

April 12, 2022

Distinguished Members of the Senate Committee on Ways & Means Massachusetts State House, Room 212 Boston, MA 02133

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RE: A Better City's Initial Comments on Climate Bill S.2819

Dear Senate President Spilka, Senate Ways & Means Chair Rodrigues, Vice Chair Friedman, and Distinguished Members of the Senate Committee on Ways & Means:

On behalf of A Better City's 130 member businesses and institutions, thank you for the opportunity to provide initial comments on Senate Bill S.2819. We are deeply appreciative of your continued leadership on climate and clean energy policy in Massachusetts. We were excited to support and help move the Climate Act of 2021 forward last year and are equally excited about the promise of S.2819 in helping to implement and realize our statutory climate commitments.

As you prepare to debate S.2819 and consider bill amendments, please consider the enclosed comments, which reflect input from A Better City's members and staff. Overall, A Better City appreciates and supports the bill's clear intent to advance some of the important policies needed to expedite the deployment of clean energy and to decarbonize the transportation and building sectors. However, we are concerned that the bill also proposes some potentially problematic initiatives that could further complicate the development process in the Commonwealth and result in unintended consequences that further regional inequities. Additionally, the bill does not appear to address critical concerns regarding the greening, resilience, and affordability of the electric grid or climate resilience issues more broadly. Our more granular feedback is organized as follows:

I. Areas of potential concern: a) eliminating MassSave expenditures, b) defining zero-emission vehicles, c) integrating electric vehicle (EV) parking space requirements into building code for new construction and major renovations, d) limiting MBTA infrastructure plans related to zero-emission passenger buses & electrification of the commuter rail, and e) establishing municipal demonstration projects by local approval.

II. Additional components for consideration: a) pursuing grid greening, resilience, reliability, affordability, and capacity expansion alongside electrification, b) incorporating climate resilience alongside decarbonization of buildings, energy, and transportation, and c) including micromobility investments alongside electric vehicle expansion.

III. Areas of support: There are myriad components of S.2819 that A Better City appreciates and supports and some that we offer additional comments to consider as the Senate approaches bill amendments, as detailed below.

A Better City remains grateful for the Senate's leadership and partnership on climate and clean energy policy in Massachusetts, and we thank you for your time and consideration.

Sincerely,

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Kate Dineen Executive Vice President A Better City

Enclosures (1) Cc: Speaker Mariano, House Committee on Ways & Means, Secretary Theoharides, Secretary Tesler, Chair Roy



ATTACHMENT: DETAILED FORMAL COMMENTS ON CLIMATE BILL S.2819

I. AREAS OF CONCERN

- a. SECTION 11: Eliminating MassSave Expenditures: We are concerned that this section seeks to eliminate all MassSave support for programs, workforce development, or energy efficiency training for buildings that use fossil fuels. We understand the need to decarbonize our building sector and eliminate fossil fuel dependent systems wherever possible, but this is not going to happen immediately, and we must continue to support the decarbonization of buildings with existing fossil fuel infrastructure to maximize emission reductions. Additionally, there are hard-to-decarbonize large buildings like hospitals, labs, manufacturing facilities, and data centers that operate 24/7 with emergency backups, that do not yet have technological solutions for decarbonization. Making these systems as energy efficient as possible until they can transition away from fossil fuels will require the support of MassSave programs, workforce, and training.
 - i. Recommendation: A Better City recommends striking Section 11.
- b. **SECTION 24: Defining Zero-Emission Vehicles**: While we agree that it is important to incorporate statutory definitions to encourage the expansion of zero-emission vehicle adoption in Massachusetts, we are concerned that the legislation focuses too narrowly on zero-emission cars, without equal focus on opportunities for e-bikes—which have outsold EV cars in the U.S. two years in a row—and other zero-emission micro-mobility modes of transportation.
 - i. Recommendation: A Better City recommends including a definition for an e-bike in S.2819, such as the three-tiered e-bike classification offered in <u>S.2809</u>. We also recommend referencing last mile and zero-emission delivery options in the statutory definition of zero-emission vehicles, to help target light, medium, and heavy-duty trucks.
- c. SECTION 29S: Integrating EV Parking Space Requirements into Building Code for New Construction & Major Renovations: While we encourage the scaling up of EV-ready parking across the Commonwealth, we are concerned that Section 29S preempts the state building code. Any incorporation of EV parking space requirements in building codes would require consultation with the Board of Building Regulations and Standards (BBRS) and/or the Commonwealth's Department of Energy Resources (DOER).
 - i. Recommendation: A Better City recommends amending the language in section 29S to ensure that S.2819 does not preempt existing building code implementation and governance.
- d. SECTIONS 41-42: Limiting MBTA Infrastructure Plans related to Zero-Emission Passenger Bus and Electrified Commuter Rail: Achieving the Commonwealth's statutory climate commitments in the transportation sector will require additional financial support for the MBTA in the next few years through 2030. The MBTA's draft five-year capital plan does take some steps forward on building new bus maintenance facilities that can support a battery electric bus (BEB) fleet, but the MBTA is not on track to deliver all the new bus maintenance facilities necessary to reach 2030 goals, without additional support. Additionally, the MBTA capital plans do not currently support the goals of electrification of the commuter rail system, listed in the Regional Rail Phase 1 plans. With this context, we request that the Senate please consider adding dedicated funding to support these important decarbonization plans in the transportation sector. Moreover, we appreciate the Senate's interest in encouraging the transition of MBTA passenger bus fleets to zero-emission vehicles by 2028 and suggest assessing the feasibility of expediting the 2040 deadline in Section 41.
 - i. Recommendation: A Better City recommends the Senate consider additional investment to support the MBTA's transition to a battery electric bus (BEB) fleet and required bus maintenance facilities, as well as the electrification of the commuter rail system, which will all be necessary to meet our statutory climate commitments in the transportation sector. Additionally, we



