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Richard A. Dimino
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April 10, 2020

Dear Governor Baker, Lieutenant Governor Polito, and Secretary Theoharides:

Thank you for your leadership in committing the Commonwealth to achieving net zero emissions by 2050, and for giving stakeholders, like the businesses that we represent, the opportunity to provide additional comments on your drafted letter of determination. A Better City represents nearly 130 member businesses, spanning the commercial real estate, banking, insurance, legal, healthcare, higher education, telecommunications, and energy sectors. On behalf of our diverse and expansive membership, A Better City writes in support of your commitment to achieve net zero by 2050. A Better City would also like to offer comments on several items relevant to the letter of determination: 1) interim targets; 2) direct emissions reductions vs. offsets; and 3) stakeholder engagement and incentives.

INTERIM TARGETS

In order to reach net zero by 2050, the Commonwealth must establish a rigorous and pragmatic roadmap to achieve deep emissions reductions over the next ten, twenty, and thirty years. Therefore, in establishing interim targets, A Better City recommends that emphasis be placed on setting economy-wide interim targets and ensuring consistency in defining and enforcing net zero across jurisdictions, including in the City of Boston, City of Cambridge, and others. The City of Boston's interim target of 50% emissions reduction from 1990 levels by 2030, as committed in the 2019 Climate Action Plan Update, will be an *extremely* heavy lift for the commercial sector and for large buildings. In alignment with internationally established science-based targets, A Better City recommends that the administration commit to an interim target of *at most* 50% emissions reduction from 1990 levels by 2030, that is applied economy-wide with rigorous engagement by relevant stakeholders to determine compliance pathways and sector-specific targets.

DIRECT EMISSIONS VS. OFFSETS

It may be particularly difficult to achieve 100% direct emissions reductions in certain sectors, including large buildings that are in operation 24/7 such as hospitals, labs, and data centers. Therefore, the definition of "net zero emissions" must sufficiently allow for the use of offsets. A Better City urges the administration to include in following definition of net zero emissions: "A level of state-wide greenhouse gas emissions that is equal in quantity to the amount of carbon



dioxide or its equivalent that is removed from the atmosphere and stored annually by, or attributable to, the Commonwealth; provided however, that in no event shall the level of emissions be greater than a level that is 80% below that level.” Setting the initial threshold at 80% will allow for up to 20% of emissions reductions to be achieved through offsets. More must be done to understand realistic and pragmatic ways to actualize direct emissions reductions—setting an 85% or 90% threshold at this time is not feasible. The 80% direct emissions reduction requirement under net zero by 2050 could be adjusted over time and increased as more technology and emissions-reduction opportunities become available.

For example, there could be compliance mechanisms designed in which options like offsets and Renewable Energy Credits (RECs) are only available if deep emissions reductions measures are also being performed in parallel. Additionally, market-based compliance mechanisms like economy-wide carbon pricing should be researched and explored as possible policy measures to implement moving forward.

STAKEHOLDER ENGAGEMENT, INCENTIVES, AND DISTRICT-LEVEL SOLUTIONS

For our business sector to comply with statewide emissions reductions targets, considerable resources will need to be invested upfront to achieve successful long-term decarbonization. A Better City encourages the administration to develop incentive structures for decarbonization that are equitable across all sectors—and to actively engage with business stakeholders at every step of the way. Moreover, A Better City urges the Commonwealth to invest in critical infrastructure upgrades at the district-level, as no individual business or business sector can tackle this challenge alone. Complex, systematic challenges—from building a cleaner transportation system to a developing a cleaner grid—will benefit from robust stakeholder engagement and participation.

A Better City and its membership look forward to working collaboratively with the administration on a variety of critical aspects, including sector-specific targets, decarbonization of large buildings, carbon offsets best practices, models for climate financing and incentive structures, and emissions reduction solutions.

Thank you for your vision and leadership.

Sincerely,

A handwritten signature in black ink that reads 'Richard A. Dimino'.

Richard A. Dimino
President and CEO
A Better City