



MASSACHUSETTS
**DEPARTMENT OF
ENERGY RESOURCES**

PACE MA:

Updates to guidelines for new construction

Energy Efficiency Division

28 January 2025



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PACE MA TECHNICAL GUIDELINE UPDATE

PUBLIC COMMENT

DOER is seeking public comment on its proposal for updates to the technical guidelines for new construction of the Massachusetts Commercial Property Assessed Clean Energy (PACE MA) program.

Please submit comments electronically to doer.cpace@mass.gov with the subject line “PACE MA for New Construction Comments”

Alternatively, written comments may be submitted via postal service to:
Nina Mascarenhas, Department of Energy Resources, 100 Cambridge Street,
9th floor, Boston, MA 02114.

Public Comments will be accepted until **5 pm on Tuesday, 18 February 2025**

SUMMARY OF UPDATES

PACE MA NEW CONSTRUCTION

1. **Raised the maximum** percentage of Total Eligible Construction Cost (**TECC**) allowed for PACE MA financing (*slides 6-9*)
2. **Introduced time-limited exceptions** for certain project pathways (*slides 7-8*)
3. **Extended timeline** for application to 36 months from time of construction completion/Certificate of Occupancy (*slide 10*)
4. Introduced **conditional pre-approvals** on request (*slide 10*)
5. **Expanded** and clarified the **items eligible** for inclusion in the **TECC** (*Slide 11*)



UPDATES TO PROJECT PATHWAYS

UPDATE TO 2.A. WHOLE BUILDING PATHWAY: RELATIVE PERFORMANCE

Project Qualifying Criteria:

Buildings must comply with the **All-electric pathway**¹ and **Relative Performance** requirements² of the Municipal Opt-in Specialized Energy Code, and Building Performance Factor (BPF)³ must be **reduced by at least 5%**

Maximum amount allowed for PACE MA financing

The maximum amount allowed for financing is **raised to 25%** of Total Eligible Construction Cost (TECC) for projects that reduce Building Performance Factor (BPF) by **5%**

The maximum amount allowed for financing is **raised to 30%** of Total Eligible Construction Cost (TECC) for projects that reduce Building Performance Factor (BPF) by **10%**

¹ 225 CMR 23.00, Section CC104 (All-electric pathway of the Municipal Opt-in Specialized Energy Code)

² 225 CMR 23.00, Section C401.2.1. Part 3 (Relative Performance compliance)

³ 225 CMR 23.00, Section C407.2.2.1, ANSI/ASHRAE/IESNA Standard 90.1-2019 Table 4.2.1.1

TIME- LIMITED EXCEPTION FOR WHOLE BUILDING PATHWAY:RELATIVE PERFORMANCE

Mixed-fuel High-ventilation buildings (buildings having average ventilation at full occupancy greater than 0.5 cfm/sf) will be eligible for PACE financing if they meet the following conditions:

1. Were fully designed and permitted **prior to 2024**
2. **Comply with** standards of the mixed-fuel pathway of the **Specialized Code** (CC101.3, Part 3 and CC101.4)
3. **Reduce BPF** by at least **5%**. Projects that reduce BPF by at least 5% will be eligible for **20% of TECC**, projects that reduce BPF by 10% will be eligible for **25% of TECC**.
4. **Remain high-ventilation** buildings after receiving PACE financing

UPDATE TO 2.B. WHOLE BUILDING PATHWAY: TARGETED PERFORMANCE

Project Qualifying Criteria:

Option 1: Buildings must comply with the **All-electric** pathway ¹ and **Targeted Performance** requirements ² of the Municipal Opt-in Specialized Energy Code. The maximum amount allowed for PACE MA financing for Option 1. is raised to **35% of Total Eligible Construction Cost (TECC)**

Option 2: Buildings must comply with the **all-electric** pathway ¹ and **Passive House** requirements ³ of the Municipal Opt-in Specialized Energy Code. The maximum amount allowed for PACE MA financing for Option 2. is raised to **35% of TECC**

Option 3: Buildings must comply with the **mixed-fuel** pathway ⁴ and **Passive House** requirements ³ of the Municipal Opt-in Specialized Energy Code. The maximum amount allowed for PACE MA financing for Option 3. is raised to **25% of TECC**

Time-Limited exception

All Passive House (PH) projects, including mixed-fuel, permitted **prior to May 2023**, the date of release of PACE for new construction guidelines, will be eligible for PACE financing up to **35% of TECC** provided they apply within the 36-month period from receiving a Certificate of Occupancy for retroactive financing. Mixed-fuel PH projects permitted after this date will be subject to the 25% cap, while all-electric PH will be eligible for 35%.

