VIA ELECTRONIC DELIVERY

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

Subject: Massachusetts Clean Heat Standard Stakeholder Input

Dear Commissioner Heiple,

We appreciate the opportunity to provide an additional set of comments to inform the development of a proposed Clean Heat Standard ("CHS") regulation and related heating fuel supplier reporting requirements. The undersigned 31 organizations and 34 individuals represent stakeholders with a strong interest in equitably cutting building sector emissions to ensure that we meet our greenhouse gas reduction requirements. Many of these individuals also signed on to coalition comments for the previous comment opportunity, dated May 1, 2023.¹

I. Introduction

A part of those recommendations was a request to hold a series of technical sessions on key design questions for technical stakeholders including the undersigned clean energy experts and advocates. We appreciate that DEP has acted upon this recommendation and held a series of stakeholder and technical sessions over the past few months. Unfortunately, we believe the process chosen for these technical sessions resulted in sessions that were not particularly helpful at delving into these complicated topics in an overly productive manner that has raised many additional thoughts or insights. For example, despite our previous set of comments having around fifty organizations and individuals signed on, support for the concepts outlined in those

¹ <u>https://www.mass.gov/doc/clean-heat-standard-comments/download, at 82</u>

comments was identified in the stakeholder sessions as "few." However, when fewer organizations submitted multiple comments that were nearly identical their support was listed as "many."

Therefore, the below represents a reiteration of many of the recommendations from our previous comments. **Our top priorities for a CHS for Massachusetts are ensuring adequate equity protections and an electrification-only compliance program, particularly for gas utilities.** Additionally, we address what we believe to be several flawed claims that have been made during the stakeholder process. Finally, we outline steps that could be taken to improve the overall process. Thank you again for the opportunity to comment and we look forward to continuing to work with you as this process unfolds.

II. The Principles and Concepts Set Forth in Our Original Comments on a CleanHeat Standard Remain Valid

Our previously submitted comments detailed, at length, the overarching views of the undersigned on a CHS. Nothing so far in this stakeholder process has shifted our opinions on the major concepts. We have not seen any data from DEP or the fossil fuel heating industries that cause us to rethink our key points about the design of a CHS. However, we do wish to highlight key elements from said comments and reiterate our support.

As stated above, our top priorities for a CHS for Massachusetts are ensuring adequate equity protections and an energy efficiency and electrification-only compliance program, particularly for gas utilities. Equity and energy justice must be centered in this process, and program design should focus direct and indirect benefits on customers with the highest energy bill burden. DEP should also coordinate closely with DOER and DPU on key complementary strategies for equity, including examining rate design, the alternative portfolio standard, and a managed transition away from the gas distribution system.

DEP should also prioritize the most cost-effective long-term emissions reduction pathway, non-combustion technologies, rather than biofuel blending, particularly for gas. That includes utilizing the "High Electrification" scenario outlined in the state's 2025 and 2030 Clean Energy and Climate Plan, not the "Phased" scenario, for the reasons articulated in detail in our May 1 comments. Further, DEP should define "Heat" broadly across electrification technologies with value for equipment being based upon projected avoidance of carbon emissions over its lifetime.

III. Certain Claims Made During the Stakeholder Process Require Additional Review and Evaluation

Development of a Clean Heat Standard requires the application of sound scientific principles, which includes how we label and categorize different sources of energy. It is critical that when dealing with the public, including policymakers, legislators, and state officials, industry members are prevented from "greenwashing" their products, such as biofuels like biomethane (sometimes called "renewable natural gas"), as well as so-called "bioheat fuel" and biodiesel. It has come to our attention that delivered fuels and biofuels industry members are distributing materials which falsely claim that such sources are "clean" and would help the Commonwealth to achieve its climate mandates. Accordingly, DEP must remain vigilant of such claims and take care to carefully review the claims and their proponents.

