2500, we ask that you consider the Chamber's positions on the following provisions.

2050 Climate Goals

The Chamber supports the new 2050 net zero greenhouse gas emissions (GHG) goal included in both bills. The updated goal aligns with the data and science on climate change and continues the state's leadership on climate issues.

Reaching the 2050 climate goal will require substantial flexibility as employers and residents adjust and technology is scaled. As such, the Chamber prefers the 10-year benchmarks included in Section 8 of H.4933 rather than the five-year benchmarks in Section 3 of S.2500. In addition, we oppose the sector based GHG emissions sub-limits in Section 4 of S.2500 because sectors will decarbonize at different rates due to technological advances, economic feasibility, and the interdependency of sectors within the economy.

Some sectors may reduce emissions quicker because of changing technology or economic feasibility, such as the rapid advances in battery storage technology over the last decade which increased the accessibility of electric vehicles. At the same time, one sector may see an uptick in emissions to facilitate greater reductions elsewhere or a net reduction across the economy. For example, reducing building emissions will require substantial electrification; however, doing so may result in a short-term increase in emissions from the generation sector to account for a larger reduction in the building sector. While we understand that measuring these metrics is important, sector-based limits only diminish the flexibility with how we reduce emissions statewide.

Renewable Portfolio Standard

The Chamber opposes the increase in the Renewable Portfolio Standard (RPS) in Section 14A of H.4933. Expanding clean energy resources is an important goal for the economy and the environment; however, the RPS is not a precise mechanism for achieving this goal.

First, the RPS does not account for hydropower, a clean energy source that will help the Commonwealth meet its carbon reduction goals. We cannot discourage the production of clean energy sources, especially considering Massachusetts saw an uptick in GHG emissions in 2018, the most recent year of data.

Second, the state already requires numerous mandates for clean energy, including the RPS, the Alternative Energy Portfolio Standard, and the first-in-the-nation Clean Peak Energy Standard announced in August. To help reach our climate goals, the state's policies should be streamlined.

Importantly, without large scale storage capability, there are limits on renewables because they must be "firmed up." To truly reach renewable goals, the state should aggressively incentivize developing energy storage. These investments can drive innovation, create jobs, and reduce GHG emissions.

Energy Storage

To further promote energy storage, the Chamber supports Section 20E of H.4933. This section requires the Department of Energy Resources (DOER) to study the feasibility of optimizing the deployment and use of new and existing long-duration energy storage systems. Although this is a starting point, we strongly encourage the Legislature and DOER to consider innovative ways that the industry can be incentivized to develop and deploy this technology.

Offshore Wind

Section 17B of H.4933 increases the offshore wind authorization from 1,600 MW to 3,600 MW. The Chamber supports the expansion of offshore wind because of the economic development, jobs, and clean energy it generates. Moving forward, we urge the state to work with ISO-New England to better align the region's competitive wholesale electricity market with the state's efforts to expand clean energy resources.

Municipal Opt-in Specialized Stretch Energy Code

Section 30 of S.2500 requires the Commissioner of DOER to develop and adopt a municipal opt-in specialized stretch energy code that includes, at minimum, a definition of net-zero building. While well-intended, this provision will increase costs and discourage the development of residential and commercial buildings as well as energy grid infrastructure.

Constructing net-zero buildings is not always technologically feasible. When it is possible, construction is costly and sometimes cost prohibitive. Whether it is commercial or residential construction, the costs of implementing this provision will be passed along to buyers and renters, exacerbating both our current housing crisis and our economic recovery from the COVID-19 economic shutdown. At the same time, this provision may be used by municipalities to slow or halt new development and the maintenance or improvement of energy grid infrastructure. Finally, allowing municipalities to opt-in to a stretch energy code will create a patchwork of regulations across the Commonwealth. Doing so undercuts the uniformity of the current State Building Code, adding further costs and barriers to the development process.

Instead, we encourage the Committee to incentivize the decarbonization of our economy by promoting business innovation and investing in the development of new technologies, like energy storage. Doing so, coupled with enhanced energy efficiency measures, will make the construction of net-zero buildings and infrastructure more technologically and economically feasible sooner rather than later.

Environmental Justice

The Chamber supports incorporating equity into climate change policy, but several components of H.4933 pertaining to environmental justice require greater clarity to avoid unintended consequences.

- The Chamber supports creating an intentionally equitable workforce training program in the clean energy industry as outlined in Section 11. However, there is not a clear rationale for the \$12 million transfer from energy efficiency programs to fund the initiative. In addition, the Commonwealth's workforce development system already is dispersed and complex. This new training programs should be incorporated within our current workforce development system and would benefit from coordination with the energy efficiency program administrators in developing these programs.
- Section 1500 creates a new requirement that environmental impact reports for any new development include a public health impact report. Public health impacts should be evaluated by public health experts, not applicants. We urge you to relieve applicants from the responsibility for

preparing public health studies and substitute an entity with experience evaluating public health risks.

- Section 15PP requires environmental impact reports for a project that is likely to cause damage to the environment that is “not insignificant” and located within one mile of an environmental justice population. The term “not insignificant” is not defined. A clear and precise definition is necessary for applicants to adhere to this new standard.
- Section 15QQ removes the exemption for an environmental impact report for utility replacement and maintenance projects and potentially requires reports for renewable energy projects in environmental justice communities. We urge you to be cognizant that requiring environmental impact reports for these projects can negatively impact the very communities this provision aims to help by slowing utility and renewable energy projects and causing delays and higher costs for ratepayers.

Market-Based Compliance Mechanisms

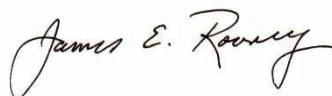
Section 1 of S.2500 and Section 4 of H.4933 both substantially change the definition of market-based compliance mechanism. While the Chamber is on the record supporting the Transportation and Climate Initiative (TCI), we believe that the significant policy changes stemming from this change necessitate an extensive and transparent review process. Notwithstanding the requirement in Section 10 of S.2500 for the Secretary to promulgate regulations establishing market-based compliance mechanisms, any new mechanism should go through the typical legislative process, including a hearing and public comment period, and require a vote by the Legislature.

Climate Policy Commission

Businesses of all sizes and across industries are essential participants in the ongoing conversations around climate readiness, but the proposed independent Climate Policy Commission created in S.2500 does not include employers. Businesses have first-hand knowledge of how climate change will impact their operations and the workforce. This insight allows them to provide solutions to climate-related challenges and feedback on the economic impacts and feasibility of proposed policies, governance structures, and financing mechanisms. We encourage the state to consult businesses when setting climate-related targets and in the development of strategies and plans to reach those targets.

Thank you for considering our positions. Please do not hesitate to reach out to me with any questions.

Sincerely,



James E. Rooney
President and CEO

CC:

Speaker Robert A. DeLeo
Senate President Karen E. Spilka
Representative Patricia A. Haddad
Representative Bradley H. Jones, Jr.
Senator Cynthia Stone Creem
Senator Patrick M. O'Connor