

MASSACHUSETTS CLEAN HEAT STANDARD

VIRTUAL COMMUNITY MEETING

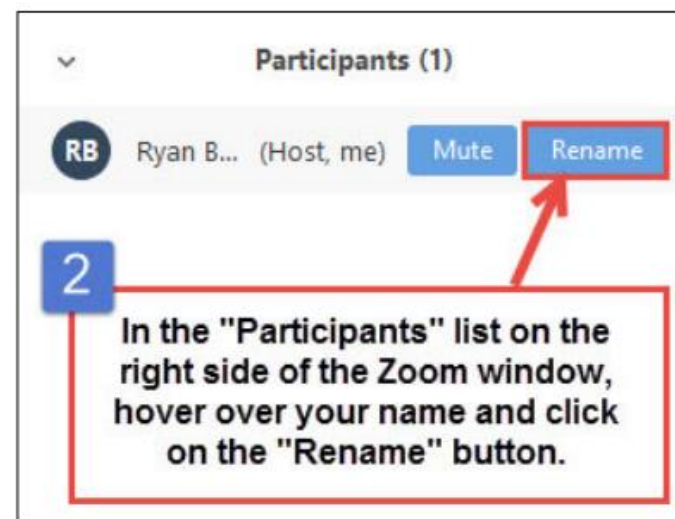
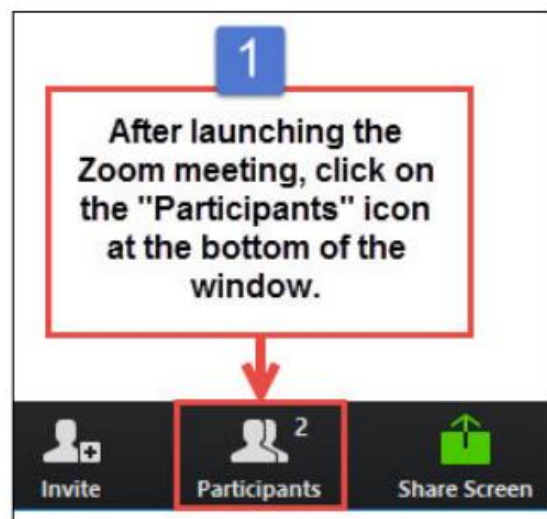
JUNE 20, 2023

MassDEP



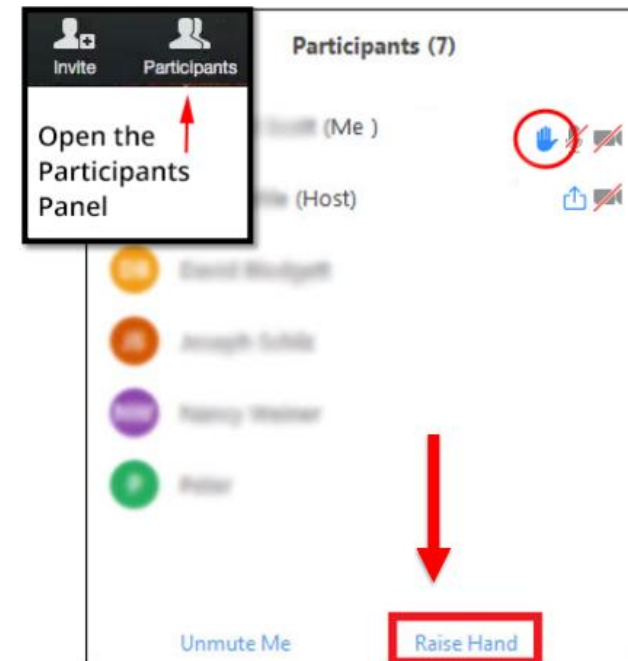
ZOOM MEETING LOGISTICS

- This meeting is being recorded
- To minimize background noise, attendees are on mute
- Please enter your full name, and affiliation if relevant, in the Participants panel



