

MASSACHUSETTS CLEAN HEAT STANDARD

VIRTUAL COMMUNITY MEETING:
DISCUSSION DRAFT REGULATION
VOLUNTARY EARLY REGISTRATION PROGRAM

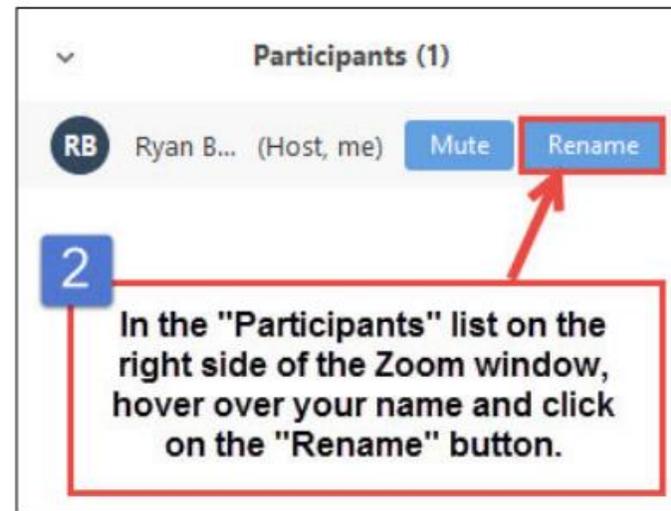
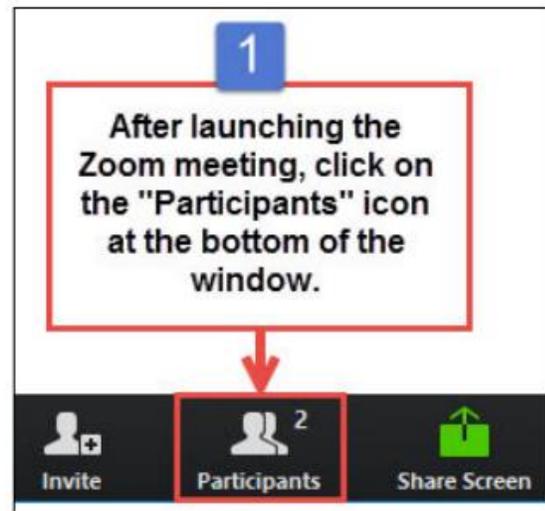
FEBRUARY 8, 2024

