



**H.3694, *An Act relative to the clean heat standard*** - [malegislature.gov/Bills/193/HD3309](http://malegislature.gov/Bills/193/HD3309)

Sponsor: Representative Driscoll

New building decarbonization policies are urgently needed if the state is to meet the emission reduction obligations outlined in Chapter 21N. H.3694 was written to help tackle this problem by creating a Clean Heat Standard (CHS). A CHS would affect both building retrofits and new construction.

The Clean Heat Standard would apply similar mechanisms used to effectuate the Renewable Portfolio Standard, which has helped Massachusetts increase the amount of renewable energy on our electric grid since 2003.

H.3694 does this by awarding any person, organization, or company that completes projects that reduce a building's emissions with 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 greenhouse gas emissions avoided by this action. A gas utility could earn credits by switching a community to networked geothermal heating, or installing heat pumps in individually owned buildings

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. The number of credits retired each year is required to be sufficient for the state to meet its emission reduction targets for the building sector. Fuel suppliers could earn credits to retire either by directly decarbonizing buildings or by buying credits from others. This would create a system where heating fuel sellers are incentivized to reduce their overall emission and help consumers decarbonize their buildings.

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. It also empowers DOER to enact further measures to frontload building decarbonization among low-and-moderate-income households.

Projects that use renewable natural gas and hydrogen would not be awarded credits.

CHS legislation was signed into law in Colorado in 2022. In Vermont, a CHS bill was passed this year. In Massachusetts, the [Commission on Clean Heat's Final Report](#) strongly recommended including a CHS among other building decarbonization policies.

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