HOW TO PARTICIPATE VIRTUALLY

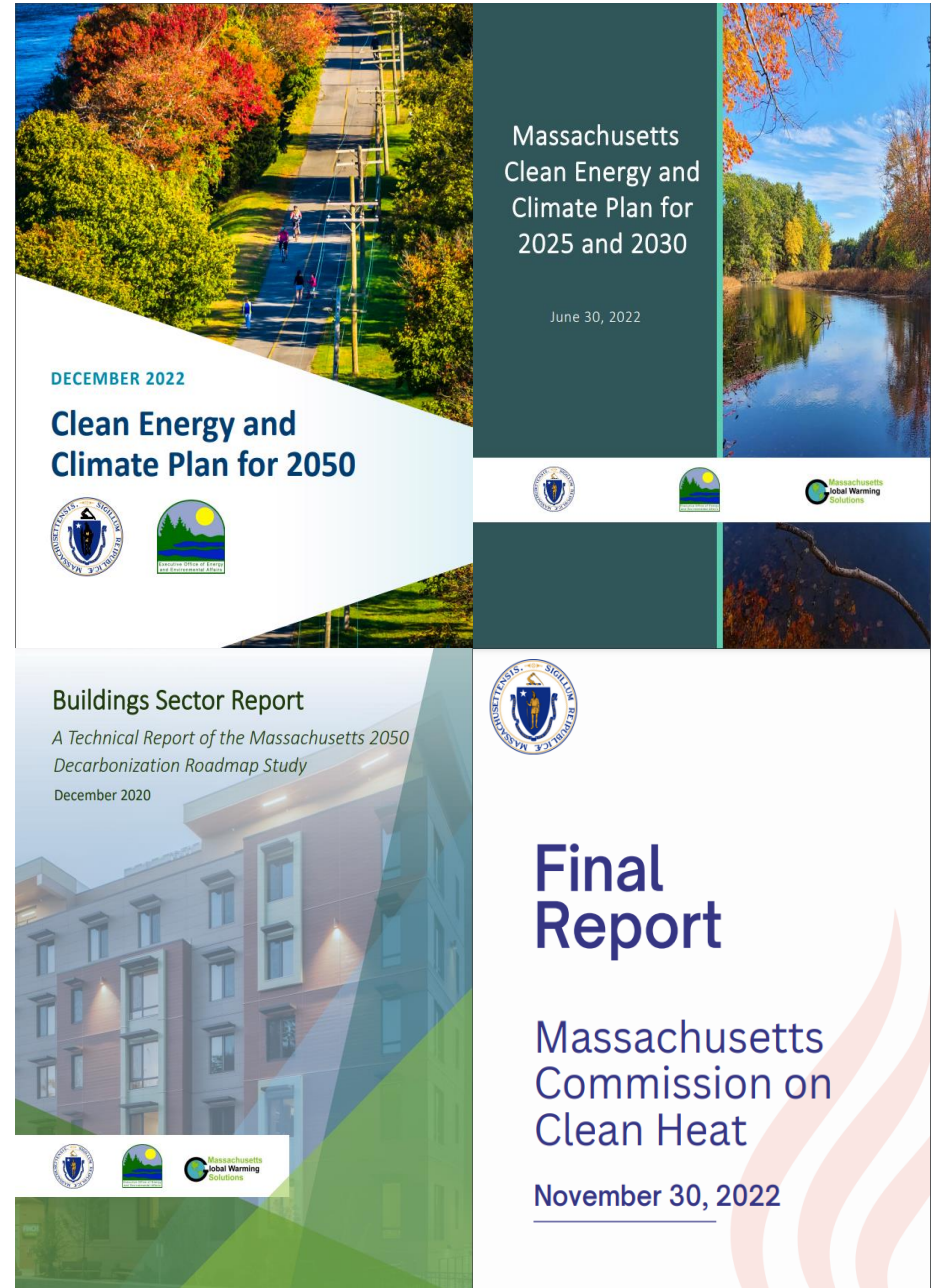
- There will be opportunities for clarifying questions throughout the presentation and the latter half of the meeting will be dedicated to receiving substantive questions and comments
- To ask a question or provide a comment, raise your hand
- When it is your turn, we will:
 - Notify you by chat
 - Announce your name
 - Unmute you and lower your raised hand



AGENDA

- Meeting logistics and background (10 min.)
- Stakeholder input update (10 min.)
- Fuel supplier reporting update (5 min.)
- Program design and next steps (5 min.)
- Questions and Comments (30 min.)