MassDEP



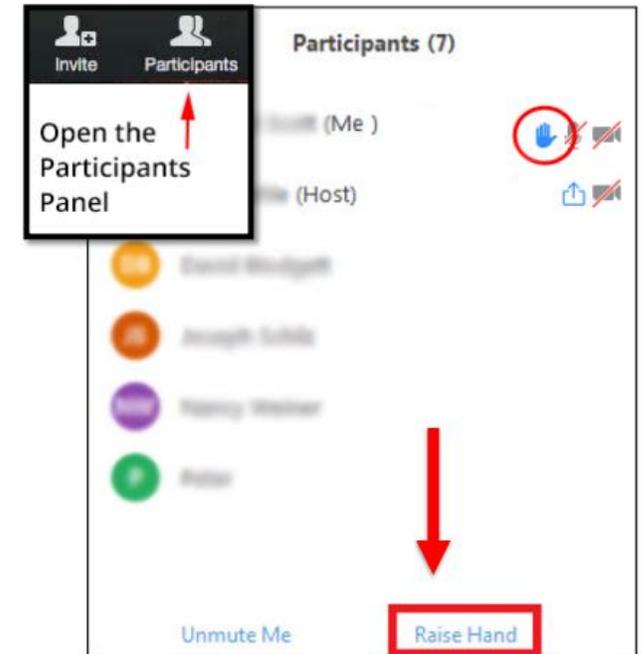
ZOOM MEETING LOGISTICS

- 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

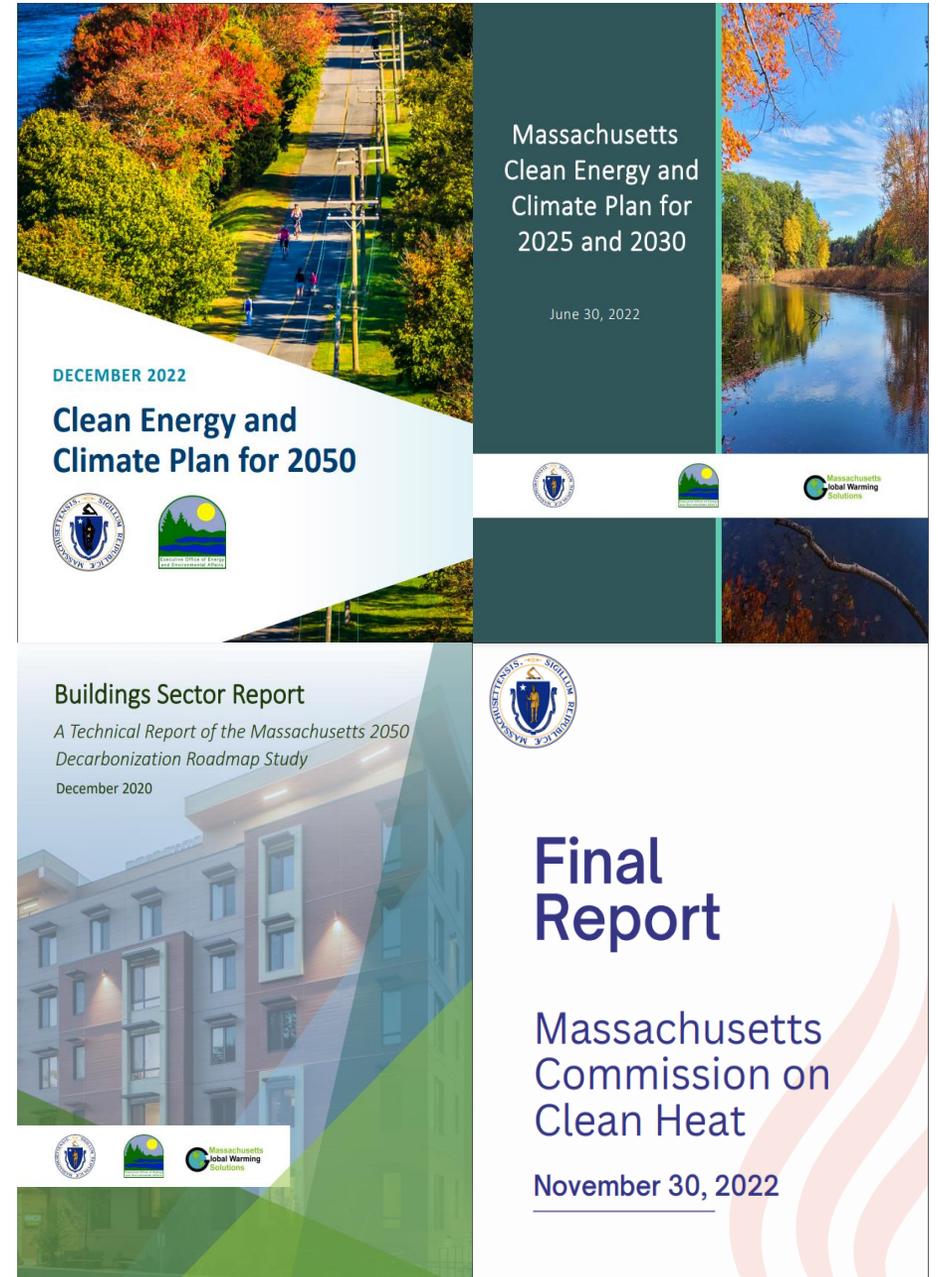
- The latter half of the presentation will be dedicated to answering both clarifying and substantive questions
- To ask a question or provide a comment, raise your hand
- When it is your turn, we will:
 - Notify you by chat
 - Announce your name
 - Unmute you and lower your raised hand



AGENDA

- Meeting logistics and updates (10 min.)
- Overview of the Clean Heat Standard Voluntary Early Registration Program (20 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



WHAT IS A CLEAN HEAT STANDARD?