recommend assessing the feasibility of requiring an expedited timeline for the MBTA's commitment to purchasing zero-emission passenger buses.

- e. SECTION 52: Establishing Municipal Demonstration Projects by Local Approval: As owners and tenants of large buildings in Greater Boston, A Better City members are committed to the decarbonization of the building sector as a core strategy to meeting our climate goals, in a way that is predictable, feasible, and phased-in over time. We are concerned, however, about the potential implications and unintended consequences of the suggested 10 municipal demonstration projects by local approval in Section 52. The Attorney General blocked Brookline's two attempts to ban fossil fuels in 2019 and 2021, as the proposed municipal fossil fuel bans preempted building code. There is nothing to suggest that the municipal demonstration projects, aimed at banning fossil fuels as well as mandating electrification by local approval, would not have the same result in preempting building code. Additionally, if the municipal demonstration projects were to advance as written, then a fourth building code would be added in the 10 demonstration project municipalities, in effect, which would move even further away from the municipal alignment and predictability sought by developers. In early 2023, there will be three building codes—the base energy code, the updated stretch energy code, and the opt-in specialized stretch energy code proposed by DOER; the municipal demonstration projects as written in S.2819 would add a fourth code for developers to incorporate. Finally, we are concerned about the regional inequity that could result from 10 municipalities banning fossil fuels and going all-electric. The municipalities that have expressed interest in these projects are relatively wealthy and well-resourced, leaving remaining communities that are less able to act quickly to electrify their homes and communities, including lower-income and environmental justice communities, to pay for fossil fuel infrastructure and assume a higher energy burden.
 - i. Recommendation: A Better City recommends striking Section 52.

II. ADDITIONAL COMPONENTS FOR CONSIDERATION

- a. **Pursuing Grid Cleaning, Resilience, Reliability, Affordability, and Capacity Expansion Alongside Electrification**: As the Senate considers policies to encourage electrification of the building and transportation sectors, we suggest coupling electrification efforts with grid cleaning, grid capacity expansion, resilience, reliability, and affordability to ensure a just and equitable transition to a decarbonized economy.
 - i. With 53% of the ISO-NE grid powered by natural gas as of March 2022, we are concerned that our climate goals will not be met unless the electricity grid transitions away from fossil fuels in tandem with electrification of the building and transportation sectors.
 - ii. We understand that an increase in the electricity grid's capacity will be required to meet the increased demand from electrified buildings and transportation. This will require a diversified energy portfolio that is resilient, reliable, and affordable.
 - iii. As mentioned above re: Section 52, we are concerned that as wealthier, more resourced communities move to mandate electrification and ban fossil fuels, lower income rate payers and environmental justice communities will be left with higher energy burdens and fossil fuel infrastructure costs. We suggest the Senate consider opportunities to subsidize and finance the transition of lower income and environmental justice communities to a decarbonized economy, which could potentially be done through the establishment of a climate bank.
 - iv. As the Senate considers how to decarbonize the building sector, we also suggest considering opportunities to define the role of utilities in reducing emissions and achieving our statutory climate commitments.
 - v. Recommendation: A Better City recommends amending S.2819 to commit to the greening of the electricity grid, as well as the incorporation of grid resilience, reliability, affordability, and capacity expansion alongside the decarbonization of the transportation, building, and energy sectors.