¹ 225 CMR 23.00, Section CC104 (All-electric pathway of the Municipal Opt-in Specialized Energy Code)

² 225 CMR 23.00, Section C401.2.1. Part 2 (Targeted Performance compliance)

³ 225 CMR 23.00, Section C401.2.2. Part 1 (Passive House compliance)

⁴ 225 CMR 23.00, Section CC105 (Mixed-fuel compliance)

UPDATE TO 2.B. WHOLE BUILDING PATHWAY: PRESCRIPTIVE PERFORMANCE

Project Qualifying Criteria:

Buildings must comply with the **All-electric pathway**¹ and **Prescriptive** compliance requirements² of the Municipal Opt-in Specialized Energy Code. Projects must have a **positive Savings-to-Investment Ratio** where the energy cost savings exceed the incremental cost of measures.

The maximum amount allowed for PACE MA financing for Prescriptive Performance is raised to **25% of Total Eligible Construction Cost (TECC)**

¹ 225 CMR 23.00, Section CC104 (All-electric pathway of the Municipal Opt-in Specialized Energy Code)

² 225 CMR 23.00, Section C401.2.1. Part 1 (Prescriptive compliance)

UPDATES TO APPLICATION PROCESS

- **Timeline for Application** to MA PACE is **extended to 36 months** from completion of a retrofit or receiving a Certificate of Occupancy for a new construction project.
- DOER will consider requests for **conditional pre-approvals** for new construction projects on submission of :
 - A statement from the Project Developer stating the project pathway followed, and that the project is designed to meet the applicable technical requirements of that pathway
 - Itemized estimates of costs to be included in the Total Eligible Construction Cost (TECC) categorized by Construction Specifications Institute (CSI) divisions
 - A statement from the Project Developer or Owner that all information in the request is accurate and complete to the best of their knowledge and intentions

Note: A conditional pre-approval is not a final DOER decision on an application. DOER will issue an approval based on review of project details as required under the applicable project pathway in the program technical guidelines

UPDATES TO TOTAL ELIGIBLE CONSTRUCTION COST (TECC)

- **Expanded** and clarified eligible items in the **Total Eligible Construction Cost (TECC)** to include all items under the following categories of the Construction Specifications Institute (CSI) divisions 1
 - 04 – Masonry
 - 03 – Concrete
 - 05 – Metals
 - 06 – Woods, Plastic, Composites
 - 07 – Thermal and Moisture Protection
 - 08 – Openings
 - 09 – Finishes
 - 14 – Conveying Equipment
 - 15 – Plumbing + HVAC
 - 16 – Electrical + Lighting (except for electrical upgrades and modifications required and owned by the utility)
 - 20 – Mechanical Support
 - 21 – Fire Suppression
 - 22 – Plumbing
 - 23 – HVAC (including geothermal drilling and installation costs)
 - 25 – Integrated Automation
 - 26 – Electrical
 - 27 – Communications
 - 28 – Electronic Safety and Security
 - 48 – Electrical Power Generation (limited to: photovoltaic, wind turbine, and energy storage systems attached to the building)
 - 01 – General Requirements associated with above divisions
 - Engineering and consulting services related to design and delivery of above.
 - Modeling and other soft costs related to energy use and PACE application.

TIMELINE: FINAL GUIDELINE

- **Tue 28 Jan 2025:** Post draft guidelines for public comment
- **Tue 18 Feb 2025:** Close for public comment
- **Fri 28 Feb 2025:** Target date for issuing Final guidelines



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Thank You!