- A Clean Heat Standard is a regulatory program that would require heating energy suppliers to reduce their GHG emissions over time
- Regulated companies (suppliers) would include suppliers of heating oil, propane, natural gas, and electricity
- Suppliers would demonstrate emissions reductions by holding clean heat credits
- In November 2023, MassDEP released:
 - Draft program framework addressing key policy design topics
 - “Straw” regulatory language for a voluntary early registration program

Clean Heat Standard Draft Framework

Setting the Standards

Regulated Heating
Energy Suppliers

Credit Generation

Compliance Flexibility
and Revenue

STAKEHOLDER INPUT PROCESS

■ Regular Virtual Community Meetings

- Sessions every 4-6 weeks
- Content for a general audience
- Built-in time for questions and comments
- Next meetings:
 - February 8 at 6:00 PM
 - March 7 at 3:00 PM and 6:00 PM



■ Technical sessions on program design

- Previous agendas included background, review of comments received, and the CHS framework
- February 8 at 1:00 PM: reviewed the discussion draft of the Voluntary CHS Early Registration Program



Send us an email with questions, suggestions, or comments any time at climate.strategies@mass.gov

RESOURCES FOR STAKEHOLDERS

MassDEP has updated the [Clean Heat Standard website](#):



*Recently uploaded documents include:

- Heating Fuel Emissions Reporting Draft Regulation

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.

In November 2023, MassDEP released a draft Clean Heat Standard program framework addressing key policy design topics.

DRAFT FRAMEWORK OVERVIEW

Setting the Standards	<ul style="list-style-type: none">Includes separate standards for "full electrification" projects (including a low-income "carve-out"), and annual emission reductions for clean heat.The full electrification standard phases in gradually over time, starting at a level consistent with the current pace of heat pump deployment in Massachusetts.
Regulated Heating Energy Suppliers	<ul style="list-style-type: none">Includes annual requirements for electricity, natural gas, heating oil, and propane suppliers.The electricity supplier obligation starts small but increases over time as more customers electrify.
Credit Generation	<ul style="list-style-type: none">Limits crediting to electrification and liquid biofuels at program startup, with a scheduled 2028 program review to evaluate revising eligibility based on specific criteria.Full electrifications are limited to residences that install electric heat pumps capable of meeting 100% of space heating needs.
Compliance, Flexibility and Revenue	<ul style="list-style-type: none">Includes credit banking, an alternative compliance payment (ACP) option with revenue dedicated to supporting future clean heat projects, and a "just transition fee" on the initial sale of certain credits to support equitable outcomes.

Framework Resources

- Clean Heat Standard (CHS) Draft Framework +
- Presentation: Framework Technical Session Slides +
- MassDEP YouTube: Video of 12/7/2023 Technical Session +

Program Information

- Clean Heat Standard Program Development +
- Background on the Clean Heat Standard +
- Stakeholder Meetings and Input +
- Sign-up for Updates on the Clean Heat Standard +
- Slides & Videos from Past Stakeholder Meetings +
- Heating Fuel Emissions Reporting +

Clean Heat Standard Questions or Comments +

NEXT STEPS

- Currently accepting comments on:
 - Voluntary Early Registration Program Discussion Draft
 - Comment deadline: **February 16**
 - Upcoming meetings: **February 8 at 1 PM and 6 PM**
 - Heating Fuel Emission Reporting Draft Regulation
 - Comment deadline: **February 23**
 - Upcoming hearings: **February 6 at 10 AM and 6 PM**
- Continue holding regular Virtual Community Meetings and Technical Sessions
 - Upcoming meetings: **March 7 at 3 PM and 6 PM**
- Continue updating the CHS FAQ document as needed