- b. Incorporating Climate Resilience Alongside Decarbonization: We are concerned that S.2819 does not include a focus on climate resilience alongside the decarbonization of our transportation, building, and energy sectors. We recommend incorporating considerations for climate resilience and the impact of coastal and inland flooding, sea level rise, extreme heat, extreme precipitation, drought, and other climate risks alongside the decarbonization of transportation, buildings, and critical infrastructure. When possible, the legislature should encourage resilient infrastructure initiatives at a regional scale, to promote cross-jurisdictional collaboration and governance of our transportation, energy, and other critical infrastructure. Additionally, an emphasis on building community resilience in historically disinvested and environmental justice communities will be essential to safeguarding our most vulnerable populations.
 - i. Recommendation: A Better City recommends incorporating climate resilience into S.2819 alongside the decarbonization of our transportation, building, and energy sectors. In particular, we recommend cross-jurisdictional resilient infrastructure initiatives that protect our most vulnerable communities against the impacts of coastal and inland flooding, sea level rise, extreme heat, extreme precipitation, and drought.
- c. Including Micro-Mobility Investments Alongside Electric Vehicle Expansion: As mentioned above in Section 1B, in addition to dedicating a portion of the Electric Vehicle Incentive Trust Fund to e-bikes and other micro mobility incentive opportunities (discussed in more detail below in Section 3C), we also support the inclusion of a statutory definition of e-bike into S.2819, such as the three-tiered e-bike definition offered in S.2809. Since e-bikes provide a zero-emission mode of transportation that can be supported through existing infrastructure and standard electrical outlets, investing in e-bike incentives and e-bike sharing programs now could help to significantly impact our transportation emissions. Finally, we suggest that Section 2, subsection 78 be expanded to consider the inclusion of e-bike deployment data by neighborhood, with particular emphasis on how to scale up deployment in environmental justice neighborhoods with poor air quality.
 - i. Recommendation: As mentioned above in Section 1B, A Better City recommends including a statutory definition of e-bike in S.2819, as well as the inclusion of investment in e-bike share and e-bike incentive programs. We also recommend Section 2, subsection 78 consider the incorporation of e-bike deployment data by neighborhood, with particular emphasis on how to expand e-bikes in environmental justice communities.
- d. Establishing a Transportation Commission to Study the Impact of a Diminishing Gas Tax on Transportation Infrastructure Investment: Many components of S.2819 as written intend to expand the adoption of zeroemission vehicles and zero-emission fleets across the Commonwealth, in an effort to eliminate emissions from the transportation sector. If this bill is successful in supporting the adoption of zero-emission vehicles in Massachusetts, then there will be a decline in gas tax revenue associated with fossil fuel emissions from combustion vehicles. The gas tax currently finances the maintenance and repair to our statewide transportation infrastructure, and will leave a financial gap in transportation infrastructure investment as gas tax revenues continue to diminish overtime. The Commonwealth will need a new transportation finance plan to understand this eventual post-gas tax future and the implications for transportation infrastructure investments. We suggest the creation of an expert commission to recommend alternative options for funding statewide transportation and climate needs through operating plans at the MBTA, RTAs, and MassDOT capital infrastructure plans. We are supportive of any study that evaluates and advances a regionally equitable road pricing network, and any commission should include an equal number of appointees from the Governor, Senate President, and Speaker of the House, as well as specific organizations that have expertise in transportation finance. A Better City has released multiple reports in recent years showing the ongoing transportation finance challenges in Massachusetts and highlighting potential solutions to our statewide transportation and climate infrastructure plans. If establishing a transportation



infrastructure financing commission would be of interest to the Senate, then we request that A Better City be included in the language that creates any commission proposed as part of this bill.

i. Recommendation: A Better City recommends establishing a commission to evaluate the future of transportation infrastructure investment in Massachusetts, with special emphasis on the financial gap left by declining gas tax revenues with the increased adoption of zero-emission vehicles overtime. Such a commission should offer recommendations on equitable transportation financing solutions to pursue as the Commonwealth transitions to zero-emission vehicles and fleets.