MassDEP is tasked with developing a Clean Heat Standard: “a **practical and cost-effective policy tool** to meet emissions reduction goals for the thermal sector, and it could be **implemented in a progressive, equitable manner.**”¹



WHY DO WE NEED A CLEAN HEAT STANDARD?

- A Clean Heat Standard can:
 - Reduce greenhouse gas (GHG) emissions and improve air quality
 - Support delivery of clean heating solutions at scale
 - Build in equity from the start
 - Set the pace for progress through 2050 to meet Massachusetts' Climate goals

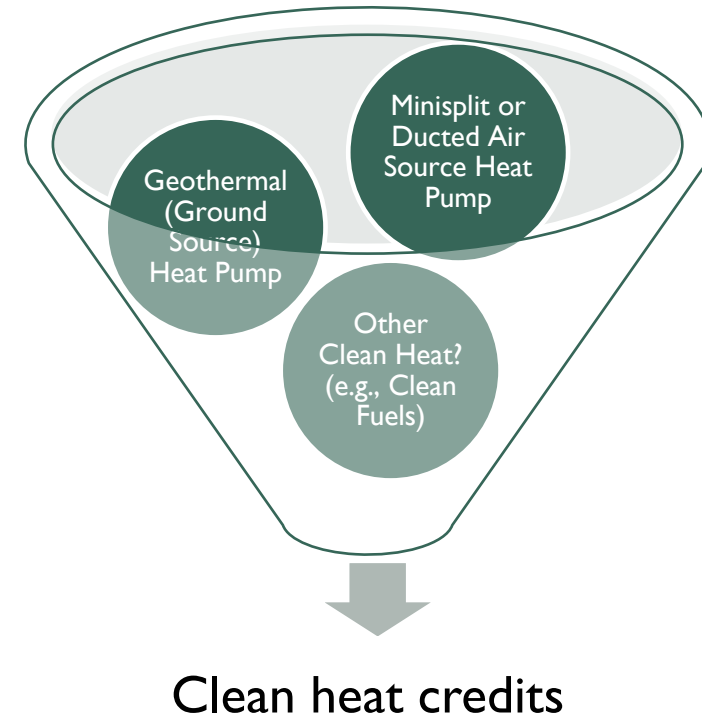
“By 2050, the **vast majority of buildings will use high-efficiency electric appliances** for heating, cooling, cooking, and hot water”²

“Clean heating options give the Commonwealth the chance to **improve public health** with cleaner air indoors and outdoors”³

“The Clean Heat Standard’s long-term objective must be to **promote electrification** of the thermal sector, in alignment with the 2050 Roadmap findings and 2025/2030 CECP policies”⁴

WHAT IS A CLEAN HEAT STANDARD?

- A Clean Heat Standard is a regulatory program that requires heating energy suppliers to reduce their GHG emissions over time by acquiring clean heat credits
- Regulated companies (suppliers) would include suppliers of heating oil, propane, natural gas, and possibly electricity
- Suppliers would demonstrate emissions reductions through clean heat credits
- Suppliers could implement clean heat themselves or purchase credits from third parties, such as heat pump installers
- Clean heat credits would be generated by implementing clean heat, such as electric heat pumps



MassDEP is evaluating and seeking stakeholder input on program design details



STAKEHOLDER INPUT PROCESS

STAKEHOLDER INPUT – PROGRESS TO DATE

- Published stakeholder discussion document and draft discussion regulatory language
- Requested initial feedback by May 1, 2023 (received 57 comments as of 6/12/23)
- Coordinated with MassDEP's Director of Environmental Justice

Commenters emphasized the need for:

- Transparency
- Equity
- Environmental Justice
- More information

Specific requests

- Easily digestible descriptions
- Opportunities for feedback from all stakeholders
- Sessions on specific technical topics
- Engagement with municipalities and district energy systems

STAKEHOLDER INPUT – RESOURCES

- Clean Heat Standard webpage now includes
 - Links to descriptions of the Clean Heat Standard concept
 - White papers on 1) costs and emissions associated with different heating technologies; 2) existing crediting schemes for consumer-level actions, such as rooftop solar; and 3) which entities are obligated to comply
 - Comments received and a brief summary of themes from those comments

Massachusetts Clean Heat Standard

Learn about and participate in the MassDEP initiative to develop a regulatory standard for reducing greenhouse gas emissions from fossil heating fuels.

