Clean Heat Panel Sees "Real Burdens" Ahead

Commission Makes Recommendations to Move Away From Fossil Fuels

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NOV. 30, 2022 | A commission that spent the last 11 months studying ways to help the state meet its emissions reduction requirements by shifting to cleaner buildings and addressing heating fuels that contribute to greenhouse gas emissions released its final recommendations Wednesday, but was not able to come to consensus around a timeline for phasing out new fossil fuel heating equipment.

The Commission on Clean Heat's <u>final report</u> recommends that Massachusetts develop and implement a "clean heat standard" that could incentivize cleaner heating technology and promote the electrification of building stock, encourage joint natural gas and electric system planning, and reorganize existing energy efficiency and clean energy transition programs to be more user-friendly for residents, businesses and contractors, among other proposals.

The commission's report attached some urgency to the recommendations. The residential and commercial building sector-specific sublimits established in keeping with the state's 2021 climate law require a 28 percent reduction in emissions by 2025 and a 47 percent reduction by 2030, all compared to the baseline of 1990 emissions. As of 2020, the commission said, emissions for the residential and commercial buildings sector were 18 percent below 1990 levels.

"Given the complexity and diversity of the Massachusetts buildings sector, a reduction of 47% by 2030 represents a dramatic and rapid transition, well beyond anything experienced in the sector to date," the report said. "The Commonwealth anticipates that achieving this reduction will require an additional 500,000 residential homes and roughly 300 million square feet of commercial buildings to utilize energy-efficient electric heating by 2030. In the residential sector, this is estimated to require an average of 20,000-25,000 [electric heat pump] installations a year ahead of 2025, ramping up to 80,000 a year in the latter half of the decade, and over 100,000 per year thereafter. More than 200,000 existing residences will need to undergo building shell upgrades from 2020-2030, scaling up to an additional 1.3 million residences from 2030-2050."

Meeting the state's commitments will also require a "significant reversal" in the split of heating equipment sales between fossil fuel space heating and energy-efficient electric space heating, the commission said. Currently, 75 percent of heating equipment sold is powered by fossil fuels and 25 percent is electric. That needs to flip to 75 percent electric and 25 percent fossil fuels by 2030, the commission said, and electric heating equipment needs to account for nearly 95 percent of sales by 2035.

"We can't burn our way out of this problem," Caitlin Peale Sloan, vice president of Conservation Law Foundation Massachusetts, said. "Burning oil and gas in our homes pollutes our air and worsens the effects of the climate crisis. The commission's report is absolutely correct: we need to start planning now for a cleaner future without gas, whether it's fossil gas or alternative methane gases."

The commission said that it "recognizes that there needs to be a rapid decline in the proportion of new heating equipment powered by fossil fuels," but its members had "strong opinions" on whether Massachusetts should impose a schedule for prohibiting new fossil fuel equipment sales or installations in new construction and existing buildings.

Whether and how to phase out fossil fuel heating in buildings has been a point of contention in recent years as the Legislature and Baker administration have cemented the state's decarbonization targets and begun to put policies into place with an eye towards the net-zero by 2050 commitment. A "demonstration project" in which 10 municipalities will be able to limit the use of fossil fuels in new construction is taking shape and some members of the Commission on Clean Heat want to see how efforts like that play out before committing the state to a specific timeline for phasing out fossil fuel heating.

"I think a lot of us shared a concern that we didn't have enough data, we didn't have enough information to actually say, 'hey, by 2030, by 2040, by 2035, we should phase things out.' I think a lot of very bright people from diverse backgrounds shared that," Charles Uglietto, owner and president of Cubby Oil & Energy and a commission member, told the News Service. "That's a huge stake in the ground. We didn't feel we were capable or qualified to do so without understanding the ramifications economy wide." Instead, the commissioners agreed that an "appropriate next step" is to direct the executive branch to monitor and report on building decarbonization progress against the sector-specific sublimits and to conduct an analysis of "whether the Commonwealth's programs and policies are appropriately equipped to advance necessary progress and/or whether establishing an enforceable schedule for phasing out new fossil fuel equipment in new and existing buildings may be necessary to achieve the required greenhouse gas reductions."

The commission's report also highlighted the many challenges that stand in the way of decarbonization efforts and acknowledged that remaking the building sector to be in line with the state's climate goals "will involve changes that impact stakeholders across the Commonwealth in myriad ways, both positive and negative."

"There will be very real burdens associated with this transition, and the Commission has sought to provide guidance on ways to mitigate and appropriately distribute these burdens as part of our recommendations. Nonetheless, the scale and complexity of the efforts necessary to meet emissions goals will strain the capacities of government actors, the private sector, and the Commonwealth's workforce as they seek to innovate and adapt their programs, business models, and skills in line with the pace of change required."

Uglietto said that he was proud of the commission's work and that he learned a lot from the other members. He said the fact that the commission, which included members from various industries and with various perspectives on climate and energy issues, was able to find consensus around its numerous recommendations shows that the state's own transition is "doable."

"If this group could come together as well as we did and come up with as thorough of a report as I think this is, it's not going to be easy but there certainly is a path forward for the commonwealth," he said.

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