III. AREAS OF SUPPORT & OPPORTUNITIES FOR IMPROVEMENT

- a. SECTION 6A: Clean Energy Equity Workforce and Market Development Program: A Better City strongly supports the inclusion of equitable clean energy workforce development and training opportunities in S.2819, and we appreciate the emphasis on energy efficiency, clean heating and cooling, and opportunities to help lower energy burdens, in particular. In addition, we suggest building operations be added to equitable workforce development opportunities. With increasingly automated new and existing buildings, building operators, skilled in buildings automation systems, are essential to ensuring buildings are operating at peak efficiency.
 - i. Recommendation: A Better City recommends including language in Section 6 that expands equitable workforce development and training opportunities to include building operations, with an emphasis on building automation systems, to ensure maximum energy efficiency.
- b. **SECTION 7, 15A-C: Clean Energy Investment Fund**: A Better City appreciates the focus of investment in regional clean energy solutions. In addition to the legislative intent of the Clean Energy Investment Fund as written, A Better City suggests inclusion of language to help fund pilot projects for district energy solutions, including community microgrids and pilots for geothermal-based systems that allow multi-use areas to exchange excess heating and cooling within their networked geothermal system. Pilots in multi-use urban areas, pursued in coordination with utilities, would help to scale up this needed technology.
 - i. Recommendation: A Better City recommends investing a portion of the Clean Energy Investment Fund into establishing pilots for district energy solutions, including community microgrids and networked geothermal energy systems.
- c. SECTION 19A-F: Electric Vehicle Incentive Trust Fund: A Better City supports the establishment of an Electric Vehicle Incentive Trust Fund to promote the adoption of zero-emission vehicles. We also strongly suggest the inclusion of micro-mobility incentive opportunities for e-bikes, bikeshare systems, and other immediately deployable zero-emission transportation solutions. Expanded bikeshare and e-bike accessibility across municipalities is a worthy investment, particularly as more and more employees consider their return-to-work commute. For example, an estimated \$45 million could double the size of the BlueBike network from 350 stations to 700 stations and cover operating costs for five years. For around \$78 million, the BlueBike program could expand to 1,000 stations with five years of operating costs included. As it took seven years for BlueBike infrastructure to reach southern parts of Dorchester and Mattapan, and with many environmental justice communities still having disproportionately low access to bikeshare opportunities, investing funds in the bikeshare programs could be transformative. The same low-cost, high-impact opportunities exist with ValleyBike Share, which operates shared, electric-assist bicycles in Springfield, Holyoke, Northampton, Amherst, and several other communities in the Pioneer Valley. Including incentives for e-bikes and bikeshare systems in the Electric Vehicle Incentive Trust Fund of S.2819 will be an important chance to lower transportation emissions immediately without needing to upgrade EV charging



infrastructure, as e-bikes require no additional infrastructure to charge beyond what is required for a laptop or other personal electronic device.

