



March 18, 2022

Commissioner Patrick Woodcock  
Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114

Dear Commissioner Woodcock,

On behalf of the Greater Boston Chamber of Commerce and our 1,300 members, I write to thank the department for developing a balanced Building Energy Code Straw Proposal that makes progress towards our climate goals.

Using in-depth building code analysis developed since 2019, the approach taken by the Department considers the outcomes of building code updates, the needs of different building types, and lifecycle costs for building ownership. Importantly, the straw proposal notes that the goal of the energy code analysis is to achieve least-cost decarbonization.

With that goal in place, the Department's Energy Efficiency Analysis conducted in tandem with the development of the straw proposal identifies a feasible path for our built environment to reduce emissions. Through this well-researched process, the Department offers three building code options that will drive emissions reductions from the building sector, use incentives to encourage a shift to electric, and recognize the current capabilities of New England's power grid.

The Chamber supports many aspects of the straw proposal and urges the Department to maintain its balanced approach in the final regulations.

### **Residential Low-Rise Proposal**

The straw proposal's plan to update the residential stretch code for one and two family homes, town homes, and low-rise multi-family up to three stories largely strikes the correct balance between reducing emissions, feasibility, and cost factors. Under the proposal, builders and homeowners will meaningfully reduce emissions and be protected from broad, one-size-fits-all mandates or prohibitions.

Specifically, both the stretch and opt-in proposals will reduce emissions by adjusting the Home Energy Rating System (HERS) standard and providing incentives to influence homeowners' choices. Importantly, nearly 300 of the state's 351 municipalities already adopted the stretch code, so changes to the stretch code will impact a large swath of the state.

- The proposed stretch code would lower the Home Energy Rating System (HERS) standard, creating a stricter standard for fossil fuel heating (HERS 42) compared to electric heating (HERS 45). To meet the new standards, developers may choose an electric heat pump and minimal other steps or gas heat with a combination of other steps like air sealing, ventilation systems, and heating materials. The opt-in code goes further by requiring that fossil fuel heated homes meet the HERS standard and also install pre-wiring for electrification, rooftop solar, and electric heating systems. Both codes rightly would significantly reduce emissions over time and incorporate a practicality that is critical in the context of high housing and construction costs and electric grid limitations.

- Both the stretch and opt-in code approaches make use of new Mass Save financial incentives for homes meeting the HERS standard and federal tax incentives for the adoption of electric heating sources. These incentives are critical for defraying costs and encouraging builders and homeowners to adopt electric sources of heating and to reduce their building emissions.

In developing the proposal specifics, we urge the Department also to recognize current limitations, particularly on the power grid's capabilities and in different living environments.

- The Department, in promoting electrification and distributed renewable energy, should consider the additional load that more electric consumption will place on the regional grid. Higher electricity demand and infrastructure upgrades necessary to accommodate increased use of renewables will impact our emissions reduction efforts and change the way our economy is powered over time. That transition and its costs should be part of the analysis when developing building standards.
- The department should also consider different housing environments in developing the stretch and opt-in codes. In particular, the specialized opt-in code requires electric vehicle charging capabilities at residences. In urban areas, housing is dense and often relies on public streets for parking which makes this infeasible. We urge the Department to consider an alternative for these areas that will allow residents to access vehicle chargers.

### **Commercial Proposal**

Like the residential changes, the proposed updates to the commercial building code also will result in demonstrable emissions reductions while maintaining flexibility for builders. The proposal achieves this balance by emphasizing demand reduction, requiring adaptability for an electric future, and recognizing the nuances of building use.

- The Department's commercial stretch code proposal will reduce commercial building emissions by reducing the demand for energy. For example, by implementing Thermal Energy Demand Intensity, or TEDI, limits, the stretch code would reduce the demand for heating and cooling by as much as 90 percent. Other steps, like elevated levels of window glazing and controlling air infiltration, will also contribute to lowering emissions. Like the residential proposal, the commercial opt-in code goes further by requiring all buildings be wired for full electrification and rightly recognizes that an immediate switch to all-electric would strain the region's grid.
- The straw proposal also appropriately creates multiple pathways for commercial code compliance based on a building's use. This approach considers unique needs of energy-intense buildings, such as labs and hospitals, by adjusting code requirements to meet the dual goals of reducing emissions and maintaining functionality.

The Department's proposal does acknowledge that the proposed codes would increase costs for small office buildings. Given the pressures on small businesses right now, and potential additional pressures from policies like the tax on income over \$1 million, anything that raises the costs of production – and therefore occupancy costs – should be carefully reviewed.

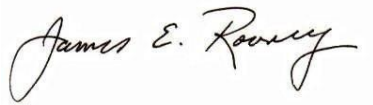
**Context and Impact**

Worth noting, the update to our building codes is only one piece of the overall effort to achieve our emissions reductions. The Commonwealth continues its aggressive procurement of renewable energy to ensure our electric grid provides cleaner energy to our future electrified buildings. This necessary clean energy faces years of development and construction and will require further upgrades to the distribution system. We must be mindful that the transition of our electric grid and built environment to net-zero emissions will take time and the Department should continue to carefully consider real-world costs and limitations while formulating any new requirements on buildings.

The Chamber also recognizes that the move towards own-source energy has a new urgency and significance given global events and the U.S. decision to discontinue Russian oil imports. We believe that reducing and eliminating reliance on foreign energy sources is necessary, but our infrastructure cannot handle an immediate transition. The proposed code changes move Massachusetts towards these goals, while also recognizing the reality of our system's capabilities and cost impacts.

The Chamber appreciates the effort, research, and analysis conducted by the Department in creating this straw proposal. Thank you for the opportunity to share comments.

Sincerely,



Jim Rooney  
President and CEO