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- ▼ What is a Clean Heat Standard?
- ▼ Stakeholder Input
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- ▼ Contact
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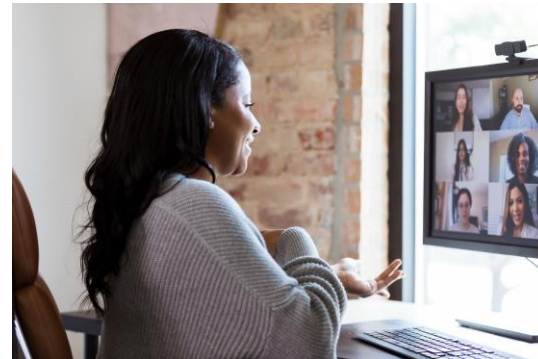
Background

See **Additional Resources** below for:

- An April 2023 discussion document that includes a general description of the CHS concept, additional background information, and specific questions for stakeholders to consider.
- "Straw" regulatory language for heating fuel supplier reporting requirements in support of the CHS.
- Comments received as of May 10, 2023.
- A summary of themes from the comments received as of May 10, 2023.
- A short explanatory video on the CHS concept by the authors of the CHS Appendix to the 2025/2030 CECP
- A technical memorandum on costs and emissions associated with different heating technologies.
- A technical memorandum on existing crediting schemes for consumer-level actions.
- A technical memorandum on which entities are obligated to comply with a CHS.

STAKEHOLDER INPUT PROCESS – NEXT STEPS

- Regular Virtual Community Meetings
 - With evening sessions, every 4-6 weeks
 - Content for general audience
 - Questions and comments
- Technical sessions on program design in Summer 2023
 - As requested in stakeholder comments
- Meetings with interested groups on request



Have ideas for other stakeholder engagement opportunities that MassDEP should pursue? Send us an email at climate.strategies@mass.gov



CLARIFICATION QUESTIONS ON STAKEHOLDER ENGAGEMENT



FUEL SUPPLIER REPORTING

EMISSIONS REPORTING FOR HEATING FUEL SUPPLIERS

- Planned expansion of MassDEP's existing GHG emissions reporting program regulation (310 CMR 7.71)
- Emissions reporting will support implementation of a Clean Heat Standard by collecting and monitoring emissions data from heating fuels
- Will require quarterly reporting of emissions based on amount of fuel delivered from:
 - Natural Gas Suppliers (based on billing records)
 - Heating Oil and Propane Suppliers (based on delivery slips)
- Online registration and reporting system

IDENTIFYING HEATING FUEL SUPPLIERS

- Propane and Heating Oil
 - Started with a list of companies from Massachusetts and surrounding states based on North American Industry Classification System (NAICS) codes
 - Reviewed each company on the list to determine if it was an active company that delivers fuel to Massachusetts
 - Working on finding additional entities from various sources
 - Coordinating with MA Division of Standards (regarding delivery slips)
- Natural Gas
 - Department of Public Utilities list of Local Distribution Companies and Gas Suppliers



CLARIFICATION QUESTIONS ON EMISSIONS REPORTING REQUIREMENTS



PROGRAM DESIGN COMMENTS

THEMES FROM COMMENTS

- Commenters generally agreed:
 - The Clean Heat Standard should be expressed in GHG reductions
 - The program should be designed to achieve equitable outcomes
 - The need for compliance flexibility, such as an alternative compliance payment
- Commenters expressed a broad array of opinions on:
 - Which technologies should count as clean heat
 - How credit values should be calculated
 - Details of program design and implementation

WHERE TO FIND THE COMMENTS

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- Comments and a summary of them are posted on the CHS web page
- Additional comments will be posted periodically as MassDEP receives them
- Submit written comments at any time to **climate.strategies@mass.gov**

POTENTIAL NEXT STEPS IN 2023

- Propose fuel supplier emissions reporting regulations
- Develop an “Early Action” crediting concept for electrification projects that could earn Clean Heat Credits. This would create a system for credit generation and tracking to support development and implementation of the Clean Heat Standard.
- Open a comment period on “straw” program design framework

GENERAL QUESTIONS AND COMMENTS



MassDEP [CHS web page](#)



Submit comments and questions
to climate.strategies@mass.gov



[Sign up](#) for the CHS email list