- i. Recommendation: Dedicate a portion of the Electric Vehicle Incentive Trust Fund to expanding bikeshare systems and e-bike incentives, to promote alternate modes of zero-emission transportation.
- d. **SECTION 30, SUB-SECTION 12: Program to Reduce GHG Emissions from Transportation Network Vehicles**: A Better City supports the intent of establishing a program to reduce greenhouse gas emissions from transportation network vehicles.
- e. SECTION 34: Upgrades to Bus Maintenance Facilities & Deployment of Zero-Emission Buses on Routes that Serve Underserved and Low-Income Communities: A Better City supports the legislative intent to upgrade bus maintenance facilities and emphasize the deployment of zero-emission buses on routes that serve historically disinvested and low-income communities. Scaling up of such bus maintenance facility upgrades and deployment will be essential to supporting the decarbonization of our MBTA bus fleet, and we encourage this be expedited. We also encourage this be done alongside the expansion of charging infrastructure for zero-emission bus fleets, as well as the necessary grid upgrades referenced in Section 2A, above.
 - i. Recommendation: A Better City recommends that bus facility upgrades and zero-emission passenger bus deployment initiatives be undertaken alongside the scaling up of electric charging infrastructure to support zero-emission bus fleets.
- f. SECTION 44A-B: Energy Storage: A Better City applauds the focus on energy storage in S.2819. While we appreciate the focus on energy reliability, we suggest more clarity be included on the location and scale of deployment targets referenced for both new and existing long-duration and multi-day energy storage systems. Whenever possible, we encourage the expansion of utility-scale energy storage, which will be particularly important as we seek to transition our grid to renewable energy.
 - i. Recommendation: We recommend amending section (iv) to incorporate utility-scale energy storage opportunities, as well as community energy resilience solutions like community microgrids. We also recommend the inclusion of energy storage incentives for large existing buildings, to help make energy storage solutions more cost-effective for the building sector.
- g. SECTION 45: MassDOT to Install EV Charging Stations on Mass Turnpike: A Better City supports the intent to install EV charging stations on the Mass Turnpike, and we suggest that the Senate consider including additional language to cover all rest areas on interstate highways across the Commonwealth. In particular, we suggest exploring opportunities around the provision of Level 3 high-speed DC-to-DC fast charging stations, which will optimize quick charging opportunities for people traveling on interstate highways in Massachusetts.
 - i. Recommendation: A Better City recommends including language in Section 45 that instructs MassDOT to install EV charging stations at all rest areas on interstate highways in the Commonwealth (not limited to the Mass Turnpike), with a preference for Level 3 high-speed DCto-DC fast charging stations.
- h. SECTION 46A-F: Interagency Council for EV Charging Infrastructure Deployment Plan, Charging Infrastructure Deployment Fund: A Better City appreciates and supports the focus on scaling up electric vehicle charging infrastructure deployment, for passenger electric vehicles as well as the charging infrastructure needed for electric bus fleets and electric commercial vehicles. In establishing an Interagency Coordinating Council to help implement the deployment of electric charging infrastructure, we also suggest the inclusion of advisors beyond state agencies in the council.
 - i. Recommendation: A Better City recommends expanding the Interagency Council to also include stakeholders like transportation demand management experts, electric charging technology



companies, large building owners, residents from environmental justice communities, higher education institutions, technology centers (like MACEC), and electric vehicle industry experts to maximize the full potential for charging infrastructure deployment across the Commonwealth.

- i. SECTION 53: Expenditures from the General Fund and Additional ARPA Appropriations Considerations: A Better City applauds and supports S.2819's allocations from the General Fund of: (i) \$100,000,000 to the Clean Energy Investment Fund established in section 15 of chapter 23J of the General Laws; (ii) \$100,000,000 to the Electric Vehicle Adoption Incentive Trust Fund established in section 19 of chapter 25A of the General Laws; and (iii) \$50,000,000 to the Charging Infrastructure Deployment Fund established in section 46. In addition to these funding allocations from the General Fund, we also implore the Senate to consider leveraging the second round of MA ARPA appropriations to further help implement S.2819 and the Climate Act of 2021. In particular, we suggest ARPA investments:
 - i. Expand Electric Grid and Building Electricity Capacity: The electric grid and building electricity capacity will both need to be expanded substantially to compensate for the anticipated increase in electricity demand from electrified buildings, as well as other soon-to-be electrified sectors of the economy. A Better City recommends that the legislature prioritize the expansion and modernization of generation, transmission, and distribution infrastructure systems, with a particular emphasis on removing barriers for the interconnection of renewable energy.
 - ii. Establish a Statewide Financing Program or Climate Bank: Additional funding and financing models are needed to scale up building sector decarbonization and to meet our newly established statutory climate commitments. A Better City encourages the legislature to establish a comprehensive funding and financing strategy to support deep energy retrofits, equitable workforce development that specifically targets building automation systems, renewable energy generation and accessibility, clean heating, cooling, and ventilation, resilient infrastructure projects, and projects that advance both GHG reduction and climate adaptation. A statewide financing program or climate bank could help to catalyze public-private partnerships, to prioritize regional funding opportunities across municipalities, and to enable long-term financing opportunities that work across capital budget cycles.
 - iii. Invest in Digital Infrastructure for Large Building Emissions and Energy Usage Reporting: Our building sector is the largest source of greenhouse gas emissions in the City of Boston and the second largest source of statewide greenhouse gas emissions. In order to achieve the Commonwealth's statutory climate commitments, we will need data from the building sector to understand our progress on building decarbonization over time. However, the Commonwealth currently does not have sufficient digital infrastructure available to understand building energy and emissions at the state-level. Investing in the establishment of a statewide database and associated digital infrastructure to track building sector emissions will be essential to meeting our climate commitments.