

## GREEN COMMUNITIES DIVISION

**Policy summary:** Created by the Green Communities Act of 2008, the Green Communities Division of the DOER is intended to help municipalities become more sustainable, control rising energy costs, and incubate the clean energy technologies and practices that will put Massachusetts cities and towns — and the Commonwealth as a whole — at the center of the 21st century clean energy economy. Envisioned as a way to encourage municipalities to make greener energy decisions, the Division is mandated to offer grant and loan opportunities to municipalities in order to be designated as “Green Communities.”

**Clean energy economy impacts:** The five required criteria to be designated a Green Community help municipal governments to reduce their own energy costs, and those of local residents and businesses; and help to achieve siting of wind, solar, and other renewable energy installations.

**Rationale:** Municipal governments are substantial consumers of fossil-fuel energy, primarily for buildings and secondarily from vehicles. The Energy Reduction Plan along with the Fuel Efficient Vehicle Policy required for designation as a Green Community results in municipalities reducing their energy consumption from municipal operations by a minimum of 20 percent. Through zoning they can have a major impact on the ability of renewable energy facilities to find suitable locations. And by deciding to adopt the “stretch” energy code (see Buildings) — another requirement for Green Communities designation — they significantly improve the energy efficiency of new construction and major renovations.

**Policy design and issues:** The Division provides technical assistance to communities to help them qualify for Green Community designation and state grants. To become Green Communities, municipalities must meet five criteria:

- Adopt a local zoning bylaw or ordinance that allows "as-of-right-siting" of renewable and/or alternative energy R&D facilities, manufacturing facilities or generation units;
- Adopt an expedited permitting process related to the as-of-right facilities;
- Establish a municipal energy use baseline and establishing a program designed to reduce use by 20 percent within five years;
- Purchase only fuel-efficient vehicles for municipal use, whenever such vehicles are commercially available and practicable; and
- Require all new residential construction over 3,000 square feet and all new commercial and industrial real estate construction to reduce lifecycle energy costs (such as adoption the Stretch Code).

The Green Communities Act allows funding of up to \$10 million per year for the designation and grant program from the proceeds of Regional Greenhouse Gas Initiative (RGGI) allowance auctions and other sources. The Green Communities Division also serves all Massachusetts cities and towns as a one-stop shop for energy efficiency and renewable energy opportunities, helping them understand all the state programs at their disposal and providing streamlined delivery of those programs.

To achieve the goal of serving all 351 cities and towns in Massachusetts, the Green Communities Division offers a number of programs and services in addition to its signature Green Communities Grant Program. Other services include an energy assessment program in collaboration with the investor-owned utilities, technical assistance with energy savings performance contracting, stimulus grant programs and support, an online energy information system for tracking energy consumption and making decisions about how to reduce consumption, webinars and guidance documents and tools, a website and listserv for disseminating information and four Regional Coordinators to provide direct support to cities and towns.

**GHG impact:** GHG emissions are directly related to energy reduction and renewable energy efforts in municipalities. The first 35 Green Communities committed to reducing their energy consumption by 822,000 MMBTUs in five years. The newest 18 committed to a reduction of 592,000 MMBTUs over five years.

**Other benefits:** Additional benefits include reduced energy costs and a lower burden on Massachusetts taxpayers. Projects funded through the Green Communities Division can pilot new technologies and system management. In addition, the work done by municipalities to become designated as a Green Community requires buy-in of its residents, with meeting many of the criteria requiring a Town Meeting vote. This has resulted in a major grassroots movement to educate the larger citizenry on the benefits of reducing energy consumption and creating clean, renewable energy projects.

**Costs:** Up to \$10 million per year, funded through the proceeds of Regional Greenhouse Gas Initiative (RGGI) emissions allowance auctions (see Electricity) and other sources.

**Equity issues:** There are no known equity issues. Grants are based on a \$125,000 base for each designated Green Community, plus additional amounts tied to per capita income and population, and for municipalities that provide as-of-right siting for renewable energy generation. There are 53 designated communities from the Berkshires to Cape Cod, ranging in population from 990 to 621,000 residents.

**Experience in other states:** We are aware of no similar programs in other states. The Green Communities Division is believed to be the first of its kind in the nation.

**Legal authority:** The Green Communities Act of 2008 created the Division and the designation and grant program and authorized funding for it. The Board of Building Regulation and Standards approved the Stretch Code as an option for municipalities to adopt.

**Implementation issues:** As of December 2010, 53 communities had attained designation as Green Communities, thereby qualifying for funding from the Division. In addition, as of December 2010, 64 cities and towns had passed the Stretch Code.

**Uncertainty:** The Green Communities Division and Grant program are new and have created considerable excitement among Massachusetts cities and towns. It will be important in going forward to continue engaging municipalities in a manner that maintains that excitement. In addition, proceeds from the RGGI auctions, the main source of funding for the Division, are difficult to predict.