

Testifying to Support The Clean Heat Bill, H.3694

July 2023

The point of this document is to supply those preparing testimony to the Telecommuncations, Utilities and Energy Committee (TUE) in support of H.3694, An Act relative to the clean heat standard, with everything they need to testify.

Hearings are one of the most important ways that lawmakers find out what the broader public thinks about a piece of legislation. You don't need to be a lawyer or an expert to give testimony, just able to write a couple of paragraphs arguing why you support or oppose a bill. Thank you for taking action!

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Testifying to the TUE Committee

Follow these 4 steps.

- 1. Testimony can be written or oral. Decide if you want to send in written testimony or give oral testimony (in person in the State House or virtually).
 - a. Written testimony can be emailed to the committee until the day of the hearing. There is no minimum or maximum length for written testimony but keeping it under a page is ideal. Use the links below to send in written testimony.
 - b. If you want to give oral testimony you will need to sign up beforehand (again at the links below) and need to be prepared to wait several hours to speak to the committee. Once you are called up to speak you will have 3 minutes to testify.



2. Sign up for one or both hearings. Regardless of how you plan to testify, you need to fill out different forms for each hearing. Written testimony needs to be sent in separately to each chamber as well. You can also choose to orally testify for one hearing and send in written testimony for the other.

The Senate members of the TUE Committee will be meeting on **Wed July 12th at 1 pm**. You can sign up to give oral testimony or send in written testimony to the Senate TUE here.

The House members of the TUE Committee will be meeting on **Thurs July 13th at 10 am.** You can sign up to give oral testimony or send in written testimony to the House TUE here.

- 3. Write up your testimony. An example piece of testimony is on Page 3 of this document. Below that is a Bill Fact Sheet section aims to give you all the information you need to make a well-informed argument whether you want to talk about the importance of passing this bill to fight air pollution, fund public housing, reduce emissions, or another issue that matters to you. There are many ways to argue for this legislation, find the one that works for you.
- 4. Send it in or go testify. You'll receive instructions when you sign up (in step 2)!

If you have comments or questions, please contact Green Energy Consumers Policy Advocate Carrie Katan: carrie@greenenergyconsumers.org



Example Testimony

Dear members of the committee,

My name is Jennifer Lee, and I am writing in support of H.3694, An Act relative to the clean heat standard.

As a high school science teacher, I am well aware of the threat of climate change and how much the next generation, including my students, count on us to reduce emissions as quickly as possible.

I am also supporting this legislation because I know that we are lagging when it comes to reducing our building emissions. More than 4 out of 5 households in the Commonwealth still use fossil fuels for heat and it will take decades of work to move people to heat pumps. It's important to begin working on electrifying homes now if we are going to get our emissions to net-zero by 2050. Creating a Clean Heat Standard would help people afford to switch buildings away from fossil fuels to non-polluting electric heating.

I know there are concerns about costs, but in 2017, air pollution from buildings was estimated to have contributed to 749 early deaths in the state. Further, our natural gas system will require tens of billions of dollars of repairs over the next several decades, moving people from gas to heat pumps can help reduce that cost. Finally, of course, the largest cost of action is a warming world with the extreme weather, fires, draughts, and flooding that will only get worse the more we burn fossil fuels.

Thank you for considering my testimony,

Jennifer Lee



Bill Fact Sheet

A summary of the bill can be found here.

Sections:

- 1. Context
- 2. Commission on Clean Heat
- 3. Greenhouse Gas Emissions
- 4. Funding/Public Housing
- 5. Enviromental Justice
- 6. Mass Save
- 7. Municipal Light Plants
- 8. Federal Funds
- 9. Natural Gas
- 10. Pollution

Context:

Clean Heat Standards (CHS) are based on renewable portfolio standards which have been a policy used for decades to encourage the construction of new clean energy projects and increase the amount of clean electricity over time. Massachusetts has had an active RPS since 2003.

Colorado passed the first clean heat standard last year.

Vermont passed a clean heat standard in the spring.



<u>Here is a breakdown</u> of how homes are currently heated in Massachusetts. It's important to note that Electricity includes both homes with heat pumps and those with electric resistance heating, which are extremely inefficient and needs to be phased out in time.

| Home by type of fuel in MA | Number | Percent of homes |
|------------------------------------|-----------|------------------|
| Utility Gas | 1,411,895 | 51.2% |
| Fuel oil, kerosene | 649,036 | 23.5% |
| Electricity | 492,336 | 17.8% |
| Bottled, tank, liquified petroleum | 129,559 | 4.7% |

Commission on Clean Heat:

<u>The Massachusetts Department of Environmental Protection</u> is currently talking to stakeholders about the possibility of implementing a clean heat standard. This shows there is real interest in this idea from the Healey Administration.