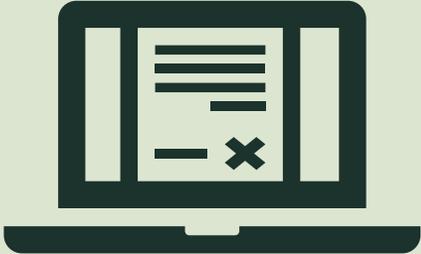


REVIEW OF
CLEAN HEAT STANDARD
VOLUNTARY EARLY
REGISTRATION PROGRAM

OVERVIEW

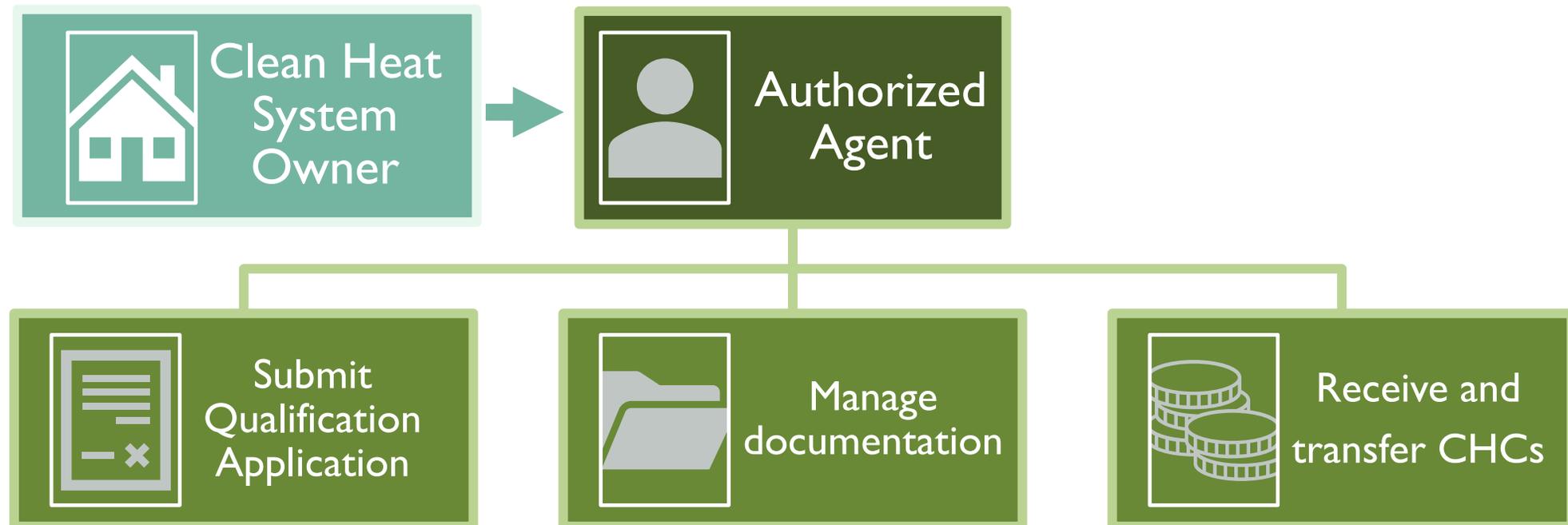
- This CHS Voluntary Early Registration Program is:
 - A discussion draft. It is not a proposed regulation.
 - An “early action” program that sets up full electrification crediting procedures for the CHS
- Participants would register and qualify for full electrification clean heat credits (CHCs) after installing heat pumps as a residence’s primary heating system
- Projects that qualify in this program may receive administrative benefits in generating emission reduction CHCs once a CHS is established

HOW TO PARTICIPATE

1. Install clean heat system	2. Complete application	3. Submit it to MassDEP	4. Qualify for CHCs
			

HOW TO PARTICIPATE

For any clean heat system, **the owner may identify an authorized agent to act on their behalf** by completing a **signed agreement** for the agent to submit through CHETS



I. INSTALL CLEAN HEAT SYSTEM

Eligible heating technologies are **air-source** or **ground-source** (geothermal) **heat pumps** that serve as a **residence's primary heating system**

To participate, clean heat system owners must install eligible equipment AND either:

- Remove** all combustion space heating equipment, or
- Limit use** of remaining combustion equipment to system repair or service

2. COMPLETE APPLICATION

The Clean Heat and Emissions Tracking System will be an **online platform** designed to track credit generation and ownership, as well as complete other key tasks

To apply for CHCs, the owner would submit a **qualification application** through CHETS

The CHS Qualification Application would collect:

Basic project information

Clean Heat System information

Equity status

Proof of installation

Licensed professional information

Other information

Attestation

3. SUBMIT APPLICATION TO MASSDEP

Review of Qualification Application

- After submission, MassDEP would notify the owner electronically whether the application is complete

Issuance of Statement of Qualification

- If eligible, MassDEP would issue a Statement of Qualification, which would state the number of full electrification CHCs generated by the clean heat system

Registration of Clean Heat System

- The clean heat system would be added to the CHETS registry

4. QUALIFY FOR FULL ELECTRIFICATION CHCS

Following registration, MassDEP would allocate full electrification CHCs to the owner