a. Hybrid Fuels/Credits

The terminology used to describe different types of fuels is critical not only to the development of a Clean Heat Standard, but also to the public's understanding of energy and climate issues. It is important to bear in mind during the stakeholder process the purpose of

developing a Clean Heat Standard; that is, to aid the Commonwealth in its achievement of netzero greenhouse gas emissions by 2050 as mandated by the 2021 Roadmap Law. Accordingly, it is appropriate to recognize fuels that emit greenhouse gases during their lifecycles and name them accordingly, even if they are blended or used in a hybrid manner with other fuels. We must also consider other types of emissions such as particulate matter and air pollutants; thus, thermal energy derived from solar power would be considered a clean resource, while heat generated from burning wood or biomass would not.

b. Biodiesels

We have suggested to DEP that a technical session be held regarding liquid biofuels. We would like to hear from DEP now, before regulations are drafted, what the scientific rationale would be for making biodiesel eligible for Clean Heat Credits. Furthermore, we would like information on the available supply of biodiesel, the provenance of feedstocks, and the projected cost thereof.

IV. Development of a Clean Heat Standard Will Benefit from Enhanced Procedure

The technical sessions to date have clearly taken a "listening first" approach to engagement. While we see value in this approach, it supplements but does not eliminate the need for more in-depth technical sessions that get into the nuts and bolts of CHS policy design. The CHS is a highly complex policy that would greatly benefit from real-time interaction among technically oriented stakeholders and, to date, the technical sessions have not fostered this type of discussion. Based on prior experience participating in numerous technical stakeholder forums across various states and energy policy topics, we offer the following suggestions for improving future technical stakeholder meetings:

1. Solicit consultant support: Future meetings would greatly benefit from the support of a

consultant with significant experience in the design of clean heating standard design (or design of similar policies) and experience facilitating discussion among technical stakeholders on specific, technically oriented topics that are key to policy design and outcomes. Expecting DEP to cover the breadth and depth of technical topics relevant to CHS policy design given staffing limitations and limited bandwidth may not be a reasonable expectation.

- 2. Present detailed information to respond to: Technical stakeholder meetings to date have been light on detailed information regarding policy design. Future technical stakeholder meetings that take the approach of presenting detailed information on potential paths forward related to specific elements of CHS policy design would likely prove to be more successful in facilitating engagement among stakeholders. This could take the form of information presented by 1) DEP 2) DEP's consultant or 3) Outside speakers with demonstrated expertise in a specific area. DEP has presented valuable written materials on the CHS, including the Synapse memos on Heating Technology Cost and Emissions, Obligated Entities and Existing Crediting Schemes, but presenting similar information in the form of focused technical sessions would foster productive discussion in a live forum among experts with differing opinions. This would add value to the entire stakeholder process. Part of this is a timing issue – while listening sessions early in the stakeholder engagement process have value, technical sessions would likely have more value later in the process once DEP has developed a straw proposal and/or provided specifics on potential policy design pathways.
- 3. *Form a Technical Working Group:* While broad stakeholder engagement provides one type of distinct value, smaller and more focused stakeholder engagement provides an

entirely different type of value. In the case of stakeholder processes that involve the design of a highly complex energy policy, like the CHS, the formation of a Technical Working Group (TWG) has been demonstrated to provide immense value through the facilitation of discussion among a small group of individuals with demonstrated technical expertise on relevant topics. The TWG application process can be designed in such way to ensure that selected technical experts represent a wide range of stakeholder interests (e.g., emissions and environment experts, government bodies, large commercial or industrial users, residential users, electric system experts, gas system experts, energy efficiency experts, electrification experts, etc.). The type of back-and-forth dialogue that can be generated in TWG meetings is extremely challenging to replicate in larger stakeholder sessions. We would recommend the TWG be comprised of 8-12 members.

V. Conclusion

Thank you for this additional opportunity to comment. We look forward to continuing to work with DEP throughout this stakeholder process on this important topic.

Signed,

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