In 2021, the state created a commission to investigate how to reduce emissions from heating fuels. The Commission <u>ended up filing a report</u> which recommended creating a Clean Heat Standard.

 One quote from the report: "Designed to meet the building sector sublimits, the Clean Heat Standard can be a powerful tool for creating a new market for clean heating solutions by incentivizing obligated parties to deliver cleaner heating technology, electrify our building stock, increase building efficiency, and move away from fossil fuels."

Greenhouse Gas Emissions:

In 2020 buildings were the second largest source of emissions in the state contributing 19.5 million metric tons of CO2 equivalent. <u>Only transportation was larger</u>.

Between 2010 and 2020 emissions from buildings in Massachusetts only fell by 4.4%.

Funding/Public Housing



The key feature of this bill is that it's focused on rewarding projects that reduce emissions associated with fossil fuel heating. This flexible funding means projects as diverse as school decarbonization projects, <u>public housing</u>, commercial properties or residential projects not fully covered by Mass Save could all be funded through this bill.

Environmental Justice

H.3694 requires that any person, organization, or company that completes projects that reduce a building's emissions receive clean heat credits. For example, an HVAC company that replaced a customer's oil heater with a heat pump would earn a certain number of clean heat credits based on the expected GHG emissions avoided by this action.

Demand for these credits would be driven by a mandate that gas, oil, and propane fuel heating sellers retire an increasing number of credits every year based on the emissions of the fuels they sell within the state. Fuel suppliers could earn credits to retire either by directly decarbonizing buildings or by buying credits from others.

The bill would promote equity by mandating a minimum of 40% of clean heat credits retired by fuel sellers come from low- and moderate-income households, thus incentivizing installations in those homes. It also empowers DOER to enact further measures to frontload building decarbonization among low-and-moderate-income households 40% of clean heat credits must come from low-and-moderate income households and DOER is given the authority to go further. In addition, this bill creates an Equity Advisory Group to make sure low-and-moderate income households have a voice in the implementation process.

Mass Save

<u>This Globe article</u> touches on why Mass Save is not by itself enough to ensure the state hits its emission reduction goals.

Municipal Light Plants

50 municipalities in Massachusetts have their electric utilities completely or partly managed by local municipal light plants. While these areas have cheaper electricity then the rest of the state, and thus would save the most from electrification, they are partly or completely excluded from Mass Save. Consequently, many of the homes that would lower their heating emissions the most by heat pump conversion cannot get the support they need to make the switch. H.3694 by funding building decarbonization projects both in and outside of MLPs can help alleviate this problem.

Federal Funds



With the Inflation Reduction Act building <u>electrification projects are now heavily subsidized</u> by the federal government. The more homes we electrify the more federal money we bring into the local economy.

Natural Gas Utilities:

Some of the gas utilities are advocating for the use of renewable natural gas (RNG)/biogas and hydrogen in our gas pipes as a way to decarbonize our gas utilities. H.3694 would not support RGN and hydrogen (this would act as a de facto ban on their large-scale use by gas utilities), it would instead push the gas utilities to reduce emissions through weatherization and electrification.

<u>This paper</u> is a great source of information on how electrification is a safer, more reliable and more cost effective decarbonization strategy than RNG/biogas and hydrogen.

<u>A report</u> from the American Council for an Energy-Efficient Economy found that: "Alternative fuels such as biogas are another path to decarbonization, but these will be expensive. In our biogas scenario, average utility costs per customer increase by about a factor of four."

The Gas System Enhancement Program (GSEP) is a pipeline leak repair program that is projected to end up costing between 20 billion and 40 billion dollars over the next several decades. If a Clean Heat Standard was paired with a requirement that gas utilities retire underused gas lines and shrink their system over time some of these costs could be avoided.

As this paper from the Acadia Center examines. even the lower figure for GSEP is more than enough money to weatherize and electrify hundreds of thousands of homes and reduce utility bills for some oil heated homes by \$3,000 per year.

Oil and Propane

<u>This paper shows</u> that heat pumps have had lower operating costs than oil and propane back in 2017.

This report from DOER released in the fall of 2022 said: "Air-source heat pumps are
a more efficient and cost-effective way to heat your home using electricity at a
fraction of the cost of oil or propane."

Pollution:

Air pollution from buildings caused <u>749 early deaths and \$8.394 billion</u> in health impact costs in 2017 in Massachusetts.

Homes that use gas also experience indoor air pollution from unburned natural gas.