Full electrification CHCs would be created and tracked in CHETS based on the following:

Single residence



One full electrification
CHC

Multiple residences



One full electrification
CHC per unit served

Equity credits



Any eligible CHCs would
receive an equity
designation

For example:

A 10-unit multifamily building served by one clean heat system would receive 10 full electrification CHCs
If three occupants were on low-income electric rates, three of the credits would be equity CHCs

RECAP

- The Voluntary Early Registration Program would register and generate **full electrification CHCs** from installing **heat pumps** as a residence's **primary heating system**
- The **Qualification Application** would include information about the location, equipment, and eligibility of the clean heat system
- After submission through **CHETS**, eligible clean heat systems would receive a **Statement of Qualification** and be **registered** in the clean heat registry in CHETS
- **CHCs** would then be **generated** and assigned to clean heat system owners via CHETS

QUESTIONS FOR STAKEHOLDERS

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- Are there other eligibility requirements that MassDEP should consider for early registration?
 - What types of projects should be ineligible for early registration?
 - Mass Save?
 - Un-weatherized homes?
 - Non-equity projects?
 - How can MassDEP minimize administrative barriers to participation?

GENERAL QUESTIONS AND COMMENTS



MassDEP [CHS web page](#)



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



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

GLOSSARY OF TERMS

VOLUNTARY CHS EARLY REGISTRATION PROGRAM

- **Air Source Heat Pump (ASHP):** An electric heating system that uses compression and evaporation to transfer thermal energy from the ambient outdoor environment to a thermal load.
- **Authorized agent:** An individual that serves under an agreement entered into by each owner of a clean heat system for all dealings with the Department related to the Voluntary Clean Heat Standard Early Registration Program.
- **Clean heat system:** Equipment serving a residence's annual space heating load that meets the eligibility criteria in the Voluntary CHS Early Registration Program.
- **CHC:** Clean Heat Credits or "checks" would be used to count the implementation of clean heat in a uniform manner.
- **CHETS:** An online platform designed to be used to track clean heat credit generation and ownership under a Clean Heat Standard.
- **CHS:** The Clean Heat Standard is a potential future program from MassDEP to reduce GHG emissions from the building sector and increase the implementation of clean heat throughout the state. This strategy was described in the [MA CECP for 2025/2030](#) and the [MA CECP for 2050](#).
- **CHS Draft Framework:** a document outlining key elements of the CHS to support further stakeholder discussion and program refinement.
- **Complementary Programs:** The Department of Energy Resources' Alternative Portfolio Standard, the Mass Save Energy Efficiency Programs, and the Department of Energy Resources Building Benchmarking Program.
- **Electric Distribution Company (EDC):** A company that distributes electricity or owns, operates or controls distribution facilities as defined in [M.G.L. c. 164, § 1](#).
- **End-use customer:** A person or entity in Massachusetts that purchases electrical energy from an electric distribution company.
- **Equity full electrification CHCs:** Full Electrification CHCs that are generated by a clean heat system serving an end-use customer that is eligible for a low-income discounted rate of an electric distribution company.
- **Full electrification:** full displacement of fossil heating with electric heat pumps.
- **Full electrification CHCs:** Electronic records produced and tracked by the Clean Heat and Emissions Tracking System that identify the installation of a qualified clean heat system that meets the full electrification eligibility requirements set forth in the Voluntary Clean Heat Standard Early Registration Program at a location in MA.
- **Ground Source Heat Pump (GSHP):** An electric heating system that uses compression and evaporation to transfer thermal energy from the ambient underground or water environment to a thermal load.
- **Hybrid systems:** heating systems where an electric heat pump is supplemented by a secondary fossil system.
- **Obligated entities:** the parties that must comply with a regulatory program. In the CHS, obligated entities would be electricity, natural gas, propane, and fuel oil suppliers. *The Voluntary Early Registration Program does not include a compliance obligation.*
- **Owner:** Any individual or entity that, alone or in conjunction with others, has legal ownership over the real property upon which a clean heat system is located, including, without limitation, a duly authorized agent of the owner.
- **Residence:** a permanent dwelling unit, including, but not limited to, single-family homes, apartments, condos, duplexes, and triple-deckers.